



Vico Homes Limited

(Formally Wakefield and District Housing Limited)
Annual Report and Financial Statements for the year ended 31 March 2025

Community Benefit Society No. 7530



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Financial Highlights – Five Year Summary

For the year ended 31 March	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Social housing stock					
General needs	29,717	29,598	29,420	29,403	29,400
Supported and older people	1,460	1,513	1,571	1,572	1,607
Low-cost home ownership	1,122	1,034	899	769	684
Total social housing stock owned	32,299	32,145	31,890	31,744	31,691
New homes built or acquired	329	422	337	281	262
Statement of comprehensive income					
Total turnover	208,756	194,462	173,319	161,542	153,345
Operating surplus	50,707	33,222	24,643	14,488	18,965
Statement of financial position					
Total fixed assets	997,387	1,113,156	1,055,263	952,748	887,564
Net current assets	9,342	20,670	47,500	59,397	61,939
Total assets less current liabilities	1,006,729	1,133,826	1,102,763	1,012,145	949,503
Loans (due over one year)	(465,785)	(460,297)	(468,533)	(472,878)	(476,405)
Other long-term liabilities	(665)	(832)	(987)	(693)	(498)
Provisions	(211)	(238)	(240)	(477)	-
Pension asset restricted to nil*/(liability)	0*	0*	0*	(41,346)	(102,492)
Total reserves	540,068	672,459	633,003	496,751	370,108
Key ratios					
Operating margin (overall)	24.3%	17.1%	14.2%*	9.0%*	12.4%*
Operating margin (social housing)	24.8%	19.2%	12.9%	8.1%	13.6%
Void and bad debt (rent losses) As a % of income from lettings	2.51%	1.34%	1.59%	1.74%	2.41%
Rent and service charge arrears Current tenant rent arrears as % income less grants from lettings	1.80%	2.22%	3.07%	3.78%	3.03%
Liquidity Current assets as a ratio of current liabilities	1.02	1.40	2.11	2.62	3.09
Debt per Unit £'s	12,684	12,372	12,543	12,601	12,622
Cost per Unit £'s (RSH VFM metric 5)	£4,309	£4,058	£4,103	£3,820	£3,162

* Pension valuation returned a net asset position, asset reflected at nil due as under FRS102 restriction, pension assets should not be recognised unless they lead to lower employer contributions or a refund.

Vico Homes Limited Board Members, Directors, Advisors and Bankers

Board Members



Andrew McConnell
Chair



Elizabeth Cook
Senior Independent
Director



Ajman Ali



Stephen Davis



Michael Graham



Suzan Harrington



Shendi Keshet



Clare King



Michael Longfellow



Gareth Mann-Tighe



Antony Nelson

Movements during the year:

None.

Vico Homes Limited Board Members, Directors, Advisors and Bankers (continued)

Directors



Martyn Shaw
Chief Executive



Sarah Roxby
Executive Director of
Customers and Communities



Sue Young
Executive Director of Homes
and Growth



Tracy Tallant
Strategic Director of People
and Culture



Neil Warren
Executive Director of
Resources

Secretary

Neil Warren

Movements in year:

Martyn Shaw appointed as Chief Executive 1 January 2025

Andrew Wallhead retired from Chief Executive 31 December 2024

Tracy Tallant will retire from Strategic Director of People and Culture 30 September 2025

Sarah Cooper was appointed as Strategic Director of People and Culture 1 September 2025

Vico Homes Limited Board Members, Directors, Advisors and Bankers (continued)

Registered office	Merefield House Whistler Drive Castleford West Yorkshire WF10 5HX
Registered number	Registered as a charitable Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014, Number 7530 Registered by the Regulator of Social Housing, Number L4441
Auditors	BDO LLP Eden Building Irwell Street Salford Manchester M3 5EN
Internal Auditors	Beever and Struthers LLP One Express 1 George Leigh Street Manchester M4 5DL
Solicitors	Trowers and Hamlins 55 Princess Street Manchester M2 4EW
Bankers	NatWest 56 Westgate Wakefield West Yorkshire WF1 1XF

A welcome from our Chair

On behalf of the Board, I am delighted to introduce our 2025 Annual Report and Financial Statements.

I have had the pleasure of being a member of the Board since 2020 and I was honoured to be appointed Chair, in July 2023.

Our customers and communities have always been and will continue to be at the heart of everything we do. During the last year, we have continued to deliver a range of services to support our customers in their homes and lives.

As a Board, the safety, quality and energy efficiency of our homes remains high on our agenda. We have continued to improve our existing homes and deliver more new homes to offer better places to live in the places people want to live. During 2024/2025 we invested £105 million in doing so.

We have continued to invest in energy efficiency improvements to our homes to improve them to EPC Band C or better and further reduced our carbon emissions, moving towards our future ambition for net zero carbon operations.

Our relationships with partners continue to be strong and it's only with their great support and working together, that we can offer a range of services, to support our customers and have a positive impact on their lives.

We are passionate about customer feedback and making sure that everyone has the opportunity to have their say.

We continue to deliver what residents want and maintain high standards of tenant satisfaction, as measured through the new Tenant Satisfaction Measures (TSMs).

As we move forward under our new brand, Vico Homes, I and the Board look forward to continuing to work with our customers, colleagues and partners to support more people in more places, building better futures and vibrant communities.



Andrew McConnell OBE
Chair

Chief Executive's Message

I am pleased to report on another successful year, as we continue to deliver high quality, value for money services to our customers and communities.

We continue to strive to improve the customer experience and satisfaction with the services we provide, and this year has been no different.

We have delivered our investment programme to improve the quality and safety of existing homes and neighbourhoods, progress our ambitions to deliver more new homes, and work with partners to improve areas through regeneration.

During 2024/2025, we delivered 329 new homes, investing £73 million, and a further £32 million improving homes through our investment programme.

The results of our most recent Tenant Survey, show customer satisfaction with our services remains high. We are proud that the majority of our results place us as one of the top performing when compared with housing sector Housemark benchmarking.

Our governance and financial viability remain strong. In November 2024 we celebrated our updated G1/V1 regulatory grading.

This is the highest grading possible, and one held by only 36% of housing associations across the country.

We expect to have our first inspection against the new Consumer Standards in 2026. Our ambition is to achieve C1.

Over the past 20 years as Vico Homes, formally WDH, we have grown and we now provide homes across the north of England. We are proud of the things we have achieved, our growth and ability to respond and adapt to changing environments.

Building on these great foundations, our new brand, Vico Homes, is a positive step aimed at opening more doors to partnerships, helping us to grow, invest and support more people in more places, and bringing more homes and improved services to our customers, wherever they live.

I am confident that with the support and involvement of our customers and partners, we will continue to achieve success together, building better futures and vibrant communities.



Martyn Shaw
Chief Executive

Strategic report

Our Vision

‘Better futures, vibrant communities’ where all our homes are foundations for better futures, helping to shape and support more vibrant communities where people feel they belong.

Vico Homes Limited is a charitable Community Benefit Society (CBS) registered under the Co-operative and Community Benefit Societies Act 2014 and is an exempt charity.

Established in 2005 as Wakefield and District Housing (WDH), we rebranded and changed our name and became Vico Homes on 31 March 2025. We own and manage over 32,000 homes across the north of England.

From high rise apartments to bungalows, family homes to independent living schemes and brand-new developments, we aim to provide homes that fit the needs of customers, whatever stage they’re at.

For 20 years we have focused on our customers and our communities and over that time we’ve grown and built strong foundations to make sure our customers are supported and get the support, service and homes they deserve.

Following a comprehensive review, our Board agreed our new strategy ‘Our plans for the future’ to 2028. This builds on the strong foundations of WDH and sets ambitious goals to be taken forward as Vico Homes.

Our priority when it comes to our business foundations is to maintain our G1, V1 and achieve a C1 rating from the Regulator of Social Housing.



Strategic report (continued)

Principal Risks, Uncertainties and Opportunities

Risk management

We have an embedded Risk Management Framework and conduct our business in a prudent manner which safeguards our assets through the effective management of risk.

Risk appetite and register

The Group Board agrees the Risk Appetite Statement on an annual basis. This defines the Board's risk appetite for the main areas of risk to the business. It also includes key risk indicators which are monitored by the Audit, Risk and Assurance Committee and reported to each Board on an exception basis.

The indicators include Financial Golden Rules which are agreed by the Board as part of the annual business planning process.

The risk register is owned by the Group Board and risk is a standing item at every Board meeting. It is routinely scrutinised by the Vico Executive Team and by the Audit, Risk and Assurance Committee on behalf of the Board. The reports identify assurance using the Three Lines Model, and each Audit, Risk and Assurance Committee meeting includes a deep dive into one of the key risks and the associated assurance.

Key risks	
Consumer Regulation	Accessible and diverse services
Asset management	Growth ambitions
Landlords' health and safety compliance	Health and safety of employees and stakeholders
An effective strategic planning and business planning framework	Leadership and governance
Data quality, security and compliance	

Strategic report (continued)

Key risk and main drivers	How the Board gets assurance
Consumer Regulation Ensuring systems and processes are in place to achieve and demonstrate compliance with the revised regulatory framework.	Gap analysis performed against the new Consumer Standards and actions plans to deliver identified improvements presented to the Governance and People Committee in May 2024. Annual self-assessments against the consumer standards reported to the relevant committees of the Board. Mock inspection taking place in May 2025 and to be reported to the Board.
Accessible and diverse services Failure to provide accessible and diverse services that value difference.	Board approved Equality, Diversity and Inclusion Policy (EDI), and EDI Annual Report. Governance and People Committee scrutiny of progress against delivery of equality and diversity activity and action plan progress, and oversight of work programmes to improve data on customer demographics and accessibility needs. Customer Committee approved Resident Involvement and Scrutiny Policy, and approval of annual Customer Insight and Scrutiny Programme, with quarterly updates on delivery progress. Customer Committee and Board oversight of customer feedback through resident engagement and involvement activity, Tenant Satisfaction Survey results, and Customer Panel and Scrutiny Panel activity.
Asset management Ensuring our homes are well maintained, fully compliant and safe and meet our needs going into the future, balancing investment needs of existing stock, new development and acquisitions, and climate change goals.	Board approved Asset Management Strategic Plan and Reinvestment Programme, which uses independent stock condition surveys of investment needs. The Capital Programme is aligned to the above and is approved by the Board each year. The Board and Property Investment Committee receive performance updates on how well we are managing property compliance and delivering our reinvestment programme.
Growth ambitions Ensuring an appropriate pipeline of properties to meet the ambitions of the Development Programme. External economic and construction industry factors impacting cost and delivery of the programme and exposure in relation to shared ownership properties.	Board approved New Build and Investment Plan and Investment Policy, and Land and Property Acquisition Policy. Property Investment Committee oversight of the Development Programme. All new development proposals require completion of a financial appraisal which must meet Board approved parameters to ensure viability of schemes.

Key risk and main drivers	How the Board gets assurance
Landlords' health and safety compliance Ensuring fire safety within multi-storey blocks and independent living schemes. Gas and electrical compliance; legionella and asbestos safety; and safety of lifts. Ensuring homes are free from systemic issues giving rise to damp, mould and condensation (DMC).	The Compliance Team oversees and reports on property compliance to Strategic Compliance Group and Property Investment Committee, with performance information reported to the management team and Board. Key controls include: • Board approved High-Rise Building Safety programme with the Board kept up to date on progress. • Annual gas servicing and electrical testing programmes. • Robust fire risk assessment process. • Processes for the management of asbestos and water safety risks. • Inspection and servicing of passenger lifts. DMC process in place. DMC Group in place with oversight on DMC cases and action taken reported to Strategic Compliance Group and Property Investment Committee. Annual Landlords' Health and Safety Compliance Report to Board.
Health and safety – employees and stakeholders Ensuring the health and safety of employees and our stakeholders.	Our central Health and Safety Team report to the Health and Safety Management Group, who, together with the Board, Governance and People Committee and Audit, Risk and Assurance Committee, receive a range of KPIs and Risk Indicators which monitor performance against the Board's Risk Appetite by exception. Annual Landlords' Health and Safety Compliance Report to Board.
An effective strategic planning and business planning framework Ensuring a clear and appropriately funded business strategy is vital to deliver the competing priorities associated with providing safe, energy efficient homes, and delivery of new homes.	Our V1 grading was confirmed by the Regulator of Social Housing (RSH) in January 2025. The Board approves our Business Strategy and the Board and its committees are provided with oversight of performance against supporting delivery plans. 'Our plans for the future to 2028' strategy, was approved by the Board in November 2024 and its committees approved supporting delivery plans for Customer Experience, Future Homes and Colleague Experience in May 2025. The Board oversee the annual review of the Business Plan and the scenarios used for stress testing. The Vico Executive Team, Audit, Risk and Assurance Committee and Board receive performance and Risk Indicator updates which include performance against our Financial Golden Rules.

Key risk and main drivers	How the Board gets assurance
Leadership and governance Effectiveness of our governance arrangements and internal control framework. Compliance against regulatory standards and chosen code of governance.	Annual review against the National Housing Federation (NHF) Code of Governance reported to the Governance and People Committee and Board. Board Performance Management Framework, including Board appraisal procedure and improvement plan; succession planning and recruitment and selection policy. Vico Executive Team leadership training and away d3ays. Performance management framework, including annual appraisals and quarterly reviews. Succession planning, induction and development plans.
Data quality, security and compliance Having comprehensive, accurate data and an appropriate data culture. Arrangements to raise awareness and guard against cyber-related risks and data loss. Accuracy and accessibility of data and compliance with GDPR.	Data Strategy approved by the Governance and People Committee. An approved Information Governance Framework is in place and implementation and compliance with GDPR are overseen by the Information and Governance Team. Operational risks are overseen by the Information Governance Group. The Information Security Policy, with 24/7 Security Operations Centre monitoring and continual scanning for new vulnerabilities. A Digital Strategy sets out the approach for cyber security and resilience, with progress updates reported to the Board and Governance and People Committee. Critical systems and data are hosted externally by specialist third-party, over multiple sites. A Cyber Security Review was undertaken by a specialist third party in February 2025.

Strategic report (continued)

Additional risk considerations

High rise properties -

Number of high risk blocks over 18 meters	No of units	Proportion of stock
12	717	2.2%

No of buildings and units with	
Aluminium Composite Materials (ACM)	External Wall Systems (EWS) requiring remediation work
0	5 buildings 216 units

Our high rise blocks do not have any materials of the same type of cladding as that used in Grenfell Tower, Aluminium Composite Materials (ACM). Surveys have been carried out on all high-rise properties which have a rendered finish. These have concluded that there are no ACM or plastic-coated claddings.

The external wall system (EWS) at Low Cross Court is 'Structherm' external wall insulation. Four blocks at Kirkgate; Manor House, Warren House, Trinity House and Tudor House, have 'Alumasc' EWS that have now been assessed as meeting the requirements at the time of installation, but do not meet current requirements.

Vico Homes has approved works to remove EWS and phase 2 has started, and this work has continued during 2024/2025 and is forecast to be completed by 2026/2027.

We have not experienced any significant adverse impact on demand and these units will continue to be let. The high-rise blocks are not secured against any of the organisation's loan facilities and the blocks were impaired to a Nil carrying value in 2020/2021; this has not caused any deterioration in covenant compliance.

Inflation - High inflation impacted the UK through 2023/2024, however, this fell back during 2024/2025. However, it is still not back to the Bank of England (BOE) long term target of 2%. To mitigate these pressures Vico Homes has a pay settlement in place for 2025/2026, additionally cost pressures on material and service supplies are being experienced. However, the New Build and Reinvestment Programmes, as approved by Board for 2025/2026, are forecast to be fully delivered within budget during the next financial year.

Rising costs of living and customer income - Customers' ability to remain in employment, cost of living pressures linked to substantial increase in energy and food costs remain serious risks. Although no immediate deterioration in current performance has been experienced, there could be further adverse pressures and impacts on Vico Homes and for the housing sector generally.

Strategic report (continued)

Financial liabilities - The risks associated with bank borrowings are considered significant risks for the business. This is because the homes that are developed by Vico Homes are financed through these bank borrowings.

External advice on treasury management is provided to the Board and the Treasury Management Strategy is reviewed and updated to Board twice a year.

Financial Risk Management

The Board retains responsibility for determining policy and strategic oversight of the organisation's treasury risks and receives independent advice on treasury policy.

The Board uses various financial instruments to fund operations, including secured loans and cash balances. The existence of these financial instruments exposes the Association to a number of key financial risks against which prudent scenario planning and stress testing is adopted.

The Group and Association has exposure to the following risks arising from financial instruments:

Liquidity risk - Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Association mitigates this financial risk by ensuring sufficient cash and loan capacity are available to meet the foreseeable needs, and that invested cash assets are secure and readily available.

The liquidity risk is managed based on expected maturity dates of the financial liabilities.

SONIA (Sterling Overnight Index Average) –

Vico Homes has agreed loans-based SONIA plus the margin and a credit adjustment spread.

Interest rate risk - Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest-bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest-bearing investments will fluctuate because of fluctuations in the interest rates.

The Association does perform hedging against risks from movements in variable interest rates on certain loans.

Operations and investment in new build developments are financed through a mixture of operational cash flows, retained surpluses and bank borrowings. Exposure to interest fluctuations on borrowings is managed using both fixed and variable rate instruments to ensure that the Association is protected against potential adverse movements in the markets.

Strategic report (continued)

Exposure to interest rate risk - The interest rate profile of the Association's interest-bearing financial instruments is summarised below. Further information is provided at notes 25, 31 and 32.

Loans at 31 March 2025	At Book Value	At Fair Value
Fixed rate instruments	£'m	£'m
Financial liabilities		
Bank loans	372.2	436.8
Variable rate instruments		
Financial liabilities		
Bank loans	37.5	37.7
Total	409.7	47

Cash flow sensitivity analysis - A reasonably possible change of 100 basis points (1%) in interest rates at the reporting date would have increased / (decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

Loans at 31 March 2025	At Book Value	At Fair Value
Variable rate instruments	£'m	£'m
Cash flow sensitivity		
100 bp increase	(0.375)	(0.377)
100 bp decrease	0.375	0.377

Credit risk - The Group's principal credit risk relates to customer arrears. Universal Credit and welfare reforms compound this risk. This risk is mitigated through a number of financial inclusion measures delivered by Vico Homes, such as Cash wise and the Income Management Team, which aim to ensure tenancies are sustainable.

Arrears have remained stable throughout 2024/2025 and cash collection rates have remained high. Vico Homes remains confident arrears and the ability to collect rents remains high, as demonstrated in the table below and further at page 31.

Demand for social housing remains strong. Rent and debt collection rates remain high, with current rent arrears from customers as a percentage of letting income remaining low at 2.5%, (2024: 2.2%) and rent losses due to voids and bad debts percentage of income from lettings was 1.8% (2024: 1.3%). The rent increase applied during 2024/2025 was 7%.

	2024/ 2025 Result	2023/ 2024 Result	2022/ 2023 Result
Percentage of Debit	2.5%	2.2%	3.1%
Total Arrears	£6.3m	£5.5m	£6.4m

Strategic report (continued)

Financial Review and Performance

The financial position of the Group remains robust. The operating surplus for 2024/2025 has increased to £50.7m (2024: £33.2m), as result of increased income and stable operating costs.

An operating surplus of £1.6m was generated from Bridge Homes (Yorkshire) LLP, the Group surplus for the year after financing costs tax was £45.1m (2024: £20.6m).

The Group Statement of Financial Position shows increased asset balances and slight increases in liabilities due to increased loan borrowings to fund new build ambitions, the financial position remaining strong with marginally reduced gearing and strong liquidity.

The organisation continues to invest in new and existing homes and strong cash balances remain sufficient to fund future investment.

Summary of Statement of Comprehensive Income

The Group's Consolidated Statement of Comprehensive Income is presented on page 48 and supporting notes can be found at pages 55 to 113. The following provides a summary:

For the year ended 31 March	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Total turnover	208,756	194,462	173,319	161,542	153,345
<i>Of which: income from lettings</i>	<i>188,598</i>	<i>176,657</i>	<i>161,386</i>	<i>144,378</i>	<i>141,769</i>
Operating Costs	(162,574)	(161,173)	(153,467)	(151,595)	(130,852)
<i>Of which: operating costs from lettings</i>	<i>(141,493)</i>	<i>(141,975)</i>	<i>(140,566)</i>	<i>(132,656)</i>	<i>(122,457)</i>
Impairment loss	(253)	0	(230)	(65)	(3,761)
Surplus on sale of property	2,455	1,113	4,591	4,206	1,233
Fair value movement on investment property	2,070	(1,180)	200	400	(1,000)
Operating surplus	50,707	33,222*	24,643*	14,488*	18,965*
Share of operating surplus / (loss) in joint venture	1,594	873	(762)	271	792
Net interest payable	(14,147)	(13,212)	(16,477)	(15,969)	(14,868)
Exceptional finance credit / Hedge	-	-	-	-	15,048
Inception of fair valued financial instrument	7,456	-	-	-	-
Surplus / (loss) for the year after tax	45,138	20,647	7,345	(1,312)	19,726
Other comprehensive (loss) / income	(177,529)	18,809	128,908	127,955	55,532
Total comprehensive (loss) / income	(132,391)	39,456	136,253	126,643	75,258
Operating margin (overall)	24.3%	17.1%	14.2%	9.0%	12.4%
Operating margin (social housing)	24.8%	19.2%	12.9%	8.1%	13.6%
EBITDA interest cover (RSH VFM Metric 4)	263.0%	214.3%	123.6%	130.8%	260.6%

Strategic report (continued)

Group turnover at £208.8m (2024: £194.5m) has increased by 7.4%, due to an increase in income from social housing lettings, £188.6m (2024: £176.7m), and an increase in other activities, to £20.2m (2024: £17.8m).

Group operating costs at £162.6m remain relatively static (2024: £161.2m), at 77.9% of turnover (2024: 82.9%).

Income from social housing lettings increased to £188.6m (2024: £176.7m) as a result of annual rent increase and additional new build units. Income from other social and non social housing increased £20.2m (2024: £14.8m) due to an increase in first tranche sales.

Operating expenditure on social housing lettings remained flat at £141.7m (2024: £142.3m), management cost increased to £49.6m (2024: £44.7m) due to pay settlement and increases in overheads costs, expenditure on routine and planned maintenance of £31.6m (2024: £30m), Major repairs £14m (2024: £21.5m) service charge costs of £8.4m (2024: £9m) depreciation charges of £34.6m (2024: £36.4m). The actuarial pension adjustment at £2.1m (2024: £0.8m).

This resulted in an operating surplus from social housing lettings of £46.9m (2024: £33.9m) and a social housing operating margin of 24.8% (2024: 19.2%).

These factors resulted in an overall group operating surplus of £50.7m increased on the prior year (2024: £33.2m) and an overall operating margin of 24.3% (2024: 17.1%). The overall group surplus being £37.7m (2024: £20.6m).

Other comprehensive income at (£171.6m) has been reflected (2024: £18.8m) representing an unrealised deficit on revaluation of housing properties of (£181.1m) (2024: £18.1m), the housing properties valuation has reduced due to the valuation for 2024/2025 reflecting the revised stock condition survey from 2025 (previous survey was from 2020) which has additional day to day and reinvestment repairs expenditure to meet, damp mould and condensation, EPC C, inflationary cost pressures and long term reinvestment in the housing stock. Movement in fair value of financial instruments £7.1m (2024: Nil) and an actuarial gain in respect of the pension scheme of £2m (2024: £0.66m). The pension fund is in a net asset position, a zero position is reflected in the Financial Statements due to reporting under FRS102 and restricting the surplus.

Strong, positive operational cashflows continue and reflect the underlying operating strength of the organisation; net cash inflows from operating activities remain positive at £76.7m (2024: £55.8m).

Vico Homes completed refinancing during 2024/2025 which increased its facility by £120m to £558m (2024: £438m). This increase available funding to £145m (2024: £40m).

The carrying value of the drawn loan portfolio increased to £409.7m (2024: £397.7m).

The closing liquidity position at 31 March 2025 is £43.5m of cash (2024: £59m) and undrawn loan financing £145m (2024: £40m) is sufficient funding to deliver the Business Plan approved investment in new homes supply during 2025/2026 and all liquidity needs of the organisation during 2025/2026 and beyond.

Strategic report (continued)

Summary of Statement of Financial Position

The Group's Consolidated Statement of Financial Position is presented on page 53 and supporting notes can be found at pages 55-113. The following provides a summary:

For the year ended 31 March	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Tangible fixed assets – housing properties	965,550	1,078,523	1,016,082	913,647	847,163
Tangible and Intangible fixed assets – other	16,661	15,480	19,873	20,029	21,989
Investment properties	10,460	9,000	10,200	10,000	9,600
Homebuy loans	82	82	88	114	129
Investment in joint venture	-	6,345	5,472	5,484	5,213
Liquidity Reserve Fund	4,634	3,726	3,548	3,474	3,470
Total fixed assets	997,387	1,113,156	1,055,263	952,748	887,564
Net current assets	9,342	20,670	47,500	59,397	61,939
Total assets	1,006,729	1,133,826	1,102,763	1,012,145	949,503
Loans (due over one year)	(466,450)	(461,129)	(468,533)	(472,878)	(476,405)
Other long-term liabilities	(211)	(238)	(1,227)	(1,170)	(498)
Pension (liability) / asset	0	0	0	(41,346)	(102,492)
Total reserves	540,068	672,459	633,003	496,751	370,108
Debt per Unit £'s	12,684	12,372	12,543	12,601	12,622
Liquidity (current assets as a ratio of current liabilities)	1.02	1.40	2.11	2.62	3.09
Gearing (RSH VFM metric 3)	37.9%	38.7%	32.0%	34.2%	37.6%

*The Pension valuation returned a net asset position from 2023 onwards, asset reflected at nil due the asset being restricted under FRS102, a pension asset should not be recognised unless it leads to lower employer contributions or a refund.

Strategic report (continued)

The carrying value of fixed assets was £1bn (2024: £1.1bn), with housing properties valued at £965m (2024: £1.08bn) using Existing Use Value for Social Housing (EUV-SH), reflecting the strategy to increase investment in new build development and the continued delivery of the stock condition works.

The value of the housing properties has decreased in year due to a reduction in the value of EUV-SH value of the general needs social housing stock, which reflects the increased investment in major repairs from the revised stock condition survey in 2025. All other tenure types increased in value.

The investment in the Joint Venture, Bridge Homes (Yorkshire) LLP, increased to £7.9m (2024: £6.4m), reflecting Vico Homes' share of the annual profit.

The liquidity reserve fund holds 12 months of ring-fenced interest payments in advance and forms part of the terms and conditions of the bLEND and AHGS loans.

Total assets less current liabilities have increased to £1bn (2024: £1.13bn), reflective of the reduction in the value of net current assets reduced to £9.3m (2024: £20.6m) reflecting the reduction in cash which has been utilised to fund new build development.

Liquidity remains strong and is maintained at minimal cost through strong operational cash inflows and an appropriate mix of fixed and variable borrowings, due to continued strong cash collection rates.

The cash position decreased at 31 March 2025 to £43m (2024: £59m), this reduction funded the new build investment the cash balance will be used to fund the

New Build Programme throughout 2025/2026 and will continue to reduce.

As at March 2025, Vico Homes had existing fixed and floating rate debt, at £352.5m and £57.2m respectively, with interest rates ranging from SONIA 2.2% to 7.04%, which creates sufficient hedging against interest rate increases. No breaches of the covenants occurred during the year or are anticipated in the future.

Outstanding loan balances of £409.7m, excluding Fair Value adjustment (2024: £398m) offset by a small increase in the number of social housing units to 32,299 (2024: 32,145 units) resulted in a debt per unit of £12,684 (2024: £12,372).

The available loan facility as at March 2025 was £554.7m (2024: £438m) with £145m undrawn. Additional Loan facilities of £160m have been secured during 2024/2025.

Vico Homes is a member of the West Yorkshire Pension Fund (WYPF) and records a net pension asset of £161.5m (2024: £102.1m), which has been restricted to zero in the Financial Statements to reflect that the benefit won't be released to the statements through reductions in future contributions. The position of the pension scheme has improved due to increases in the value of scheme assets of £410m (2024: £394.6m), and a reduction in the scheme liabilities of £248.5m (2024: £292.5m).

There has been a change to the financial assumptions over the period, with the discount rate increasing by 1% to 5.8%, all other assumptions have remained in line with the prior year.

Strategic report (continued)

The liability arising from the McCloud judgement has been accounted for in previous years and no additional adjustment for past service cost is required. The method used by the fund and reflected in the valuation is closely aligned with the method proposed in the consultation issued in July 2020.

Guaranteed Minimum Pension; the fund has made an approximate allowance for the first Lloyds ruling and no allowance has been made for the second ruling as liability has yet to be acknowledged by the Government nor an approach to rectify this. Full details of the pension are included in Note 9 of the Financial Statements.

Total reserves have decreased to £540m (2024: £672m) reflecting reduction in the revaluation reserve to £219.5m, (2024: £410.7m) due to decreases in the carrying values of assets at EUV-SH and increases in the income and expenditure reserve reflecting surplus for the year £319m (2024: £261.8m) and cashflow hedge reserve £1.6m (2024: Nil).

Strategic report (continued)

Securing Value for Money (VFM)

Value for money is embedded in the delivery of the Business Strategy priorities.

Performance is measured against VFM Metrics determined by the Regulator of Social Housing (RSH) and our own internal measures agreed by the Board.

Performance comparison is included against sector performance based on Housemark peer group data against the latest available datasets where applicable.

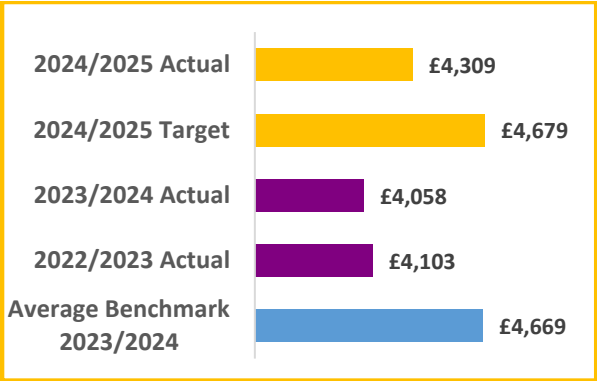
Over the past 12 months, as we delivered against the final year of our priorities set out in our 2025 Business Strategy. We continued to make a significant investment in the supply of new homes, existing homes, customer support and deliver increased VFM.

This emphasis will continue as we progress delivery of our new Business Strategy to 2028, agreed by the Board.

Performance against the RSH VFM Metrics

Economy

Headline Social Housing Cost (RSH VFM metric 5)



At £4,309 the headline social housing cost per unit, was below the budget target of £4,679.

Underlying management costs excluding the actuarial pension adjustment at £49.5m (2024: £44.5m) and capitalised major repairs £31.9m (2024: £23.34) were both lower than budgeted expectations and have led to the underspend against the 2024/2025 target.

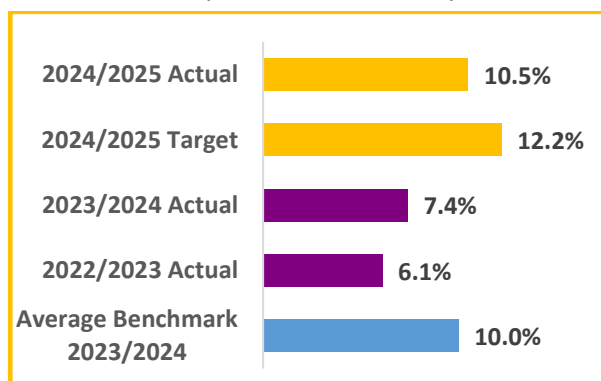
Effective management of budgets and a rigorous approach to procurement ensures a constant drive for improved VFM across all services and enables the provision of excellent services.

A target of £4,921 has been set for 2025/2026, in line with the Business Plan, reflecting the Board’s ambition to maintain its stock at the highest standard and deliver positive social outcomes.

Strategic report (continued)

Efficiency

Reinvestment (RSH VFM Metric 1)

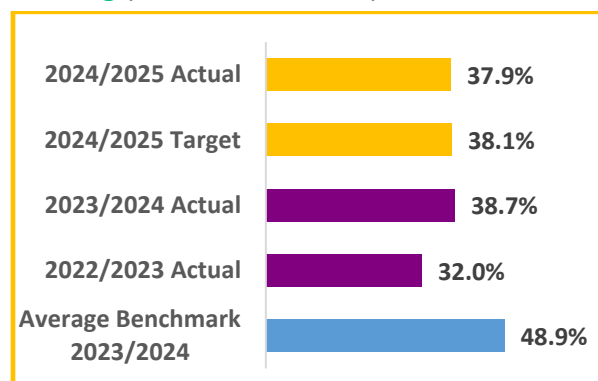


Reinvestment in new and existing homes as a percentage of the total value of our housing assets increased to 10.5% from 7.4% in 2023/2024.

This reflects investment of £72.8m in the development of new homes, increasing from £67.6m in 2023/2024, and £32m of capital reinvestment in our existing homes, which increased from £21.3m in 2023/2024.

A target of 14% has been set for 2025/2026, in line with plans to continue to invest in more new homes with planned investment to develop 512 new homes in 2025/2026 and increased investment in our existing homes.

Gearing (RSH VFM Metric 3)



Gearing increased to 37.9% from 31.4% in 2023/2024 because of a decrease in cash £43m, (2024: £59m) and a reduction in the housing valuation £966m (2024: £1,079m). The value of drawn loans has increased slightly, at £410m (2024: £398m).

Cash reserves are being utilised to fund new build investment and to minimise loan drawdown the organisation will utilise its remaining reserves throughout 2025/2026

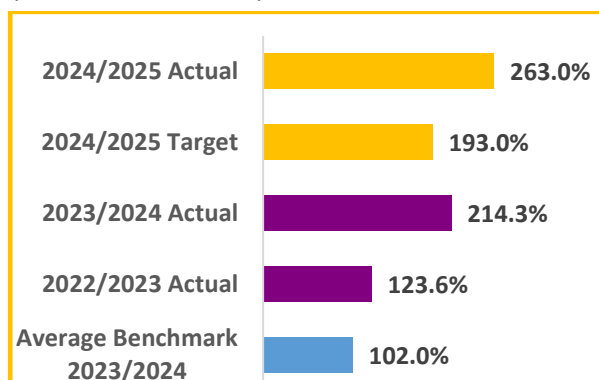
Drawdowns of £85m are forecast to the end of 2025/2026 which will be from existing facilities.

A target of 44.6% has been set for 2025/2026 based on the historical cost of properties.

Strategic report (continued)

EBITDA MRI interest cover

(RSH VFM Metric 4)



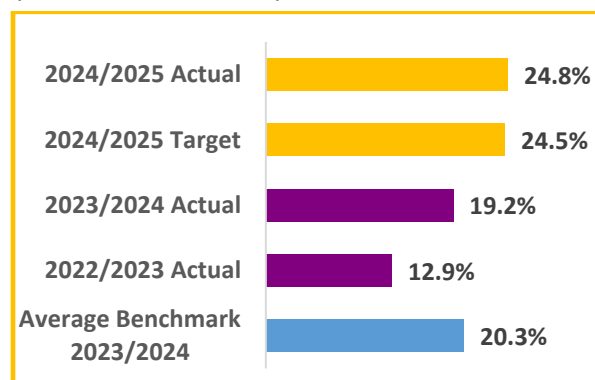
EBITDA interest cover increased to 263% from 2023/2024 at 214.3%, exceeding target expectations.

Improved performance was because of an increase in the overall operating surplus, offset by increased capitalised major repairs spend and government grants taken to income, which is deducted from the surplus to calculate the interest cover.

A target of >100% has been set for 2025/2026, in line with expectations relating to overall operating surplus and operating costs driven by increased reinvestment expenditure.

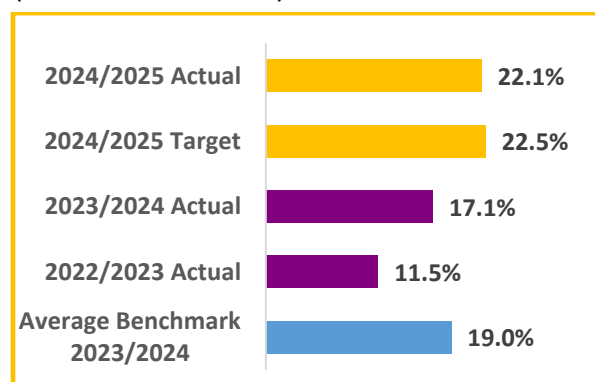
Operating Margin Social Housing

(RSH VFM Metric 6a)



Operating Margin Overall

(RSH VFM Metric 6b)



The operating margin from social housing lettings increased to 24.8% from 19.2% in 2023/2024. This reflects increases in income from lettings and government grants while operating expenses remained flat £141.7m (2024 £142.8m), this was due to a reduction in revenue expenditure on major repairs.

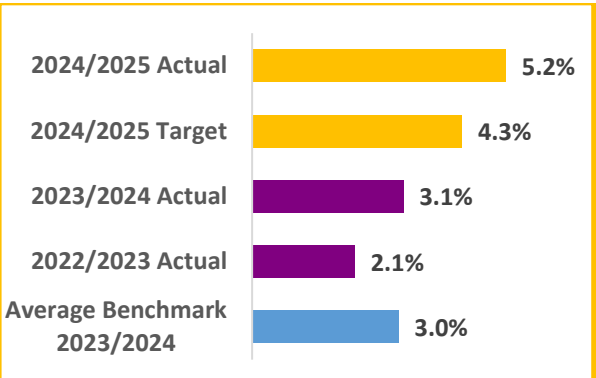
The overall operating margin, excluding the surplus from the disposal of fixed assets and the fair value of investment properties, was 22.1% increasing from (2024 17.1%).

An operating margin target of 28.3% has been set for 2025/2026. This excludes FRS102 actuarial pension charges.

Strategic report (continued)

Return on Capital Employed

(RSH VFM Metric 7)



The return on capital employed, generated from core housing assets increased to 5.2% from (2024 3.1%).

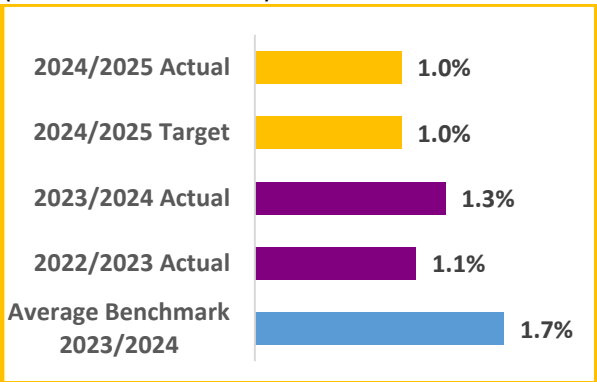
Improved performance from 2024, was due to an increased operating surplus, primarily because of increased rental income. Our total asset base was £1,007m at March 2025.

A target of 4.8% has been set for 2026 reflecting ongoing Reinvestment and New Build Programmes.

Effectiveness

% New supply delivered - social housing

(RSH VFM Metric 2a)



New social housing supply was 1% because of a decrease in delivery of units to 329 from 442 units in 2023/2024.

Overall units owned has increased marginally to 32,299 units from 32,145 impacted by Right to Buy and Right to Acquire sales and demolitions.

% New supply delivered – non-social housing (RSH VFM Metric 2b) was nil during the period and previous years.

A target of 1.6% has been set for 2026 based on the delivery of 512 new units, in line with the Business Plan.

Strategic report (continued)

Performance against our own VFM metrics

In February 2024 the Board agreed an updated Business Strategy for the year ahead to 2025, setting out more detailed delivery plans and key targets against our 2025 milestone priorities. The following pages provide an overview of our performance.

Customer excellence

We are focussed on providing high quality, value for money services that meet the needs of our customers.

Our Tenant Survey showed overall satisfaction increased to 84.6% (2023/2024: 82.8%). Satisfaction with value for money of rent increased to 85% (2023/2024: 82.9%).

During the year, we continued to invest in improvements to enhance the customer experience and our digital customer contact offer; this included an updated website and a new complaint handling system.

The average number of days to complete repairs reduced to 5.7 days (2023/2024: 9.1 days) performing better than target and 95.2% of repairs were completed at the first visit. Satisfaction with repairs and maintenance increased slightly to 87% (2023/2024: 86.6%).

The average cost of a responsive repair at £592 increased slightly but was within budget.

Metric	2024 /2025 Result	Position against target	2024/ 2025 Target	2023/ 2024 Result	2022/ 2023 Result	2023/2024 performance benchmark comparison **			
						Upper	Median	Lower	Our Quartile
Satisfaction with the overall service provided (%)*	84.6%	Met	>/= 82.8%	82.8%	82.4%	81.6%	78.1%	67.8%	Upper
Satisfaction with the overall repairs service (%)*	87.0%	Met	>/= 86.6%	86.6%	86.2%	81.7%	75.3%	63%	Upper

Metric	2024/ 2025 Result	Position against target	2024/ 2025 Target	2023/ 2024 Result	2022/ 2023 Result	2023/2024 performance benchmark comparison**			
						Upper	Median	Lower	Our Quartile
Average number of calendar days to complete repairs	5.7	Met	8.5	9.1	8.6	11.89	15.1	20.0	Upper
Repairs completed at first visit (%)	95.2%	Met	95%	94.7%	95%	95.1%	90.0%	87.3%	Median
Average cost of a responsive repair per property (£)	£592	Met	£617	£542	£561	£556	£589	£687	Upper
Satisfaction with value for money of rent (%)	85%	Met	>/= 83.3%	83.3%	80.8%	Not compared			

*RSH TSM data based on low cost rental accommodation (LCRA) only

** Benchmarks based on Housemark Peer Group Benchmarking data

Strategic report (continued)

Health, wellbeing, and support

We continue to work with a range of partners to provide financial support and our offer of integrated health, wellbeing and care services, to help our tenants and customers to maintain their wellbeing and successful tenancies.

Investment has been increased in these areas in recent years to reduce the impact of welfare reform and the economic pressures being faced across our communities.

We deliver a range of services to support our customers, such as our Cash Wise money advice service, Community Employment Advisors, Training for Employment

Programme, Foundation Grants to help people get into training or work, and mental health and wellbeing support and housing adaptations.

Waiting times for support from our Cash Wise support was maintained at seven working days, meeting intended targets.

However, our annual Tenant Survey showed that the proportion of tenants who feel supported by us to maintain their tenancy reduced to 74% (2023/2024: 87.9%), comparable with satisfaction levels measured in a more accurate way in 2022/2023.

Metric	2024/ 2025 Result	Position against target	2024/ 2025 Target	2023/ 2024 Result	2022/ 2023 Result
Tenants feeling supported to maintain their tenancy (%)	74.0%	Not met	>= 87.9%	87.9%	74.5%
Average waiting time for Cash Wise support (days)	7 days	Met	8	7	10

Strategic report (continued)

New homes and growth

In 2024/2025, we invested £49.8m (net) new build development and acquisitions providing an additional 329 new homes (2023/2024: 422) across our operating area. Overall net spend was lower than budgeted due to delays in projects starting, as a result of uncertainties in government grants.

Of the new homes provided, 210 were made available for social or affordable rent, 10 for rent to buy and 109 low-cost home ownership, providing a mix of tenure balancing the requirements for new homes, and generating returns for reinvestment in existing and new homes.

The economic climate and challenges within the housing market has meant our ambition to provide 2,000 new homes between 2020 and 2025 has been challenging, delivering 1,631 new homes over the period.

The Board has ambitious plans to increase delivery of new homes and has created capacity for further growth following refinancing in 2024.

Additional joint ventures with strategic partners continue to be sought with several discussions underway with partners to facilitate the provision of new homes.

During 2024/2025 there were 36 legal completions on homes for outright sale (2023/2024: 40) through Bridge Homes (Yorkshire) LLP, our joint venture with Wakefield Council.

Metric	2024/ 2025 Result	Position against target	2024/ 2025 Target	2023/ 2024 Result	2022/ 2023 Result	2023/2024 performance benchmark comparison *			
						Upper	Median	Lower	Our Quartile
Number of new homes delivered	329	Met	297	422	337	732	554	215	Median
New build programme expenditure £ million (net of grant and sales income)	£49.8	Not met	£72.8	£33.9	£40.7	Not compared			

* Benchmarks based on Housemark Peer Group Benchmarking data.

Strategic report (continued)

High quality homes and neighbourhoods

During 2024/2025 £48.2m was invested in our homes through our Reinvestment Programme (2023/2024: £41.5m) to continue to meet standards of safety and compliance and improve the quality of our homes and neighbourhoods.

Investment fell short of our intended budget of £54.1 million, due to under delivery against the intended annual programme, mainly relating to slower progression than planned on the High-Rise EWI project in Wakefield City centre, as issues have been experienced with gaining gateway approval which impacted on mobilisation these works have now been reprogrammed for 2025/2026.

Our annual Tenant Survey showed 83.6% of tenants were satisfied that their home is well

maintained (2023/2024: 83.4%) and 86.8% were satisfied that their home is safe (2023/2024: 87.2%).

Programmes of compliance and building safety across our portfolio, including our programme of fire safety improvements across our high-rise residential buildings in Wakefield City Centre have continued, along with improving the energy efficiency of homes through investment in a long term retrofit programme. Our aim is to achieve a minimum EPC Band C across all existing (non-new build) properties by 2030.

Our Tenant Survey showed 75.7% of customers were satisfied that we make a positive contribution to their neighbourhood.

Metric	2024/ 2025 Result	Position against target	2023/ 2024 Target	2023/ 2024 Result	2022/ 2023 Result
Reinvestment Programme spend (ex VAT) £ million	£48.2	Nearly met	£54.1	£41.5	£41.0
Reinvestment Programme % completed	86%	Not met	100%	79%	75%

Metric	2024/ 2025 Result	Position against target	2024/ 2025 Target	2023/ 2024 Result	2022/ 2023 Result	2023/2024 performance benchmark comparison**			
						Upper	Median	Lower	Vico Homes Quartile
Satisfaction that their home is well maintained*	83.6%	Met	$\geq$ 83.4%	83.4%	82.6%	82.8%	73%	68.2%	Upper
Satisfaction that their home is safe*	86.8%	Not Met	$\geq$ 87.2%	87.2%	85.5%	87%	85%	77.5%	Upper
Satisfaction that we make a positive contribution to the neighbourhood*	75.7%	Met	$\geq$ 74.5%	74.5%	73.4%	75.3%	59.4%	57.4%	Median

*RSH TSM data based on low cost rental accommodation (LCRA) only

** Benchmarks based on Housemark Peer Group Benchmarking data

Strategic report (continued)

Skills and enterprise

We are committed to supporting people to improve and develop new skills and access training and employment opportunities.

The Training for Employment Programme provides period of paid employment for unemployed customers and their families, enabling participants to develop a range of skills to help them move into further employment.

During the year 86% of people leaving the programme moved into further employment.

Metric	2024/ 2025 Result	Position against target	2023/ 2024 Target	2023/ 2024 Result	2022/ 2023 Result
% people moving into further employment following support by the Training for Employment Programme	86%	Met	75%	76%	72%

Workforce of the future

Ensuring a resilient workforce with the right skills and competencies to deliver services has been critical to our ongoing success.

We have continued to focus on increasing employee diversity and narrowing the gender pay gap and invest in colleague training and development providing mandatory training and additional learning and development opportunities.

Our annual colleague pulse survey showed satisfaction at 7.6 out of 10 (2023/2024: 7.2) and we continue to be proactive and respond to views to ensure positive change.

Sickness absence decreased to 10.4 days per FTE (2023/2024: 11.4 days) but fell slightly short of the 10 day target. Emphasis continues to be placed on supporting our employees' health and wellbeing and reducing levels of sickness absence.

Metric	2024/ 2025 Result	Position against target	2024/ 2025 Target	2023/ 2024 Result	2022/ 2023 Result	2023/2024 performance benchmark comparison**			Vico Homes Quartile Position
						Upper	Median	Lower	
Overall employee satisfaction (mean score out of 10)	7.6	Met	≥ 7.2	7.2	7.2	7.88	7.4	7.15	Median
Sickness absence – average days lost (per FTE)	10.4	Nearly Met*	10	11.4	12	9.05	11.5	11.9	Median

*Nearly met is defined as being within 10% of target

** Benchmarks based on Housemark Peer Group Benchmarking data

Strategic report (continued)

Business of the future

We maintain G1/ V1 regulatory status for Governance and Financial Viability, following the annual stability check by the Regulator of Social Housing (RSH) in November 2024.

Our focus is to increase value for money (VFM), to improve operating margins and enable us to reinvest in our services to deliver social value.

The overall operating margin improved to 22.1% (2023/2024: 17.1%), exceeding our intended target.

Time taken to relet our homes was 25.6 days, impacting positively on letting income.

Levels of current and former tenant debt remained low and within target. The results are positive given the continued impact of the economic climate and associated pressures on customers.

Metric	2024/ 2025 Result	Position against target	2024/ 2025 Target	2023/ 2024 Result	2022/ 2023 Result	2023/2024 performance benchmark comparison*			Vico Homes Quartile Position
						Upper	Median	Lower	
Average days taken to let dwellings (CORE and Affordable Rents)	25.6	Nearly Met*	25	24	34	50	59	83	Upper
Amount of current tenant rent arrears as % of estimated rental debit (excluding voids)	1.9%	Met	3.0%	3.0%	2.7%	2.7%	4.1%	5.4%	Median
Amount of former tenant rent arrears as % of estimated rental debit (excluding voids)	1.0%	Met	1.2%	1.1%	1.2%	1.1	1.2	1.6	Upper
Overall operating margin (RSH VFM Metric 6b)	22.1%	Nearly Met*	22.5%	17.1%	14.2%	23.9%	19.4%	12.1%	Median

*Benchmarks based on Housemark Peer Group Benchmarking data. VFM Metric 6b benchmark based on RSH Global Accounts Data for Housemark Peer Group. *Nearly met is defined as being within 10% of target

Strategic report (continued)

Greener business

We continue to take action to respond to the climate change agenda and make a step change towards our ambitions for net zero carbon operations.

Work has continued to improve environmental sustainability in line with Environmental, Social and Governance (ESG) agendas through implementation of initiatives set out in our Sustainability Plan.

Focus remains on reducing the carbon footprint across our operations. This includes gas, electricity and water use, from our vehicle fleet and other transport used by

employees as part of service delivery, and waste generated from our offices and from wider service delivery, such as repairs and maintenance.

Work has continued during 2024/2025 to establish a strategic costed approach towards carbon reduction and offsetting, to achieve our aim of net zero carbon across our business operations by 2030.

During 2024/2025, we increased the percentage of waste from our operations managed through our waste transfer station that was recycled to 62%, exceeding the intended target.

Metric	2024/ 2025 Result	Position against target	2024/ 2025 Target	2023/ 2024 Result	2022/ 2023 Result
% waste recycled at waste transfer station	62%	Met	55%	55.9%	55.0%

Strategic report (continued)

Environmental, Social and Governance (ESG) performance

We are committed to being a responsible and sustainable social housing provider, focusing on the wellbeing needs of our customers and communities and playing our part in mitigating climate change.

We continue to take a range of ongoing actions to improve our approach to Environmental, Social and Governance including:

- Taking a 'fabric first' approach to improve the energy efficiency of our homes and improve all our existing properties to a minimum of EPC Band C by 2030, where feasible.
- Trialling low and zero carbon heating systems in some of our homes to help inform any potential future decisions on moving to alternatives to gas heating in our existing homes.
- Reviewing specifications for our new build homes to reduce carbon emissions and comply with the 2025 Future Homes Standard.

- Implementing measures to reduce our carbon footprint and achieve our aim to be net zero carbon across our business operations.
- Implementing measures to improve the management of our green spaces and increase biodiversity.
- Working with partners to deliver regeneration schemes across our estates and neighbourhoods.
- Action to reduce our Gender Pay Gap.
- Improving environmental sustainability and social value across our procurement contracts.

As a formal adopter of Sustainability Reporting Standard for Social Housing, we publish our performance against the standard annually.

Our 2024/2025 ESG Report will be published in October 2025.

Strategic report (continued)

Improving performance and value for Money (VFM)

The Board, 3 December 2024, agreed 'Our Plans for the future' strategy to 2028, setting out our Vision of '**Better futures, vibrant communities**' and our goals to achieve it:

- Provide experiences to be proud of.
- Make an impact to be proud.
- Create places to be proud of.

Our delivery plans to support the achievement of our Business Strategy goals focus on three key areas: Customer Experience, Future Homes and Colleague Experience.

We want to make sure that every experience with us is great in every way. We have a reputation for delivering exceptional support services and high quality homes and we will continue to invest in delivering an improved customer experience.

We are proud to offer a range of services that can meet the diverse needs of our customers, and we will continue to review and develop these to make sure they meet their needs in the future. To make sure that we capture diverse voices and representative views, we will continue to develop the ways customers can have their say and share their views.

We will work with our customers to continually review how we're performing, both strategically and at a community level. This will allow customers to scrutinise and challenge our services so that together we make improvements to the way we support our customers.

Our homes have a huge social impact, as do the services we provide. This means that we continue to focus on the quality of our homes and our services to customers that support their health, financial wellbeing and employment prospects, to help our

customers to successfully live in their homes for as long as they want and need to.

We will build new homes and opportunity by growing our communities in the places we have homes now. We aim to deliver 1,500 new homes over the next three years to provide more affordable homes for more people, building our partnership working across the areas we serve.

We're committed to providing a safe, comfortable home for our customers. Investing in our current homes to meet the latest requirements. Significant investment in existing homes will continue to maintain and improve the quality, safety and sustainability of our homes.

To enable our colleagues to deliver great customer experiences, by attracting and training the right colleagues, bringing skills from a range of sectors and investing in colleague development.

Our plans are underpinned by a focus on our business foundations, maintaining strong governance and financial viability by improving value for money and taking action to further reduce carbon emission and making a step change towards net zero carbon business operations by 2035.

The Board have agreed 2025/2026 targets against KPIs aligned to the goals set out in the Business Strategy, including a number related to demonstrating improved value for money.

The Executive and Board will monitor these to ensure that our viability and operational performance is maintained and enhanced, to ensure we remain strategically well placed to maintain our G1/V1 rating and achieve our ambition for C1.

Strategic report (continued)

Board VFM related metric 2025/2026	2025/2026 Annual Target	Target position compared to Housemark Peer Group Quartile 2023/2024
Experiences to be proud of		
RSH TSM TP01 – Customer satisfaction with the overall service provided (%)	>= 86%	Upper
Tenancy turnover	5.40%	Median
Colleague satisfaction	7.7 out of 10	Median
Impacts to be proud of		
Reinvestment programme % completed	100%	Not compared
Reinvestment (RSH VFM Metric 1)	14.3%	Upper
RSH TSM TP02 – Satisfaction with repairs and maintenance	>= 87%	Upper
RSH TSM TP03 – Satisfaction with time taken to complete most recent repair	>= 87%	Upper
RSH TSM TP05 – Customer satisfaction that their home is safe (%)	>= 88%	Upper
RSH TSM TP11 – Customer satisfaction that we make a positive contribution to the neighbourhood (%)	>= 76%	Median
Average days taken to let dwellings (CORE and Affordable Rents)	27	Upper
Amount of current tenant arrears as a % of estimated annual rental debit (excluding voids)	2.8%	Upper
Places to be proud of		
Number of new homes delivered	512	Upper
Net growth in the number of homes	1%	Not compared
New supply delivered % (social housing) (RSH VFM metric 2a)	1.6%	Upper
RSH TSM TP04 – Tenant satisfaction that their home is well maintained (%)	>= 85%	Upper
Foundations to be proud of		
Gearing (RSH VFM metric 3)	<38.4	Lower
EBITDA MRI (RSH VFM metric 4)	>100%	Median
Headline Social Housing Cost per unit (RSH VFM Metric 5)	<£4,907	Median
Operating margin – social housing lettings (RSH VFM metric 6a)	28.3%	Upper
Operating margin – overall (RSH VFM metric 6b)	28.3%*	Upper
Return on capital employed (RSH VFM metric 7)	>4.8%	Upper

** Benchmarks based on Housemark Peer Group Benchmarking data. VFM Metrics benchmark based on RSH Global Accounts Data for Housemark Peer Group.

Strategic report (continued)

Statement of Compliance

In preparing this Strategic Report and the Report of the Board, the Board has followed the principles set out in Part 2 of the SORP updated in 2018. In accordance with the requirements of the Accounting Direction 2022, the Board certify that it has complied with the requirements of the RSH's Governance and Financial Viability Standard, maintaining a G1/V1 rating.

In accordance with the requirements of the RSH, the Board certifies that Vico Homes, formally WDH, has complied with the requirement to maintain an Assets and Liabilities Register. The Board, in making its decisions about public benefit and the achievement of its strategic objectives has had due regard to the public benefit guidance when exercising any powers or duties to which the guidance is relevant.

The Strategic Report was approved by the Board on 18 September 2025 and signed on its behalf by:

<i>Andrew McConnell</i>
Andrew McConnell
Chair

Report of the Board

The Board presents its report and the audited Financial Statements for the year ended 31 March 2025.

Principal Activities

Vico Homes Limited is a charitable Community Benefit Society (CBS) registered under the Co-operative and Community Benefit Societies Act 2014 and is an exempt charity. The Financial Statements for the year ended 31 March 2025 have been prepared as a CBS. Vico Homes is a not-for-profit registered provider administered by a remunerated Board.

WDH was renamed Vico Homes on 1 April 2025.

Other members of the Group are:

- Vico New Build Services Limited (renamed from WDH New Build Services Limited). A 100% owned trading subsidiary incorporated under the Companies Act 2006 and limited by guarantee. No trading activity took place in 2024/2025.
- Wakefield and District Homes Limited (renamed from Vico Homes Limited on 31 March 2025, and from WDH Solutions Limited (WDHS) on 18 July 2024). A wholly owned subsidiary company incorporated under the Companies Act 2006 and limited by guarantee, now dormant.
- Bridge Homes (Yorkshire) LLP. A joint venture entity incorporated under the Companies Act 2006 as a Limited Liability Partnership with a 50% interest.

The Group's and Association's principal activities are the improvement, management, and provision of affordable

housing; the delivery of social added value; and investment in new build development.

Board Members and Directors

The Board Members and the Directors of Vico Homes who held office during the year, and since the year end, are set out on page four and five. At the year end, there were eleven Board members. All Board members are ordinary members, who are drawn from a wide background, bringing together professional, commercial, and local skills and experience. All Board members have been entitled to receive payments for their services, details of this are shown in Note 9 to the Financial Statements.

The Directors of the Association are the Chief Executive, Executive Directors of Homes and Growth, Customers and Communities, Resources, and Strategic Director of People and Culture. The Directors hold no interest in the Group and act within the authority delegated by the Board. The Group's insurance policies indemnify Board Members and Officers of the business against liability when acting on behalf of Vico Homes.

Service Contracts

The Chief Executive and other Directors are employed on similar terms to other employees. However, their notice periods are six months.

Pensions

The Directors are members of the West Yorkshire Pension Fund, a defined benefit, Local Government Pension Scheme (LGPS) based on career average earnings. They participate in the scheme on the same terms as all other eligible employees. Vico Homes contributes to the scheme on behalf of its employees who are members.

Report of the Board (continued)

Other Benefits

The Directors are entitled to other benefits such as the provision of a car allowance and health care, although not all benefits are taken. Details of their remuneration packages are included in Note 9 to the Financial Statements.

Employees

The strength of the Group lies in the quality of all its employees. In particular, the ability to meet objectives of the Group and Association and commitments to customers in an efficient and effective manner is reliant on their valuable contribution.

The Group shares information about its strategic objectives, performance progress and operational activities through regular meetings involving the Board, senior management team, employees, and employee representatives.

The Group also recognises that complying with the Health and Safety at Work Act 1974, and the regulations made under it, is at the core of its business ethic. The Group acknowledges that compliance is a legal duty, not a matter of choice.

The Group has a policy to recruit the right person for each position, taking into consideration the protected characteristics as defined by the Equality Act 2010 which includes people with disabilities. The Group's Equity, Equality, Diversity and Inclusion Policy ensures that the recruitment and selection process establishes a workforce that reflects, as much as possible, the local communities in which the Group operates.

Donations

The Group made donations of £114k (2024: £90k) through Neighbourhood Panels and to local Food banks in support of community initiatives and activities, 114 Community Grants were made for local schemes, 23 of which exceeded £1,500.

The Group made no political donations in the year (2024: £nil)

Corporate Governance

Vico Homes has adopted the NHF 2020 Code of Governance. Following the annual self-assessment, the Board confirms compliance with the 2020 Code.

Post Balance Sheet Events

Bridge Homes Board confirmed a resolution to close Bridge Homes on 17 July 2025, all legal liabilities will be extinguished as part of this process.

WDH New Build Services was renamed Vico New Build Services on 28 July 2025.

Wakefield and District Homes Limited Board, which was formally WDH Solutions, confirmed a resolution to close Wakefield and District Homes Limited and the application to strike off the company was submitted on 1 August 2025, all legal liabilities will be extinguished as part of this process.

Report of the Board (continued)

Internal Controls Assurance

The Board has overall responsibility for establishing and maintaining the comprehensive system of internal control across the Group and for reviewing its effectiveness. The Board cannot delegate ultimate responsibility for the system of internal control, but it has delegated authority to the Audit, Risk and Assurance Committee to regularly review the effectiveness of the system of internal control.

The system of internal control adopted is designed to manage, rather than eliminate, the risk of the failure to achieve objectives and to provide reasonable assurance against material misstatement or loss, providing reasonable but not absolute assurance of effectiveness. The process for identifying, evaluating and managing significant risks is ongoing and has been in place throughout the period commencing 1 April 2024, up to the date of approval of the Annual Report and Financial Statements.

Key elements of the control framework include:

- Board approved Standing Orders and Terms of Reference, and delegated authorities for the Audit, Risk and Assurance, Customer, Property Investment and Governance and People Committees.
- A formal Risk Management Policy, with a Board approved Risk Appetite Statement, and clearly defined management responsibilities to identify, evaluate and control significant risks.
- Detailed and challenging stress testing and sensitivity analysis under a rigorous suite of increasing onerous scenarios used to test the Business Plan annually, which includes mitigating actions. The Business Plan is also benchmarked by external consultants.
- Challenge of the Association's risks at each Board and Audit, Risk and Assurance Committee meeting, with the latter considering the sources of risk assurance as part of 'deep dive' exercises at every meeting. Risks are also benchmarked by external consultants, and the outcomes of the exercise reported to the Audit, Risk and Assurance Committee.
- Board approved Code of Conduct and Ethics that applies to all employees, Board and Committee members. The Code is based on good practice, the National Housing Federation's Code of Conduct, and the Chartered Institute of Housing's codes of conduct and ethics.
- Formal recruitment, retention, training, and development policies, supported by a formal induction and a competence-based appraisal framework.
- Executive Team meetings for strategic oversight of the decision making process and monthly performance reviews together with emerging risks and performance against risk indicators which are aligned to the Board Risk Appetite and reported to Audit, Risk and Assurance Committee and Board by exception.
- Robust strategic and business planning processes and detailed budgeting, forecasting, variance analysis and the monitoring of key performance measures, reported to senior management monthly and, and to the Board and Funders quarterly.
- Formal authorisation and appraisal procedures for significant new initiatives and commitments.
- Rigorous treasury management that is subject to external review twice each year, prior to being approved by the Board.
- Loan covenants monitored monthly and forecasting outturn for the year and reported to monthly performance meetings and submitted to Funders quarterly.
- Policies to effectively govern the prevention of fraud and corruption, a whistleblowing code of practice, and compliance with General Data Protection Regulation (GDPR).

Report of the Board (continued)

Internal Controls Assurance (continued)

The internal audit function is delivered by outsourced internal auditors, ensuring greater independence, objectivity, and source of assurance, in accordance with the International Standards for the Professional Practice of Internal Audit issued by the Chartered Institute of Internal Auditors (IIA). Fraud, Corruption and Bribery awareness meetings are held with Directors and senior managers annually to identify and evaluate potential risks and associated mitigation controls.

Fraud materialisations are reported to the Audit, Risk and Assurance Committee and recorded in a Fraud Register and to the Regulator on an annual basis.

Assurance mapping is performed against the key risks. The controls to mitigate risks are considered, as are sources of assurance of the effectiveness of the controls.

The Audit, Risk and Assurance Committee has received the Chief Executive's Annual Review of the Effectiveness of Internal Control and the Annual Report of the Internal Auditors. From the nine reviews undertaken, including one high, 20 medium and 15 low risk recommendations were made to improve weaknesses in the design of controls or operating effectiveness.

Going Concern

The Financial Statements have been prepared on a going concern basis which the Board consider to be appropriate for the following reasons:

In the year, Vico Homes are reporting an operating surplus of £50.7m, which after interest costs has resulted in a £37.7m surplus for the year.

Total comprehensive deficit is (£134m) for the year reflecting the reduction in the revaluation of housing properties which reduced by £181.1m and was reflected in the SOCI the reduction reflects the increased repairs cost reflected in the latest stock condition survey, but is a none cash transaction the housing revaluation reserves has a balance of £219.5m at the year end.

The Statement of Financial Position has remained stable with total assets less current liabilities of £1bn and total net assets of £540.1m.

The Group has strong positive operational cashflows of £76.7m, with £43.5m of cash reserves and further liquidity of £145m of undrawn loan financing as of 31 March 2025.

The majority of Vico Homes' income, is generated from the provision of social housing. Vico Homes has increased its rents by 2.7% on average for 2025/2026 for social housing properties and for shared ownership properties in line with lease agreements. Vico Homes is compliant with the RSH's Rent Standard. This income is forecast to be collected in line with prior years.

Vico Homes has in place debt facilities, which provide adequate resources to finance committed reinvestment and development programmes, along with day-to-day operations. The Association also has a long-term Business Plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

Detailed and challenging stress testing and sensitivity analysis under a rigorous suite of scenarios are used to test the Business Plan, the main areas tested include:

- Changes in rental income.
- Increased operating costs.
- Increased reinvestment expenditure above the existing stock condition survey relating to EPC C and Zero Carbon costs.
- Deterioration in new build markets.

Report of the Board (continued)

Going Concern (continued)

- Changes in interest rates
- Reduction in availability of financing.
- Large one off events.
- Changes in inflation.
- Economic contraction in the UK.
- Cost of living impact on tenants' ability to maintain tenancies.

The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified and costed to return the plan to compliance.

The Business Plan includes potential mitigations which indicate sufficient resilience to respond to different stress testing scenario and sufficient liquidity to manage the risks.

The results of this analysis, combined with satisfactory VFM metrics and good asset values, has led to the Board's judgement that the Association has a financially robust long term. The Business Plan was approved in February 2025 by the Board.

As a result of this review the Board believe the Group and Association has sufficient funding in place and expect the Group to be compliant with its debt covenants even in severe but plausible downside scenarios the Group and Association have adequate resources to continue in business for the foreseeable future.

Consequently, the Board are confident that the Group and Association will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the Financial Statements and therefore have prepared the Financial Statements on a going concern basis.

Statement of the Responsibilities of the Board for the Annual Report and Financial Statements

The Board is responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation requires the Board to prepare Financial Statements for each financial year. Under that law the Board have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under the Co-operative and Community Benefit Society legislation the Board must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs, and surplus or deficit of the Association and Group for that period. In preparing these Financial Statements, the Board are required to:

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

Report of the Board (continued)

Statement of the Responsibilities of the Board for the Annual Report and Financial Statements (continued)

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Association and enable it 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 (January 2022).

It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

External Auditors

BDO UK LLP, having expressed their willingness to continue in office. A resolution to reappoint BDO as external auditors for the next financial year was proposed and noted by the Audit Risk and Assurance Committee and confirmed by Board.

Approval

The report of the Board was approved by the Board on 18 September 2025 and signed on its behalf by:

<i>Andrew McConnell</i>
Andrew McConnell
Chair

Independent auditor's report to the Members of Vico Homes Limited formally Wakefield and District Housing Limited (Continued)

Opinion on the financial statements

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 and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, and 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.

We have audited the Financial Statements of Vico Homes 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 changes in reserves, the Consolidated and Association statement of financial position, the Consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent 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.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Board members' 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 and of the Parent 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.

Independent auditor's report to the Members of Vico Homes Limited formally Wakefield and District Housing Limited (Continued)

Other information

The Board are responsible for the other information. The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information including the Report of the Board and Strategic Report 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 where we are required by the Co-operative or Community Benefit Societies Act 2014 to report to you if, in our opinion:

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

Responsibilities of the Board

As explained in the statement of Responsibility of the Board as per page 41, 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 members determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board are responsible for assessing the Group 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 intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Members of Vico Homes Limited formally Wakefield and District Housing 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.

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance including Audit, Risk and Assurance Committee; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be the applicable accounting framework, FRS 102 and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the Financial Statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the data protection and health and safety legislation.

Our procedures in respect of the above included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations;
- review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;

Independent auditor's report to the Members of Vico Homes Limited formally Wakefield and District Housing Limited (Continued)

Extent to which the audit was capable of detecting irregularities, including fraud(cont'd)

Our procedures in respect of the above included Continued :

- review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- review of Financial Statement disclosures and agreeing to supporting documentation; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the Financial Statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance also considered Audit Committee, regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group's policies and procedures relating to:
- Detecting and responding to the risks of fraud; and
- Internal controls established to mitigate risks related to fraud.
- review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the Financial Statements;

Fraud (continued)

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override and revenue recognition in relation to material error through unusual journals to revenue.

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- assessing significant accounting estimates and judgements made by management for bias in particular in relation to the following:
- whether indicators of impairment exist
- recoverable amount of housing properties and properties held for sale
- useful economic lives of housing property components
- Assumptions used in calculating pension liabilities; and
- setting expectation of common revenue journal posting and investigate any journal outside of our expectations, tracing journal entry to appropriate supporting documents.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent auditor's report to the Members of Vico Homes Limited formally Wakefield and District Housing Limited (Continued)

Extent to which the audit was capable of detecting irregularities, including fraud(cont'd)

Our audit procedures were designed to respond to risks of material misstatement in the Financial Statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely we are to become aware of it.

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.

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. 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.

DocuSigned by:



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BDO LLP

Statutory Auditor

Eden Building, Manchester, United Kingdom

M3 5EN

Date 19 September 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For the year ended 31 March 2025**

	Note	31 March 2025 £'000	31 March 2024 £'000
Turnover	3	208,756	194,462
Operating expenditure			
Operating costs	3	(162,574)	(161,173)
Profit on disposal of property, plant, and equipment	6	2,455	1,113
Fair value movement of investment property	15	2,070	(1,180)
Operating surplus	3	50,707	33,222
Share of operating surplus in joint venture	17	1,594	873
Profit before interest and tax		52,301	34,095
Interest receivable and other income	7	2,195	2,673
Interest payable and financing costs	8	(16,342)	(15,885)
Inception of fair valued financial instrument	32	7,456	
Surplus before taxation		45,610	20,883
Taxation	10	(472)	(236)
Surplus for the year		45,138	20,647
Other comprehensive (deficit)/income			
Unrealised (loss)/gain on revaluation of housing properties	12	(181,112)	18,148
Actuarial gain in respect of pension schemes	9	1,988	661
Movement in fair value of hedged financial instruments	32	1,595	-
Total comprehensive (deficit) / income		(132,391)	39,456

The Financial Statements were issued and approved by the Board on 18 September 2025 and signed on its behalf by:

*Andrew McConnell**Shendi Keshet**Neil Warren*

Andrew McConnell

Chair

Shendi Keshet

**Chair, Audit, Risk and
Assurance Committee**

Neil Warren

Secretary

The consolidated results relate wholly to continuing activities.

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME**For the year ended 31 March 2025**

	Note	31 March 2025 £'000	31 March 2024 £'000
Turnover	3	208,756	194,462
Operating expenditure			
Operating costs	3	(162,574)	(161,173)
Profit on disposal of property, plant, and equipment	6	2,455	1,113
Fair value movement of investment property	15	2,070	(1,180)
Operating surplus	3	50,707	33,222
Interest receivable and other income	7	2,195	2,673
Interest payable and financing costs	8	(16,342)	(15,885)
Inception of fair valued financial instrument	32	7,456	-
Surplus before taxation		44,016	20,010
Taxation	10	(472)	(236)
Surplus for the year		43,544	19,774
Other comprehensive deficit) / income			
Unrealised (loss) / gain on revaluation of housing properties	12	(181,112)	18,148
Actuarial gain in respect of pension schemes	9	1,988	661
Movement in fair value of hedged financial instruments	32	1,595	-
Total comprehensive (deficit) / income		(133,985)	38,583

The Financial Statements were issued and approved by the Board on 18 September 2025 and signed on its behalf by:

Andrew McConnell

Andrew McConnell
Chair

Shendi Keshet

Shendi Keshet
**Chair, Audit, Risk and
Assurance Committee**

Neil Warren

Neil Warren
Secretary

The Association's results relate wholly to continuing activities.

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES**For the year ended 31 March 2025**

	Income and expenditure reserve	Revaluation reserve	Cashflow Hedge Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 31 March 2023	230,371	402,632	-	633,003
Surplus for the year	20,647	-	-	20,647
Actuarial gain on defined benefit pension scheme	661	-	-	661
Unrealised gain on revaluation of housing properties		18,148	-	18,148
Other comprehensive income	661	18,148	-	18,809
Reserves transfers:				
Transfer from revaluation reserve to income and expenditure reserve	10,117	(10,117)	-	-
Balance at 31 March 2024	261,796	410,663	-	672,459
Surplus for the year	45,138		-	45,138
Actuarial gain on defined benefit pension scheme	1,988	-	-	1,988
Increase in on recognition of hedge	-	-	1,595	1,595
Unrealised gain / (loss) on revaluation of housing properties	-	(181,112)	-	(181,112)
Other comprehensive income	1,988	(181,112)	1,595	(177,529)
Reserves transfers:				
Transfer from revaluation reserve to income and expenditure reserve	10,069	(10,069)	-	-
Balance at 31 March 2025	318,991	219,482	1,595	540,068

ASSOCIATION STATEMENT OF CHANGES IN RESERVES**For the year ended 31 March 2025**

	Income and expenditure reserve £'000	Revaluation reserve £'000	Cashflow Hedge Reserve £'000	Total £'000
Balance at 31 March 2023	229,156	402,632	-	631,788
Surplus for the year	19,774	-	-	19,774
Unrealised gain on revaluation of housing properties	661	-	-	661
Other comprehensive income	661	18,148	-	18,809
Reserves transfers:				
Transfer from revaluation reserve to income and expenditure reserve	10,117	(10,117)	-	-
Balance at 31 March 2024	259,708	410,663	-	670,371
Surplus for the year	43,544	-	-	43,544
Actuarial gain on defined benefit pension scheme	1,988	-	-	1,988
Increase in cashflow Hedge	-	-	1,595	1,595
Unrealised gain / (loss) on revaluation of housing properties	-	(181,112)	-	(181,112)
Other comprehensive income	1,988	(181,112)	1,595	(177,529)
Reserves transfers:				
Transfer from revaluation reserve to income and expenditure reserve	10,069	(10,069)	-	-
Balance at 31 March 2025	315,309	219,482	1,595	536,386

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**At 31 March 2025**

	Note	2025 £'000	2024 £'000
Fixed assets			
Tangible fixed assets - housing properties	12	965,550	1,078,523
Tangible fixed assets - other	13	14,799	13,991
Intangible assets	14	1,862	1,489
Investment properties	15	10,460	9,000
Homebuy loans receivable	16	82	82
Investment in joint venture	17	-	6,345
Liquidity Reserve Fund	15	4,634	3,726
		<u>997,387</u>	<u>1,113,156</u>
Current assets			
Investment in joint venture	17	7,939	-
Properties held for sale	18	5,673	8,392
Trade and other debtors	19	13,654	4,914
Cash and cash equivalents		<u>43,472</u>	<u>59,007</u>
		70,738	72,313
Current liabilities			
Creditors: Amounts falling due within one year	20	(54,234)	(42,863)
Loans: Amounts falling due within one year	20	(7,162)	(8,780)
		<u></u>	<u></u>
Net current assets		9,342	20,670
		<u></u>	<u></u>
Total assets less current liabilities		1,006,729	1,133,826
		<u></u>	<u></u>
Creditors: Amounts falling due after more than one year	21	(466,450)	(461,129)
		<u></u>	<u></u>
Provisions for liabilities			
Provisions	23	(211)	(238)
Defined benefit pension liability	9	-	-
		<u></u>	<u></u>
Total net assets		540,068	672,459
		<u></u>	<u></u>
Reserves			
Income and expenditure reserve		318,991	261,796
Revaluation reserve		219,482	410,663
Cashflow Hedge reserve		<u>1,595</u>	<u>-</u>
Total reserves		540,068	672,459
		<u></u>	<u></u>

The Financial Statements were issued and approved by the Board on 18 September 2025 and signed on its behalf by:

Andrew McConnell

Andrew McConnell

Chair*Shendi Keshet*

Shendi Keshet

**Chair, Audit, Risk and
Assurance Committee***Neil Warren*

Neil Warren

Secretary

ASSOCIATION STATEMENT OF FINANCIAL POSITION**At 31 March 2025**

	Note	2025 £'000	2024 £'000
Fixed assets			
Tangible fixed assets - housing properties	12	965,550	1,078,523
Tangible fixed assets - other	13	14,799	13,991
Intangible assets	14	1,862	1,489
Investment properties	15	10,460	9,000
Homebuy loans receivable	16	82	82
Investment in joint venture	17	-	4,250
Liquidity Reserve Fund	15	4,634	3,726
		997,387	1,111,061
Current assets			
Investment in joint venture	17	4,250	-
Properties held for sale	18	5,673	8,392
Trade and other debtors	19	13,665	4,924
Cash and cash equivalents		43,468	59,002
		67,056	72,318
Creditors: Amounts falling due within one year	20	(54,234)	(42,861)
Loans: Amounts falling due within one year	20	(7,162)	(8,780)
Net current assets		5,660	20,677
Total assets less current liabilities		1,003,047	1,131,738
Creditors: Amounts falling due after more than one year	21	(466,450)	(461,129)
Provisions for liabilities			
Provisions	23	(211)	(238)
Defined benefit pension liability	9	-	-
Total net assets		536,386	670,371
Reserves			
Income and expenditure reserve		315,309	259,708
Revaluation reserve		219,482	410,663
Cashflow Hedge reserve		1,595	-
Total reserves		536,386	670,371

The Financial Statements were issued and approved by the Board on 18 September 2025 and signed on its behalf by:

Andrew McConnell

Andrew McConnell

Chair

Shendi Keshet

Shendi Keshet

**Chair, Audit, Risk and
Assurance Committee**

Neil Warren

Neil Warren

Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS**For the year ended 31 March 2025**

	Note	31 March 2025 £'000	31 March 2024 £'000
Net cash generated from operating activities	27	73,610	55,803
Cash flow from investing activities			
Purchase and refurbishment of tangible fixed assets - housing properties		(104,796)	(78,769)
Purchase of tangible fixed assets - other		(2,922)	(2,511)
Proceeds from sale of tangible fixed assets		8,709	6,400
Grant received		19,575	23,860
Interest received		2,093	2,353
		<u>(77,341)</u>	<u>(48,667)</u>
Cash flow from financing activities			
Interest paid		(21,559)	(20,904)
Home buy loans received		-	13
Liquidity reserve fund		(721)	-
Discount on issue of new debt		(1,274)	-
Transaction costs paid		(241)	-
Proceeds from new loan		15,000	-
Repayment of loans		<u>(3,009)</u>	<u>(2,309)</u>
		<u>(11,804)</u>	<u>(23,200)</u>
Net change in cash and cash equivalents	27	(15,535)	(16,064)
Cash and cash equivalents at beginning of the year		<u>59,007</u>	<u>75,071</u>
Cash and cash equivalents at end of the year		<u>43,472</u>	<u>59,007</u>

Notes to the Financial Statements

1. Legal Status

Vico Homes Limited, formally Wakefield and District Housing Limited (WDH), is a registered provider of social housing registered under the Co-operative and Community Benefit Societies Act 2014, with a registration number 7530, and is an exempt charity. WDH rebranded and changed its name to Vico Homes on 31 March 2025.

Vico New Build Services Limited, formally WDH New Build Services, is a wholly owned trading subsidiary of Vico Homes and incorporated in England under the Companies Act 2006 as a Private Limited Company limited by guarantee. No trading activity took place in 2024/2025.

Wakefield and District Homes Limited, formally WDH Solutions Limited, is a wholly owned trading subsidiary of Vico Homes and is incorporated in England under the Companies Act 2006 as a Private Limited Company limited by guarantee. The main activity of Wakefield and District Homes is to conduct commercial activities, this company is currently dormant and is in the process of being wound up.

Bridge Homes (Yorkshire) LLP is a Limited Liability Partnership (LLP) incorporated in England under the Companies Act 2006. Vico Homes, formally WDH, and Wakefield Council incorporated the joint venture, Bridge Homes (Yorkshire) LLP. Vico Homes has a 50% interest and Wakefield Council has a 50% interest. The joint venture has been established to build homes for sale.

The registered office of Vico Homes, formally WDH, and its subsidiary and joint venture undertakings, is Merefield House, Whistler Drive, Castleford, West Yorkshire, WF10 5HX.

2. Accounting Policies

Basis of Accounting

The Financial Statements of the Group and the Association are prepared following the historical cost convention, amended for valuation of housing properties, and in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102), the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and complies with the Accounting Direction for Private Registered Providers of Social Housing 2019. There were no material departures from that standard.

The Financial Statements are presented in Sterling (£'000) which is also the functional currency.

The individual accounts of the Association have adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes.
- financial instrument disclosures, including:
 - categories of financial instruments; and
 - items of income, expenses, gains, or losses relating to financial instruments.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Going Concern

The Financial Statements have been prepared on a going concern basis which the Board consider to be appropriate for the following reasons:

In the year, Vico Homes are reporting an operating surplus of £50.7m which after interest costs has resulted in a £37.7m surplus for the year.

Total comprehensive deficit is £134m for the year, reflecting the reduction in the revaluation reserve relating to housing properties, which reduced by £181.1m, the reduction reflects the increased repairs cost reflected in the latest stock condition survey but is a non-cash transaction. The housing revaluation reserves has a balance of £219.4m at the year end.

The Statement of Financial Position has total assets less current liabilities of £1bn and total net assets of £540.1m.

The Group has strong positive operational cashflows of £76.7m, with £43.5m of cash reserves and further liquidity of £145m of undrawn loan financing as of 31 March 2025.

The majority of Vico Homes' income, is generated from the provision of social housing, Vico Homes has increased its rents by 2.7% on average for 2025/2026 for social housing properties and for shared ownership properties in line with lease agreements, Vico Homes is compliant with the RSH's Rent Standard. This income is forecast to be collected in line with prior years.

Vico Homes has in place debt facilities, which provide adequate resources to finance committed reinvestment and development programmes, along with day-to-day operations. The Association also has a long-term Business Plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

Detailed and challenging stress testing and sensitivity analysis under a rigorous suite of scenarios are used to test the Business Plan, the main areas tested include:

- Changes in rental income.
- Increased operating costs.
- Increased reinvestment expenditure above the existing stock condition survey relating to EPC C and Zero Carbon costs.
- Deterioration in new build markets.
- Changes in interest rates
- Reduction in availability of financing.
- Large one off events.
- Changes in inflation.
- Economic contraction in the UK.
- Cost of living impact on tenants' ability to maintain tenancies.

The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified and costed to return the plan to compliance.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Going Concern (continued)

The Business Plan includes potential mitigations which indicate sufficient resilience to respond to different stress testing scenario and sufficient liquidity to manage the risks.

The results of this analysis, combined with satisfactory VFM metrics and good asset values, has led to the Board's judgement that the Association has a financially robust long term. The Business Plan which was approved in February 2025 by the Board.

As a result of this review the Board believe the Group and Association has sufficient funding in place and expect the Group to be compliant with its debt covenants even in severe but plausible downside scenarios the Group and Association have adequate resources to continue in business for the foreseeable future.

Consequently, the Board are confident that the Group and Association will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the Financial Statements and therefore have prepared the Financial Statements on a going concern basis.

Public Benefit Entity

Vico Homes is a public benefit entity in accordance with FRS 102. The Board, in making their decisions about public benefit and what has been done to achieve the entity's purpose, have had due regard to the public benefit guidance when exercising any powers or duties to which the guidance is relevant.

Significant Management Judgements and Estimates

The preparation of the Financial Statements requires management to make significant judgements and estimates.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Significant Management Judgements

The following are significant management judgements made in applying the accounting policies of the Group that have the most significance on the Financial Statements.

Area of judgement	Description
Impairment	Vico Homes have considered potential indicators of impairment. These have included internal and external sources of information, such as obsolescence, changes in government policy, demand, and the market value of properties. As a result, Vico Homes estimated the recoverable amount of certain housing properties as follows: • Determined the level at which recoverable amount is assessed. The cash generating unit being by group of assets. • Estimated the recoverable amount. • Calculated the carrying amount of the asset. • Compared the carrying amount to the recoverable amount to determine if an impairment loss has occurred. The recoverable amount is the higher of the assets value in use and fair value less costs to sell. No impairment loss is needed or recognised in the year.
Capitalisation of property development costs	Capitalisation of development costs requires the exercise of judgement to ensure that costs are directly attributable to bringing the asset into existence. After capitalisation, management monitor the asset and considers whether changes indicate that an impairment provision is required. The total amount capitalised in the year is shown in note 12.
Capitalisation of property improvement costs	Capitalisation of improvement costs requires the exercise of judgement in the allocation of those costs to be capitalised and those to be expensed. During improvement, work in progress is apportioned based on estimations derived from experience of similar schemes. On receipt of the Final Account, an analysis of costs, on an individual component basis, determines the actual allocation of costs as being capital or revenue expenditure.
Categorisation of properties as investment properties	The use of the asset has been considered by management when classifying assets as investment properties or property, plant, and equipment. Assets classified as investment properties are shown in note 15. Assets classified as property, plant and equipment are shown in note 13.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Area of judgement	Description
Classification of loans as basic	Interest bearing instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method: a) The contractual return to the holder is • a fixed rate. • a positive rate or a positive variable rate; or • a combination of a positive or a negative fixed rate and a positive variable rate. b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged. c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that: • the new rate satisfies condition a) and the variation is not contingent on future events other than a change of a contractual variable rate to protect the holder against credit deterioration of the issuer, changes in levies applied by a central bank or arising from changes in relevant taxation or law; or • the new rate is a market rate of interest and satisfies condition a). d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods. e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law. Loan commitments to receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Area of judgement	Description
Measurement of basic financial instruments	Financing transactions are recognised initially at their fair value, being the present value of future payments discounted at a market rate of interest. After initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. Fees paid on the establishment of interest-bearing borrowings are recognised as transaction costs of the borrowings to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. On the date of draw-down the fees are adjusted into the fair value of the loans. The fees are further unwound to the profit and loss account over the loan term using the effective interest rate method. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates. Interest bearing borrowings are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.
Measurement of derivative financial instruments at fair value (Hedging)	The Association applies hedge accounting on the transactions entered to manage the cash flow exposures in UK Sterling. It is the Association's treasury policy to hedge the interest rate risk exposure arising from its floating loans by entering vanilla fixed interest rate swaps. The hedge relationship meets each condition for hedge accounting from the effective date. It is consistent into with the entity's risk management objectives for undertaking hedges. The Association considers that an economic relationship exists between the hedge instrument (interest rate swap) and the hedge item (floating loan) in that the values of the hedge item and hedging instrument are expected to typically move in opposite directions in response to movements in the same risk, the hedge risk, over the life of the hedge. Any movements in the fair value of the swaps are recognised annually as other comprehensive income in the Statement of Comprehensive Income (SOCl) and through the cashflow hedge reserve.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Area of Judgement	Description
Valuation of financial instruments	The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole: • Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities. • Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. • Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. Vico Homes uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Valuation techniques include using the price in a binding sale agreement and recent arm's length market transactions for an identical asset between knowledgeable, willing parties, reference to the current fair value of another asset that is substantially the same as the asset being measured, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the asset and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, Vico Homes uses that technique. For financial assets and financial liabilities that are recognised at fair value on a recurring basis, Vico Homes determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period. Refer to the financial liabilities note for further detail on specific valuation techniques.
Valuation of housing properties	Management reviews its valuation of housing properties at each reporting date, based on a formal valuation report. Uncertainties in these estimates relate to the discount rate, the cost of property maintenance and future cash flows. However, the valuation is carried out by professional external valuers, Savills. Future maintenance spend is dictated by the most recent stock condition survey.
Valuation of investment properties	Investment properties comprise of shops and garages held for letting. Investment properties were valued at 31 March 2025 at market value. The Group's investment properties have been valued by Savills (UK) Limited, a general practice firm providing surveying and valuation services. The latest valuation was performed on 31 March 2025.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Area of Judgement	Description
Useful lives of depreciable assets	Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected use of the assets. Uncertainties in these estimates relate to changes to internal or external standards which may require more frequent replacement of key components of housing property. Accumulated depreciation at 31 March 2025 is shown in notes 12 and 13.
Defined benefit pension obligation (DBPO)	Management's estimate of the DBPO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBPO amount and the annual defined benefit expenses (as analysed in note 9). The valuation is carried out by external professional actuaries, Aon Hewitt. The net asset at 31 March 2025 was £161m, this was restricted to Nil in the Financial Statements as at 31 March 2025 as the benefit can't be realised through lower employer contributions or refund.
Recoverability of debtors – bad debt provision	Management estimates the recoverability of debtors on a line-by-line basis based on past experience. Payment plans in place and the level of housing benefit are also taken into consideration when assessing the level of the provision. The actual recoverability of the debtor may differ from the estimate made.

Basis of Consolidation

Consolidated Financial Statements have been prepared in accordance with the requirements of FRS 102. The Group accounts consolidate the results of Vico Homes, formally WDH, and all its subsidiaries at 31 March 2025 using acquisition accounting. The Group accounts also include its joint venture using the gross equity method. Transactions within the Group have been eliminated on consolidation.

Investment in Subsidiaries

The consolidated Financial Statements incorporate entities controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

Investments in subsidiaries are accounted for at cost less impairment in the accounts of the Association. The investment in Wakefield and District Homes, formally WDH Solutions, is £nil.

Consistent accounting policies are applied across the Group.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Investment in Joint Venture

The joint venture has been accounted for in the consolidated Financial Statements using the gross equity method. The carrying amount of the investment is adjusted in each year by the Association's share of the results of the joint venture less the Association's share of any relevant gains or losses, and any other changes in the joint venture's net assets including distributions to its owners. The Association's share of the joint venture's results is recognised in the Consolidated Statement of Comprehensive Income. In the Association, the investment has been recognised at cost.

Turnover

Turnover comprises of rental income receivable in the year; service charges; income from shared ownership first tranche sales; other services included at invoiced values (excluding VAT where recoverable) of goods and services supplied in the year; revenue grants receivable in the year and capital grants.

Revenue Recognition

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

The Group adopts a fixed method for calculating and charging service charges to its tenants and a variable method for leaseholders. Income is recognised based on the amounts chargeable. Expenditure is recorded when a service is provided.

Income from first tranche sales is recognised at the point of legal completion of the sale. Revenue grants are receivable when the conditions for receipt of grant funding have been met. Capital grants are recognised as revenue on completion of the property. Charges for support services funded under Housing Support are recognised as they fall due under the contractual arrangements with the Administering Authority.

Taxation

Vico Homes is a charitable Association and therefore is not subject to corporation tax on surpluses derived from charitable activities. Any surplus on non-charitable activities is taxed.

Wakefield and District Homes, formally WDH Solutions, is subject to corporation tax. WDH Solutions gift aids any profits to Vico Homes in line with the Deed of Covenant.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Value Added Tax (VAT)

The Group is registered for Value Added Tax (VAT). The Group charges VAT on some of its income and can recover part of the VAT it incurs on expenditure. The Financial Statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year end is included as a current liability or asset.

In respect of major refurbishment expenditure works undertaken there is a VAT Shelter Agreement, approved by HMRC, against which Vico Homes can recover the VAT incurred on qualifying first-time expenditure. Under the VAT Shelter agreement, a proportion of the receipts from HMRC is payable to Wakefield Council as part of the Transfer Agreement. VAT recoverable under the VAT Shelter and retained by the Association is treated as a windfall receipt annually and credited against revenue expenditure. Any amounts due from HMRC under the VAT Shelter Agreement are shown as other debtors and any amounts payable to Wakefield Council are shown as creditors.

HMRC approved the implementation of a Special Method Partial Exemption Scheme from the date of transfer.

Interest Payable

Interest payable is charged to the Statement of Comprehensive Income in the current year. Interest is not capitalised on borrowings to finance the Improvement and New Build Programmes.

Homebuy Loans

Home buy loans administered by Vico Homes on behalf of the Homes and Communities Agency have been provided to individuals to assist in purchasing a Vico Homes property built for outright sale. The loan is a secured loan and is due to be repaid after five years after which interest will be charged on any outstanding loan balance. Vico Homes does not receive any Homebuy grant directly.

Vico Homes have provided a loan secured against equity to tenants allowing them to buy into the improvement programme. Loans are provided up to the value of works required.

Homebuy loans are treated as public benefit entity concessionary loans. They are initially recognised as a loan at the amount paid to the purchaser and are subsequently updated to reflect accrued interest.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Liquidity Reserve Fund

The liquidity reserve fund is a ring-fenced amount that holds a minimum of 12 months of interest payments in advance and forms part of the terms and conditions of the bLEND loan product.

Financial Instruments Basic

The Group holds basic and non-basic financial instruments that result in the recognition of financial assets and liabilities such as trade and other debtors, trade and other creditors and loans from banks.

Basic Financial instruments

Financial instruments, which are financing transactions, which meet the criteria of a basic financial instrument as defined in Section 11 of FRS102 are accounted for under an amortised cost model. The effective interest rate method, which applies the interest rate that exactly discounts the estimated future cashflows to the carrying amount of the financial instrument at initial recognition, has been used to calculate amortised cost. Any directly attributable fees and transaction costs are capitalised and amortised using this method. Any non-attributable fees and transaction costs are expensed.

In line with Section 11 of FRS 102, where there are changes in the estimated cashflows, the carrying value is adjusted to reflect the revised carrying amount of the present value, of the estimated future cashflows at the original effective interest rate. The difference between the revised carrying amount of the debt instrument and the previous carrying amount is recognised immediately in profit or loss.

Non-Basic Financial Instruments

Non-basic financial instruments include all derivatives such as swaps. Are recognised on the Statement of Financial Position and measured at fair value through profit or loss. This means that at each period end the instrument is re-valued to fair value, with the movement posted to the Income Statement (unless hedge accounting is applied).

Hedging

Interest rate swaps relate to fixing variable rate interest and are therefore designated as cash flow hedges. All hedging instruments are held on the Statement of Financial Position at fair value. Fair values will be acquired from an independent and reliable third party source at each reporting date. To the extent that the hedge is effective, hedging gains / losses will be deferred in the Cash Flow Hedging Reserve until the underlying hedge item impacts the income statement.

Ineffectiveness will be recognised in the income statement if the cumulative change in fair value of the hedging instrument exceeds the cumulative change in fair value of the hedged item (subject to de minimus provision).

Notes to the Financial Statements (continued)

Where the hypothetical derivative's critical terms are matched to the hedging derivative, it means that the hedge will always be 100% effective, as the valuations will be exactly the same. In such circumstances, no hedge ineffectiveness will be recognised.

If a future cashflow becomes no longer highly probable, then any amounts deferred in the cashflow hedge reserve would remain deferred in reserves until the underlying cashflows affect the income statement. Any subsequent changes in fair value will be posted to the income statement.

If the cashflow becomes unlikely (i.e. the loan is repaid), any amounts in the cashflow hedge reserve will be taken to the income statement immediately.

Loan Modifications

Loan modifications are assessed on a case-by-case basis and where modifications are deemed to be substantial the instrument is derecognised. Where modifications are considered to be non-substantial, they are accounted for in accordance with Section 11 of FRS102.

Other financial liabilities

Other financial liabilities that are payable or receivable within one year, typically trade creditors and trade debtors (other than those on payment arrangements), are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each financial year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income. The impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cashflows discounted at the asset's original effective interest rate.

Financial assets and liabilities are offset, and the net amount reported in the Statement of Financial Position, where there is an enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors

Short term debtors are measured at transaction price, less any impairment. Where debtors are on payment plans, the balance is shown at its present value, discounted at a market rate, obtainable by the tenants.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Financial Instruments (continued)

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured at amortised cost.

Pensions

Vico Homes participates in the Local Government Pension Scheme (LGPS), a defined benefit scheme. The LGPS is a multi-employer scheme with more than one participating employer. The scheme is administered by the West Yorkshire Pension Fund (WYPF) under the regulations governing the LGPS. Triennial actuarial valuations of the pension scheme are performed by an independent, professionally qualified actuary, using the projected unit method.

For the WYPF, scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets in the Statement of Financial Position. A net surplus would be recognised only to the extent that it is recoverable by the Group through reduced contributions or through refunds from the plan.

The current service cost and costs from settlements and curtailments are charged against the operating surplus. Past service costs are recognised in the current reporting year. Net interest costs are calculated by applying the discount rate to the net defined benefit liability or asset and are recognised in the Statement of Comprehensive Income as a finance cost. Re-measurements are reported in Other Comprehensive Income. Refer to note 9 for more details.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Housing Properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally available for rent and properties are stated at valuation.

Completed housing properties are stated at fair value (EUV-SH) at the date of valuation, less subsequent accumulated depreciation, and accumulated impairment loss. Revaluation of the properties is undertaken every year.

Vico Homes has an investment programme to improve the condition of its housing stock. Improvements are works which result in an increase in the net income, such as an increase in rental income, a reduction in future maintenance costs, or results in a significant extension of the useful economic life of the property in the business. Housing properties undergoing major refurbishment are included in the valuation.

Housing properties under construction are stated at cost. The cost includes acquiring the land and buildings and property development.

Salary costs of employees directly attributable to developing new build schemes have been capitalised based on the time spent on each scheme.

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

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset. Related sales proceeds are included in turnover, and the remaining element is classed as a fixed asset and included in housing properties at valuation, less any provisions needed for depreciation or impairment.

Commuted Sum Properties

Vico Homes has an agreement with Wakefield Council to purchase properties at market value, subject to the receipt of a contribution from the local authority. These properties are classified as social housing properties as they are available to rent at social rent. Commuted sum properties are held at valuation and revalued every year.

The contribution received from Wakefield Council for commuted sum properties is treated as capital grant, accounted for using the performance model and recognised as income when the performance conditions are met. In this case the grant is recognised as income on completion of the property.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Investment Properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised in the Statement of Comprehensive Income.

Government Grants

Government grants include grants receivable from the Regulator of Social Housing, local authorities, and other government organisations. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable.

A grant that imposes specified future performance related conditions on the Group is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability. For Social Housing Grant this means that grant is recognised as revenue on completion of the property.

Grant due from government organisations or received in advance is included as current assets or liabilities.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the Regulator of Social Housing. On the sale of a property the grant may be repayable. However, it is normally available to be recycled and credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

Other Grants

As with government grants, grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance related conditions is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Depreciation of Housing Properties

The Group separately identifies the major components of its housing properties held for letting, and charges depreciation, to write down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

The Group depreciates the major components of its freehold and leasehold housing properties at the following annual rates:

	Existing Properties	New Build
Structure	50 years	100 years
Roofs	50 years	70 years
Flat roofs	30 years	30 years
Kitchens	20 years	20 years
Bathrooms	30 years	30 years
Windows and doors	30 years	30 years
Heating systems	30 years	30 years
Boilers	15 years	15 years
Electrical	30 years	30 years
Air source heat pumps	20 years	20 years
Lifts	30 years	30 years
Automatic Fire Detection Systems HRB	20 Years	20 Years
Door Entry Systems HRB	20 Years	20 Years
Lighting in communal areas HRB	30 Years	30 Years
Fire Doors within HRB	20 Years	20 Years
Sprinkler Systems HRB	20 Years	20 Years
Smoke Ventilation System HRB*	20 Years	20 Years

*HRB = High Rise Buildings.

Freehold land is not depreciated.

The retained proportion of shared ownership properties and properties held as intermediate rent are depreciated over the estimated useful life of the property as a complete unit in line with the rates above.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Schemes Under Construction

Schemes under construction relate to new build properties that are not yet complete and are not depreciated.

Impairment

Existing housing properties are reviewed for impairment on an annual basis. Other fixed assets are reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, fixed assets are written down to the recoverable amount. The recoverable amount is the higher of the assets value in use and fair value less costs to sell. Any such write down is charged to operating surplus unless it is a reversal of a past revaluation surplus, in which case it is taken to the revaluation reserve.

Properties for Sale

Properties developed for shared ownership first tranche sales are included in current assets as they are intended to be sold. The split between housing properties and properties for sale is determined by the percentage of the property to be sold under a first tranche disposal. Shared ownership first tranche sales are initially valued at cost, which comprises of materials, direct labour, and direct development overheads, then subsequently at cost less any impairment.

Other Tangible Fixed Assets

Other tangible fixed assets are measured at historical cost less accumulated depreciation and any impairment losses. Depreciation is provided on a straight-line basis on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful life. No depreciation is provided on freehold land.

The principal annual rates used for other assets are:

	Asset Life
Plant and equipment racking	4 years
Plant and equipment	5 years
Computer and office equipment	5 years
Motor vehicles	5 years
Furniture, fixtures, and fittings	10 years
CCTV	15 years
Solar Panels	30 years
Air Conditioning	30 years
Freehold buildings	50 years

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Other Tangible Fixed Assets (continued)

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus or deficit for the year.

Intangible Assets: Software Development Costs

Vico Homes continues to develop its operating software which is used to support the Group's activities and as a management tool for monitoring and evaluating performance. Design and content development costs are capitalised to the extent that they deliver demonstrable benefits to the Group and are amortised over five years. Ongoing costs of maintaining and operating the software are charged as other operating costs as incurred. Impairment of intangible assets beyond the residual value is written off to the Statement of Comprehensive Income. Intangible assets are amortised over five years.

Leased Assets

All the Group's lease obligations are operating leases. Rentals paid under operating leases are charged to the Statement of Comprehensive Income, on a straight-line basis over the lease term.

The aggregate benefit of lease incentives (such as a rent-free period) is recognised as a reduction to the expense over the lease term on a straight-line basis.

Holiday Pay Accrual

The Group recognises a provision for annual leave accrued by employees, as a result of services rendered in the current year, and which employees are entitled to carry forward and use by the end of April, unless there are exceptional circumstances preventing them from doing so. The provision is measured at salary costs payable for the period of absence.

Cyclical Maintenance

The cost of cyclical maintenance and internal decorations is taken to the Statement of Comprehensive Income when the work is performed.

Revaluation Reserve

When housing properties are revalued, the difference between the revaluation amount and the carrying value of the land and structure elements of housing properties is credited to the housing property revaluation reserve.

Depreciation of revalued properties is calculated at each year end. The difference between historical cost depreciation and the valuation depreciation is transferred between the revaluation reserve and the income and expenditure reserve. This is shown within the Statement of Changes in Reserves.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Disposal Proceeds Fund

The remaining balance has been fully allocated to development schemes and will be released on completion of the related properties. All schemes have started on site.

Provisions

An entity shall recognise a provision only when:

- (a) the entity has an obligation at the reporting date as a result of a past event.
- (b) it is probable (i.e. more likely than not) that the entity will be required to transfer economic benefits in settlement; and
- (c) the amount of the obligation can be estimated reliably

High rise

Vico Homes has five existing residential buildings which have External Wall Systems (EWS) that contains material which at the time of installation met all requirements. However, since the year end these would not now meet the current standards of insulation. The Board have approved works for the sum of £25.5m to remove the EWS from the five high rise blocks, this sum also includes additional works relating to the improvement of the buildings. There is no legal requirement for Vico Homes to complete this work.

Consideration has also been given surrounding the potential of a constructive obligation to leaseholders. Although the leaseholders have been informed of the works, there is no obligation for Vico Homes to complete the work. As a result, no provision has been recognised for this.

Notes to the Financial Statements (continued)

3. Turnover, Cost of Sales, Operating Costs and Operating Surplus

Group – continuing activities

	Year ended 31 March 2025				Operating surplus / (deficit) £'000
	Turnover £'000	Other Income £'000	Cost of Sales £'000	Operating Costs £'000	
Social housing lettings	188,598	-	-	(141,746)	46,852
Other social housing activities					
First tranche low-cost home ownership sales	14,407	-	(14,118)	-	289
Development costs not capitalised	-	-	-	(1,453)	(1,453)
Gain on disposal of assets	-	2,455	-	-	2,455
Other	892	-	-	(391)	501
	15,299	2,455	(14,118)	(1,844)	1,792
Activities other than social housing*					
Fair value movement of investment properties	4,859	-	-	(4,866)	(7)
	-	2,070	-	-	2,070
	4,859	2,070	-	(4,866)	2,063
Total	208,756	4,525	(14,118)	(148,456)	50,707

	Year ended 31 March 2024				Operating surplus / (deficit) £'000
	Turnover £'000	Other Income £'000	Cost of Sales £'000	Operating Costs £'000	
Social housing lettings	176,655	-	-	(142,777)	33,878
Other social housing activities					
First tranche low-cost home ownership sales	12,747	-	(12,454)	-	293
Development costs not capitalised	-	-	-	(843)	(843)
Gain on disposal of assets	-	1,113	-	-	1,113
Other	288	-	-	(327)	(39)
	13,035	1,113	(12,454)	(1,170)	524
Activities other than social housing*					
Fair value movement of investment properties	4,772	-	-	(4,772)	-
	-	(1,180)	-	-	(1,180)
	4,772	(1,180)	-	(4,772)	(1,180)
Total	194,462	(67)	(12,454)	(148,719)	33,222

* Activities other than social housing includes rents from shops and garages and Care Link.

Notes to the Financial Statements (continued)

3. Turnover, Cost of Sales, Operating Costs and Operating Surplus (continued)

Association – continuing activities

	Year ended 31 March 2025				Operating surplus / (deficit) £'000
	Turnover £'000	Other Income £'000	Cost of Sales £'000	Operating Costs £'000	
Social housing lettings	188,598	-	-	(141,746)	46,852
Other social housing activities					
First tranche low-cost home ownership sales	14,407	-	(14,118)	-	289
Development costs not capitalised	-	-	-	(1,453)	(1,453)
Gain on disposal of assets	-	2,455	-	-	2,455
Other	892	-	-	(391)	501
	15,299	2,455	(14,118)	(1,844)	1,792
Activities other than social housing*	4,859	-	-	(4,866)	(7)
Fair value movement of investment properties	-	2,070	-	-	2,070
	4,859	2,070	-	(4,866)	2,063
Total	208,756	4,525	(14,118)	(148,456)	50,707

	Year ended 31 March 2024				Operating surplus / (deficit) £'000
	Turnover £'000	Other Income £'000	Cost of Sales £'000	Operating Costs £'000	
Social housing lettings	176,655	-	-	(142,777)	33,878
Other social housing activities					
First tranche low-cost home ownership sales	12,747	-	(12,454)	-	293
Development costs not capitalised	-	-	-	(843)	(843)
Gain on disposal of assets	-	1,113	-	-	1,113
Other	288	-	-	(327)	(39)
	13,035	1,113	(12,454)	(1,170)	524
Activities other than social housing*	4,772	-	-	(4,772)	-
Fair value movement of investment properties	-	(1,180)	-	-	(1,180)
	4,772	(1,180)	-	(4,772)	(1,180)
Total	194,462	(67)	(12,454)	(148,719)	33,222

* Activities other than social housing includes rents from shops and garages and Care Link.

Notes to the Financial Statements (continued)

3. Turnover, Cost of Sales, Operating Costs and Operating Surplus (continued)

Particulars of income and expenditure from social housing lettings

Group and Association

	General Needs Housing £'000	Supported Housing And Housing For Older People £'000	Low Cost Home Ownership £'000	2025 £'000	2024 £'000
Turnover from social housing lettings					
Rent Receivable	161,635	7,318	3,149	172,102	155,600
Service Charges	1,667	4,681	66	6,414	6,266
Social housing grant	6,472	-	2,252	8,724	12,673
Other Grants	1,358	-	-	1,358	2,116
Turnover from social housing lettings	171,132	11,999	5,467	188,598	176,655
Management	(45,595)	(3,255)	(727)	(49,577)	(44,690)
Management – Pension FRS 102 adjustment	(1,990)	(140)	0	(2,130)	(802)
Service charge costs	(3,717)	(4,708)	0	(8,425)	(9,027)
Routine maintenance	(27,218)	(1,288)	(26)	(28,532)	(27,202)
Planned maintenance	(3,056)	(51)	(3)	(3,110)	(2,806)
Major repairs expenditure	(13,806)	(195)	0	(14,001)	(21,517)
Bad debts	(1,003)	(70)	(32)	(1,105)	(362)
Impairment	(253)	0	0	(253)	-
Depreciation of housing properties	(30,721)	(1,538)	(613)	(32,872)	(33,584)
Deprecation of other fixed assets	(1,580)	(111)	(50)	(1,741)	(2,787)
Operating expenditure on social housing lettings	(128,939)	(11,356)	(1,451)	(141,746)	(142,777)
Operating surplus on social housing lettings	42,193	643	4,016	46,852	33,878
Void losses	1,832	261	7	2,100	1,802

Notes to the Financial Statements (continued)

4. Accommodation in Management and Development

Group and Association

At the end of the year accommodation in management for each class of accommodation was as follows:

Social Housing	At 1 April 2024	Additions	Conversions	Sales and Demolitions	Tenure Movements	At 31 March 2025
General Needs						
• Social Rent	27,080	10	-	(89)	(1)	27,000
• Affordable Rent	2,518	200	-	(7)	6	2,717
Supported Housing and housing for older people	1,513	10	-	(56)	(7)	1,460
Low-cost home ownership	1,034	109	-	(23)	2	1,122
Total owned	32,145	329	-	(175)	-	32,299
Accommodation Managed for others	7	-	-	-	-	7
Total Accommodation	32,152	329	-	(175)	-	32,306

Vico Homes manages four Alms Houses for Wrays Homes (2024: 4 units), a registered charity; and three properties for the Megson Trust (2024: 3 units).

Notes to the Financial Statements (continued)

5. Operating Surplus

This is arrived at after charging:

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Depreciation of housing properties	32,872	32,834	32,872	32,834
Depreciation and amortisation of other tangible fixed assets	1,741	3,538	1,741	3,538
Impairment	253	-	-	-
Operating lease rentals:				
• Land and buildings	390	385	390	385
• Office equipment and computers	33	38	33	38
• Motor vehicles	1,460	1,551	1,460	1,551
Audit Fees				
Fees payable (excluding VAT) to the Group's auditor for the audit of the Financial Statements of:				
• Group	152	137	139	124
	152	137	139	124
Fees Payable to the Group's auditor in respect of:				
• Other assurance services	12	9	12	9
• Tax compliance services	8	2	8	2
	17	11	17	11
Internal auditor's remuneration (Beever and Struthers)	196	114	196	114

Notes to the Financial Statements (continued)

6. Sale of Fixed Assets

Group and Association

	2025 £'000	2024 £'000
Disposal proceeds – housing properties	6,545	6,321
Carrying value of fixed assets at valuation	(4,804)	(5,009)
	1,741	1,312
Capital grant recycled (note 22)	(328)	(234)
Surplus on sale of housing properties	1,413	1,078
Disposal proceeds – of land and current assets	2,168	80
Carrying value of land and current assets	(516)	(20)
Surplus on sale of land and current assets	1,652	60
Loss on sale of other assets (investment properties)	(610)	(32)
Surplus on Homebuy Loans	-	7
Surplus on sale of fixed assets	2,455	1,113

Included in the above are staircasing sales of shared ownership properties. During the year there were 26 full staircasing and five partial staircasing sales which generated a surplus on disposal of £364k (2023/2024 £559k).

7. Interest Receivable and Other Income

Group and Association

	2025 £'000	2024 £'000
Defined Benefit Pension	142	141
Interest receivable liquidity reserve fund	187	178
Interest receivable from deposits	1,950	2,354
NPV of Bad Debt Provision	(84)	-
	2,195	2,673

Vico Homes operates a liquidity reserve fund linked to its bLEND funding this relates to a minimum of one year's interest payment held on deposit. All other interest receipts are received on deposit accounts.

Notes to the Financial Statements (continued)

8. Interest Payable and Similar Charges

Group and Association

	2025	2024
	£'000	£'000
Unwinding of discount for fair value of debtors	-	(51)
Recycled capital grant fund	66	60
Loan interest, arrangement and premium bond release	21,559	20,904
Effective interest rate release	(5,283)	(5,028)
	16,342	15,885

9. Employees

Average monthly number of employees expressed based on 37 hours a week in full time equivalents:

Group and Association

	2025	2024
	No	No
Administration	445	430
Technical services	508	469
Housing, support, and care	306	301
	1,259	1,200

Employee costs:

Group and Association

	2025	2024
	£'000	£'000
Wages and salaries	50,020	45,592
Social security costs	5,010	4,500
Other pension costs	6,011	6,177
	61,041	56,269

Notes to the Financial Statements (continued)

9. Employees (continued)

The full time equivalent number of employees who received remuneration (including Executive Directors):

	2025 No.	2024 No.
£60,001 to £70,000	25	7
£70,001 to £80,000	8	2
£80,001 to £90,000	1	9
£90,001 to £100,000	8	2
£100,001 to £110,000	1	1
£110,001 to £120,000	-	-
£120,001 to £130,000	-	3
£130,001 to £140,000	1	-
£140,000 to £190,000	3	2
£210,001 to £220,000	-	1
£250,001 to £260,000	1	-
	48	27

West Yorkshire Pension Fund

Vico Homes employees are entitled to be members of the LGPS. The LGPS is a multi-employer scheme with more than one participating employer. The scheme is administered by the WYPF under the regulations governing the LGPS. It is a defined benefit scheme. Triennial and FRS 102 actuarial valuations of the pension scheme are performed by an independent, professionally qualified actuary.

The market value of Vico Homes share of the schemes assets at the 31 March 2025 was £410m against scheme liabilities of £248.5m, a surplus of £161.5m this is a further improvement from a surplus of £102.1m in 2023/2024. The net asset at 31 March 2025 is restricted to Nil in the Financial Statements at 31 March 2025 as the benefit cannot be released through lower employer contributions or refund.

The most recent triennial actuarial valuation was completed as at 31 March 2022 and rolled forward allowing for different financial assumptions required under FRS 102, to 31 March 2023. The next triennial valuation will be undertaken at 31 March 2025.

The result of the Triannual valuation was that the long term pension rate within the plan was decreased to 15% (March 2022 Tri annual valuation). The previous long term contribution rate was 17.1% (March 2019 Tri annual valuation).

Rates have been decreased to reflect the funding position of the scheme which has improved and reflecting the change in the discount rates. Prudence being built into the Actuary's long term funding assumptions and the future liabilities of the scheme.

Notes to the Financial Statements (continued)

9. Employees (continued)

West Yorkshire Pension Fund (continued)

Vico Homes contribution rate for 2025/2026 will be 10.6%, this is a decrease from the contribution rate of 12.3%. The contribution rates from the Triannual valuation are listed below and future contribution rates are listed below. The rates payable post 2022 are in-line with the 2022 Triannual review. The next triennial valuation will be undertaken at 31 March 2025 and the results published during 2025/2026.

	% Per annum
2023/2024	14.0
2024/2025	12.3
2025/2026	10.6
2026/2027 (long term)	15.0

The employer's contribution to the LGPS by Vico Homes for the year ended 31 March 2025 was £6m (2024: £6.2m). The employer contribution rate for next year is set at 10.6% which will be in the region of £5.3m for the year ending 31 March 2026. Vico Homes remains a committed member of the WYPF, and future contributions are affordable to Vico Homes in the long term and are included in the approved Business Plan.

During the Triannual review, the Actuary also completed its formal Tier Three review of all employers within the scheme. The review was conducted to reflect the financial strength of each employer within the scheme and to introduce specific funding classifications to all employers. Employers could be classified into three funding target types: Orphan, Intermediate, Secure, with high, medium, or low risk profiles. Only fully taxpayer backed Tier 1 and Tier 2 employers can be classified as secure, for example, local authorities.

Vico Homes has been classified as an Admitted Body with an Intermediate, Medium risk profile. Vico Homes has a Subsumption agreement in place with Wakefield MDC who are a Scheduled Body. This has resulted in Vico Homes having a lower risk profile in the view of the pension fund and this has resulted in lower contribution rates.

McCloud

In December 2018, the Court of Appeal ruled that there was age discrimination in the way certain transitional protections have been applied in respect of the Judges and Firefighters pension schemes. The principles of this case are also applicable to Local Government Pension Schemes. The liability was first included in the accounts for the year ended 31 March 2019, any change in the allowance to 31 March 2025 has been taken to other comprehensive income.

Guaranteed Minimum Pension

Guaranteed Minimum Pension is a portion of pension that was accrued by individuals who were contracted out of the Stated Second Pension prior to 6 April 1999. The rate at which GMP was accrued, and the date it is payable, is different for men and women, meaning there is an inequality for male and female members who have GMP. The liability was first

Notes to the Financial Statements (continued)

9. Employees (continued)

Guaranteed Minimum Pension (continued)

included in the accounts for the year ended 31 March 2019, any change in the allowance to 31 March 2025 has been taken to other comprehensive income.

In October 2020, a second ruling in the Lloyds bank case clarified that compensation would be required to members who transferred benefits out since May 1990. The Government has not yet acknowledged a liability in public service schemes nor indicated an approach to rectify this. As a result, this has not been included in the liability. Our actuary AON have confirmed that at present there is no methodology to calculate what the potential liability will be. Therefore, this has not been factored into the year-end liability.

Goodwin ruling

In June 2020 an Employment Tribunal ruled, in relation to the Teachers' Pension Scheme, that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation.

The chief secretary to the Treasury announced in a written ministerial statement on 20 July 2020 that he believed that changes would be required to other public service pension schemes with similar arrangements.

The LGPS expects the Goodwin judgement to add around 0.2% to the Defined Benefit Obligation (DBO) for a typical employer, however, the impact will vary depending on the membership profile. It is unlikely to be higher than 0.5% of the DBO. The LGPS will not allow for this within our standard service on grounds of materiality.

Those changes are yet to be reflected in the LGPS Regulations, nor in the data the LGPS receive from the Administering Authority, the LGPS does not allow for this ruling in its calculations. Therefore, this has not been factored into the year-end liability.

Virgin media ruling

In June 2023, the High Court handed down a decision (Virgin Media Ltd v NTL Pension Trustees II Limited), which was subsequently upheld by the Court of Appeal in July 2024. The ruling potentially has implications for the validity of amendments made by pension schemes, including the LGPS, which were contracted-out on a salary-related basis between 6 April 1997 and the abolition of contracting-out in 2016.

The ruling related to the requirement on the trustees to obtain the scheme actuary's confirmation that a scheme continued to provide a minimum level of benefits (known as a 'reference scheme test') following certain types of rule amendments. Without this confirmation (sometimes referred to as a section 37 confirmation, by reference to section

Notes to the Financial Statements (continued)

9. Employees (continued)

37 of the Pension Schemes Act 1993, which sets out that scheme rules can only be altered as prescribed in the relevant regulations), the amendment may be void and ineffective.

The government has not yet confirmed that they have been able to locate the actuarial confirmations from the Government Actuary's Department for all LGPS amendments between 1997 and 2016.

There remains uncertainty as the case may be subject to a further appeal or the Department for Work and Pensions could legislate to amend section 37 to allow retrospective actuarial confirmation. In a ministerial statement on 27 February 2025, responding to a question on whether section 37 will be amended, Torsten Bell said that *"No final decisions have been made but we are actively considering our next steps, and will provide an update in due course"*.

Those changes are yet to be reflected in the LGPS Regulations, nor in the data the LGPS receive from the Administering Authority, the LGPS does not allow for this ruling in its calculations. Therefore, this has not been factored into the year-end liability.

Financial Assumptions

	31 March 2025 % per annum	31 March 2024 % per annum
Discount rate	5.80	4.80
Future salary increases	2.59	2.59
Future pension increases	2.50	2.60
Consumer Price Inflation	2.50	2.60

Mortality Assumptions

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis conducted as part of the 2022 valuation and allow for expected future mortality improvements. Life expectancies at age 65 resulting from these mortality assumptions are shown below:

	2025 No. of years	2024 No. of years
Retiring today:		
Males	20.9	21.0
Females	24.1	24.2
Retiring in 20 years:		
Males	21.8	22.3
Females	24.8	25.2

Notes to the Financial Statements (continued)

9. Employees (continued)

Major Categories of Plan Assets

		Value at 31 March 2025		Value at 31 March 2024
	%	£'000	%	£'000
Equity	79.3	325,146	79.4	313,285
Property	2.8	11,481	2.8	11,048
Government bonds	9.0	36,902	8.5	33,538
Corporate bonds	4.0	16,401	4.2	16,572
Cash	2.6	10,661	1.8	7,102
Other	2.3	9,430	3.3	13,021
	100	410,021	100	394,566

Amounts Recognised in Surplus or Deficit

	2025 £'000	2024 £'000
Current service cost	8,072	6,975
Past service cost	63	4
Amounts charged to operating costs	8,135	6,979

	2025 £'000	2024 £'000
Interest on net defined benefit (asset) before asset restriction	(5,042)	(3,572)
Interest on unrecognised asset	4,900	3,431
Amounts charged to interest payable and similar charges	(142)	(141)

Reconciliation of Opening and Closing Balances of the Present Value of Scheme Liabilities

	2025 £'000	2024 £'000
Opening scheme liabilities	292,487	290,611
Current service cost	8,072	6,975
Past service cost	63	4
Interest cost	13,850	13,233
Contributions by participants	3,220	2,956
Actuarial (gain) on liabilities	(57,787)	(12,260)
Benefits paid	(11,400)	(9,032)
Closing value of scheme liabilities	248,505	292,487

Notes to the Financial Statements (continued)

9. Employees (continued)

Reconciliation of Opening and Closing Balances of the Present Value of Scheme Assets

	2025 £'000	2024 £'000
Opening fair value of plan assets	394,566	365,203
Interest income gain	18,892	16,805
Actuarial (loss) / gain on assets	(1,262)	12,457
Contributions by employer	6,005	6,177
Contributions by participants	3,220	2,956
Net benefits paid out	(11,400)	(9,032)
Closing fair value of scheme assets	410,021	394,566

Net position of the Pension Scheme in the Statement of Financial Position

	2025 £'000	2024 £'000
Scheme liabilities	(248,505)	(292,487)
Scheme assets	410,021	394,566
Net surplus of the pension scheme	161,516	102,079
Effect of asset ceiling	(161,516)	(102,079)
Net surplus recognised	-	-

The net surplus as at 31 March 2025 is restricted to Nil. A net surplus would only be recognised to the extent that it is recoverable by the Group through reduced contributions or through refunds from the plan. Neither option is available to Vico Homes formally WDH through its membership of the WYPF.

Actuarial Gain Recognised in Other Comprehensive Income

	2025 £'000	2024 £'000
Actuarial gain on liabilities	57,787	12,260
Actuarial (loss) / gain on assets	(1,262)	12,457
Actuarial gain	56,525	24,717
Assets not recognised due to asset restrictions.	(54,537)	(24,056)
Actuarial gain recognised.	1,988	661

Notes to the Financial Statements (continued)

9. Employees (continued)

Actual Return on Scheme Assets

	2025	2024
	£'000	£'000
Interest income on assets	18,892	16,805
(loss) / gain / on assets	(1,262)	12,457
Actual return on scheme assets	17,630	29,262

Sensitivity Analysis

Adjustment to Discount Rate

	+ 0.1%		- 0.1%
	Per annum	Base figure	Per annum
	£'000	£'000	£'000
Present value of total obligation	244,032	248,505	253,227

Adjustment to Rate of General Increase in Salaries

	+ 0.1%		- 0.1%
	Per annum	Base figure	Per annum
	£'000	£'000	£'000
Present value of total obligation	249,251	248,505	247,759

Adjustment to Pension Increase Rate

	+ 0.1%		- 0.1%
	Per annum	Base figure	Per annum
	£'000	£'000	£'000
Present value of total obligation	252,481	248,505	244,777

Notes to the Financial Statements (continued)

9. Employees (continued)

Adjustment to Mortality Age Rating

	-1 year		+1 year
	Per annum	Base figure	Per annum
	£'000	£'000	£'000
Present value of total obligation	253,972	248,505	243,038

Notes to the Financial Statements (continued)

10. Board Members and Executive Directors

Executive Directors Emoluments

Key management personnel	2025 £'000	2024 £'000
Aggregate emoluments of Executive Directors (including National Insurance but excluding pension)	973	872
Aggregate value of Association pension contributions	92	105
Total Emoluments	1,065	977
Number of Executive Directors accruing retirement benefits under defined benefit schemes as at year end	5	5
Highest Paid Director		
Aggregate emoluments (excluding National Insurance)	252	214
Pension contributions	21	31

The Chief Executive is a member of the LGPS. He is an ordinary member of the pension scheme with no enhanced or special terms. The Association does not make any further contribution to an individual pension arrangement for the Chief Executive or any other Director.

There was no compensation payable to Directors or past Directors. There was no consideration payable to third parties for making available the services of any person to perform the role of Director. During the year, no ex-gratia payments were made (2024: £20k).

Notes to the Financial Statements (continued)

Non-Executive Board and Committee Emoluments

	Position	2025 £	2024 £
Andrew McConnell	Chair / Committee Chair	22,500	17,333
Stephen Davis	Committee Chair	13,500	12,000
Shendi Keshet	Committee Chair	13,500	12,000
Clare King	Committee Chair	13,500	11,167
Ajman Ali	Board Member	10,688	9,500
Elizabeth Cook	Senior Independent Director / Committee Chair	13,500	8,000
Michael Graham	Board Member	10,688	6,333
Suzan Harrington	Board Member	10,688	9,500
Michael Longfellow	Board Member	10,688	9,500
Gareth Mann-Tighe	Board Member	10,688	7,667
Antony Nelson	Board Member	10,688	6,333
Iain Shorthose	Independent Committee Member	4,500	2,667
Stephen Mullaney	Independent Committee Member	4,415	-
Karen Devine	Trainee Board Member	1,778	-
Shaban Talib	Trainee Board Member	1,778	-
Aimee Hutton	Trainee Board Member	1,778	-
Jacqueline Speight (Resigned 31 July 2023)	Board Chair	-	6,667
Phillip Earnshaw (Resigned 31 July 2023)	Board Vice Chair	-	4,000
Christopher Michael Gaskell (Resigned 31 May 2023)	Board Member	-	1,583
Total Emoluments		154,877	124,250

Notes to the Financial Statements (continued)

11. Tax on Surplus on Ordinary Activities

(a) Analysis of Charge in Year

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Current Tax				
UK Corporation Tax on result for the period	472	295	472	295
Adjustments in respect of prior periods	-	(59)	-	(59)
Total Tax (note 11b)	<u>472</u>	<u>236</u>	<u>472</u>	<u>236</u>
Deferred Tax				
Origination and reversal of timing differences	-	-	-	-
Total Deferred Tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tax on surplus	<u>472</u>	<u>236</u>	<u>472</u>	<u>236</u>

The tax assessed is the same as the standard rate of Corporation Tax in the UK, 25% (2024: 25%). The differences are explained below:

(b) Total tax reconciliation

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Surplus on ordinary activities before tax	45,610	20,883	44,016	19,774
Adjustments in respect of charitable activities	(36,268)	(19,703)	(34,672)	(18,594)
Surplus on ordinary activities subject to tax	1,886	1,180	1,888	1,180
Surplus on ordinary activities subject to tax multiplied by the standard rate of corporation tax in the UK of 25% (25% 2024)	472	295	472	295
Effects of:				
Utilisation of tax losses	-	-	-	-
Total tax charge	<u>472</u>	<u>295</u>	<u>472</u>	<u>295</u>

Unused tax losses total £nil (2024: £nil).

Notes to the Financial Statements (continued)

12. Tangible Fixed Assets – Properties

Group and Association

Housing properties

	Social Housing Properties Held for Letting £'000	Social Housing Properties Under Construction £'000	Shared Ownership Properties Held for Letting £'000	Total Properties £'000
Cost or valuation				
At 1 April 2024	965,378	40,741	76,367	1,082,486
Additions	-	72,808	-	72,808
Work to existing	31,990	-	-	31,990
Transfer to rented	556	-	(361)	195
Transfer to shared	(394)	-	3,246	2,852
Transfer to current assets	(240)	-	(1,050)	(1,290)
Transfer from OFA	-	-	-	-
Schemes completed	32,584	(43,610)	11,026	-
Disposals	(7,287)	(512)	(2,001)	(9,800)
Valuation adjustment	(211,173)	-	1,698	(209,475)
At 31 March 2025	811,414	69,427	88,925	969,766
Depreciation and impairment				
At 1 April 2024	(3,963)	-	-	(3,963)
Depreciation charged in	(32,259)	-	(613)	(32,872)
Impairment	(253)	-	-	(253)
Transfer to rented	(3)	-	3	-
Transfer to shared	28	-	(28)	-
Transfer to current assets	17	-	7	24
Released on disposal				
Disposal	4,169	-	316	4,485
Valuation adjustment	28,048	-	315	28,363
At 31 March 2025	(4,216)	-	-	(4,216)
Net book value				
At 31 March 2025	807,198	69,427	88,925	965,550
At 31 March 2024	961,415	40,741	76,367	1,078,523

Notes to the Financial Statements (continued)

12. Tangible Fixed Assets – Properties (continued)

Valuation

Completed housing properties are stated at EUV-SH with special assumptions, including notional directly attributable material acquisition costs. Vico Homes housing properties have been valued by professional external valuers, Savills (UK) Limited, a general practice firm providing surveying and valuation services. The latest valuation was performed on 31 March 2025. The full valuation of the properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors and incorporates the regulatory requirements of the RSH.

Properties at valuation under EUV-SH have a carrying value of £827m (2024: £1,038m) excluding properties under construction. In valuing housing properties, discounted cash flow methodology was adopted with the following key assumptions:

Group and Association

	2025 %	2024 %
Discount rates		
Social Transferred: house / bungalows and low rise flats	5.25%	5.25%
Social Post Transfer: Highrise all	5.75%	5.75%
Post Transfer Social: under 5 years old	5.00%	5.00%
Post Transfer Social: over 5 years old	5.25%	5.25%
Transferred Affordable: houses/bungalows & low rise flats	5.25%	5.25%
Post Transfer Affordable: under 5 years old	5.00%	5.00%
Post Transfer Affordable: over 5 years old	5.25%	5.25%
Post Transfer Intermediate: under 5 years old	5.00%	5.00%
Post Transfer Intermediate: over 5 years old	5.25%	5.25%
Shared ownership	4.50%	4.50%
CPI Inflation		
Year 1	2.75%	2.30%
Year 2	2.30%	1.90%
Year 3	2.20%	2.10%
Year 4	2.20%	2.20%
Year 5 onwards	2.00%	2.00%
Long Term Rental Growth	CPI+1%	CPI+1%

Notes to the Financial Statements (continued)

12. Tangible Fixed Assets – Properties (continued)

The carrying value of housing properties that would have been included in the Financial Statements had the assets been carried at historical cost less depreciation and impairment is as follows:

Group and Association	2025 £'000	2024 £'000
Housing properties at historical cost	1,059,506	943,622
Depreciation and impairment	(294,979)	(273,215)
	<u>764,527</u>	<u>670,407</u>

Social Housing and Other Grants

Group and Association	2025 £'000	2024 £'000
Total Social Housing Grant at 31 March:		
Recognised in the Statement of Comprehensive Income	8,724	12,674
Recognised in previous years	91,845	79,171
Deferred income	28,361	19,081
	<u>128,930</u>	<u>110,926</u>

Housing properties book value net of depreciation:

Group and Association	2025 £'000	2024 £'000
Freehold land and buildings	964,898	1,076,443
Long leasehold land and buildings	652	2,080
	<u>965,550</u>	<u>1,078,523</u>

At the 31 March 2025, the Group and Vico Homes had 264 (2024: 262) social housing properties held for letting and 4 (2024: 4) low-cost shared ownership properties on long leaseholds.-

Expenditure on works to existing properties:

Group and Association	2025 £'000	2024 £'000
Improvement works capitalised	35,700	23,360
Amounts charged to income and expenditure account	11,369	17,966
	<u>47,069</u>	<u>41,326</u>

Notes to the Financial Statements (continued)

13. Tangible Fixed Assets – Other

Group and Association

	Freehold Buildings £'000	Plant and Equipment £'000	Furniture Fixtures and Fittings £'000	Computer Equipment £'000	Motor Vehicles £'000	Under construction £'000	Total £'000
Cost							
At 1 April 2024	12,350	749	2,915	2,516	111	821	19,462
Additions	-	714	1,473	205	-	1,987	4,379
Transferred to completed	-	-	-	-	-	(2,392)	(2,392)
Disposals	-	(3)	(1)	-	-	-	(4)
At 31 March 2025	12,350	1,460	4,387	2,721	111	416	21,445
Depreciation							
At 1 April 2024	(2,400)	(293)	(1,608)	(1,059)	(111)	-	(5,471)
Depreciation charged in year	(248)	(72)	(293)	(566)	-	-	(1,179)
Disposals	-	3	1	-	-	-	4
At 31 March 2025	(2,648)	(362)	(1,900)	(1,625)	(111)	-	(6,646)
Net book value							
At 31 March 2025	9,702	1,098	2,487	1,096	0	416	14,799
At 31 March 2024	9,952	455	1,306	1,456	-	822	13,991

Assets under construction are uncompleted works to office facilities and communal heating. There are no tangible fixed assets purchased under finance leases.

Notes to the Financial Statements (continued)

14. Intangible Assets

	Computer Software £'000	Computer Software Under Construction £'000	Total £'000
Cost			
At 1 April 2024	10,182	957	11,139
Additions	-	935	935
Disposals	-	-	-
Transfers	1,248	(1,248)	-
At 31 March 2025	11,430	644	12,074
Amortisation			
At 1 April 2024	(9,650)	-	(9,650)
Amortisation in year	(562)	-	(562)
Disposals	-	-	-
At 31 March 2025	(10,212)	-	(10,212)
Net book value			
At 31 March 2025	1,218	644	1,862
At 31 March 2024	532	957	1,489

Impairment all assets

The Group considers individual assets when assessing for impairment in accordance with the requirements of FRS 102 and SORP 2018. Impairment charge during the year ended 31 March 2025 relating to Social Housing Properties held for letting was £253k (2024: £0k relating to Assets held for sale).

Notes to the Financial Statements (continued)

15. Investments

Investment Properties

	£'000
At 1 April 2024	9,000
Increase in fair value	2,070
Disposal	(610)
At 31 March 2025	10,460

Investment properties comprise of shops and garages held for letting. Investment properties were valued at 31 March 2025 at market value. The Group's investment properties have been valued by Savills (UK) Limited, a general practice firm providing surveying and valuation services.

In valuing investment properties, the following key assumptions were used:

Group and Association	2025	2024
	%	%
Garages		
Future rent increases	CPI	CPI
Void losses	30%	30%
Shops		
Year 1	CPI	CPI
Year 2 onwards	CPI	CPI
Void losses	37%	37%

Liquidity Fund Reserve

	bLEND £'000	AHGS £'000	£'000
At 1 April 2024	3,726	-	3,726
New Deposit AHGS	-	721	721
Interest receivable	187	-	187
At 31 March 2025	3,913	721	4,634

Vico Homes operates two liquidity reserve funds. The bLEND fund relates to a minimum of one year's interest payment held on deposit. The AHGS the fund relates to a minimum of six months interest payment held on deposit. Interest is receipted to both funds every six months.

Notes to the Financial Statements (continued)

16. Homebuy Loans

Group and Association	£'000
At 1 April 2024	82
Loans repaid	-
At 31 March 2025	82

Homebuy loans were administered by Vico Homes on behalf of the Homes and Communities Agency and have been provided to individuals to assist in purchasing a Vico Homes property built for outright sale. The loan is a secured loan and is due to be repaid after five years after which interest will be charged on any outstanding loan balance. Vico Homes does not receive any Homebuy grant directly.

Vico Homes have provided a loan secured against equity to tenants allowing them to buy into the improvement programme. Loans are provided up to the value of works required. Homebuy loans are treated as public benefit entity concessionary loans. They are initially recognised as a loan at the amount paid to the purchaser and are subsequently updated to reflect accrued interest.

17. Investment in Subsidiaries and Joint Venture

As required by statute and the accounting standards, the Financial Statements consolidate the result of Wakefield and District Homes Limited; formally WDH Solutions Limited, and Vico New Build Services Limited, formally WDH New Build Services Limited, which are subsidiaries of Vico Homes. Vico Homes, formally WDH, has the right to appoint members to the Board of the subsidiaries and thereby exercises control over them. Vico Homes is the ultimate parent undertaking.

The following are subsidiary and joint venture undertakings of the Association:

Name	Holding
Vico New Build Services Limited; formally WDH New Build Services Limited (Non trading)	100%
Wakefield and District Homes Limited; formally WDH Solutions Limited (Dormant)	100%
Bridge Homes (Yorkshire) LLP	50%

Vico New Build Services, formally WDH New Build Services, was incorporated on 25 January 2022 but has not started trading in the financial year. When it does commence trading its main activities will be design and build of new affordable homes, which will be then transferred to Vico Homes, formally WDH, to be used as social housing.

Prior to being dormant the main activity of Wakefield and District Homes, formally WDH Solutions, is the provision of repairs, maintenance, and installations, predominantly outside of the social housing sector.

Notes to the Financial Statements (continued)

Bridge Homes (Yorkshire) LLP is a joint venture created in July 2014, as a Limited Liability Partnership whose main activity is to build and sell homes. Vico Homes, formally WDH, has a 50% interest in Bridge Homes, it is considered to be a joint venture on the basis of joint control. The investment in Bridge Homes is shown below.

17. Investment in Subsidiaries and Joint Venture (continued)

Investment in the Joint Venture

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
At 1 April	6,345	5,472	4,250	4,250
Share of profit in joint venture	1,594	873	-	-
Investment in year	-	-	-	-
At 31 March	7,939	6,345	4,250	4,250

During the year there were £nil intra-group transactions with Wakefield and District Homes, formally WDH Solutions, as the subsidiary is dormant. Transactions with Bridge Homes are shown in note 34 related parties.

	2025 £'000	2024 £'000	Allocation Basis
Management Services Wakefield and District Homes	-	-	The charge is based on directly attributable labour costs.
Directly attributable costs of Wakefield and District Homes	-	-	Directly attributable costs.
Gift aid	-	-	Gift aid received from Wakefield and District Homes.
	<u>-</u>	<u>-</u>	

18. Properties Held for Sale

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Completed Properties	2,716	8,392	2,716	8,392
Under construction	2,957	-	2,957	-
	<u>5,673</u>	<u>8,392</u>	<u>5,673</u>	<u>8,392</u>

Vico Homes had 47 units (124 2023/2024) for sale at 31 March 2025 with 20 units (71 2023/2024) sold subject to contract as at the year end.

Notes to the Financial Statements (continued)

19. Trade and Other Debtors

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Due within one year				
Rent and service charges receivable	6,295	5,514	6,295	5,514
Less net present value of TOA*	(645)	(561)	(645)	(561)
Less provision for bad and doubtful debts	(4,402)	(4,300)	(4,402)	(4,300)
	1,248	653	1,248	653
Sundry debtors	971	913	971	913
Less provision for bad and doubtful debts	(608)	(433)	(608)	(433)
	363	480	363	480
Other debtors	517	577	517	577
Prepayments and accrued income	2,475	3,101	2,475	3,101
Fair value of derivative financial instruments	9,051	-	9,051	-
Interest receivable	-	24	-	24
Amounts due from Bridge Homes (Yorkshire) LLP	-	79	1	79
Amounts due from Wakefield and District Homes	-	-	10	10
	13,654	4,914	13,665	4,924

* TOA; Tenants on arrangement

Notes to the Financial Statements (continued)

20. Creditors: Amounts Falling Due Within One Year

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Debt (EIR Note 25)	5,408	5,771	5,408	5,771
Debt (Loan Due Note 25)	1,888	3,009	1,888	3,009
Amortisation of finance costs (Note 25)	(134)	-	(134)	-
Loans due within one year	7,162	8,780	7,162	8,780
Trade creditors	5,766	3,207	5,766	3,207
Rent and service charges received in advance	3,380	2,969	3,380	2,969
Social Housing Grant received in advance	26,070	16,791	26,070	16,791
Recycled capital grant fund (note 22)	1,096	511	1,096	511
Other New Build Grant received in advance	2,290	2,290	2,290	2,290
Corporation tax	472	294	472	294
Other tax and social security	1,152	1,047	1,152	1,047
Other creditors	2,162	2,133	2,162	2,133
Accruals and deferred income	11,846	13,346	11,846	13,344
Amounts due to Bridge Homes (Yorkshire) LLP	-	275	-	275
Other Creditors due within one year	54,234	42,863	54,234	42,861
	61,396	51,643	61,396	51,641

21. Creditors: Amounts Falling Due After More Than One Year

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Debt (note 25)	467,235	460,297	467,235	460,297
Capitalised Finance Costs	(1,450)	-	(1,450)	-
Recycled capital grant fund (note 22)	665	832	665	832
	466,450	461,129	466,450	461,129

Notes to the Financial Statements (continued)

22. Recycled Capital Grant Fund

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
At 1 April	1,343	1,313	1,343	1,313
Grants recycled	352	234	352	234
Withdrawals	-	(264)	-	(264)
Interest	66	60	66	60
At 31 March	1,761	1,343	1,761	1,343

Withdrawals from the Recycled Capital Grant Fund have been used for the purchase and development of new housing schemes. £1,096k is due within one year (2024: £511k).

23. Provisions

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
At 1 April	238	240	238	240
Additions	84	-	84	-
Released to SOCI in year	(111)	(2)	(111)	(2)
At 31 March	211	238	211	238

Provisions of £211k in relation for subsidence works to properties in connection with insurance claims lodged with Vico Homes insurers. This has been re-estimated from £238k in 2024.

24. Advance Receipts and Payments

Immediately prior to entering into the Stock Transfer Agreement between Wakefield Council and WDH (now Vico Homes) at March 2005, Wakefield Council and Vico Homes entered into a contract for Vico Homes to perform the improvement works required to bring the properties into an agreed state. The contract was for a fixed sum equal to the expected cost of the works, which is £672m exclusive of VAT. At transfer, Vico Homes contracted with Wakefield Council to acquire the benefit of the agreed refurbishment works (£672m) plus the housing properties at a price equal to the agreed value of the properties in their unenhanced condition (£15m).

These contracts have enabled Vico Homes, formally WDH, to recover VAT on repair and improvement costs that would otherwise have been expensed. At the time of transfer, WDH paid over a net cash amount of £15m to Wakefield Council, representing the acquisition of the properties in their unenhanced condition (£15m) and

Notes to the Financial Statements (continued)

24 Advance Receipts and Payments (continued)

the value of Wakefield Council's obligation to carry out the improvements works (£672m), less the amount due to be incurred by Vico Homes, formally WDH, under the Development Agreement in relation to the anticipated cost of the repairs and improvements (£672m). To date, £735m of improvement work has gone through the VAT shelter, this is more than the original obligation. However, the shelter continues to operate for first time works on transferred properties.

25. Debt Analysis

Group and Association	2025 £'000	2024 £'000
Bank loans < 1 year (note 20)	7,296	8,780
Bank loans > 1 year (note 21)	467,235	460,297
	<u>474,531</u>	<u>469,077</u>

Bank loans < 1 year comprises of both capital and effective interest calculations as appropriate.

Group and Association	2025 £'000	2024 £'000
Bank loans maturity analysis		
Within one year	1,888	3,009
Between one and two years	1,940	1,888
Between two and five years	3,354	4,556
After five years	<u>402,500</u>	<u>388,238</u>
Total drawn loans	409,682	397,691
Fair value adjustment	66,101	71,386
Discount on bond issue AHGS Loan	<u>(1,252)</u>	<u>-</u>
	<u>474,531</u>	<u>469,077</u>

The table above reflects the cash repayments required for the loan facilities reconciled back to the total loan balance.

Notes to the Financial Statements (continued)

26. Share Capital

	2025 £
Shares of £1 each, allotted and fully paid	
As at 1 April	11
Less retirements	-
New share issues	-
As at 31 March	11

The shares are non-transferable, non-redeemable and carry no rights to receive either income or capital payments. They are therefore classified as non-equity shares.

27. Group Cash Flow from Operating Activities

	2025 £'000	2024 £'000
Surplus for the year	45,138	20,647
Adjustments for non-cash items:		
Depreciation of housing property	32,872	32,834
Depreciation of other fixed assets	1,179	1,745
Amortisation of intangible assets	562	1,792
Impairment	253	-
Grant income	(10,082)	(14,790)
Net gain on disposal of assets	(2,456)	(1,113)
(Gain) / Loss on valuation of investment property	(2,070)	1,180
Increase in liquidity reserve fund	(187)	(178)
Decrease in property held for sale	3,985	317
Decrease in trade and other debtors	13	425
Decrease / Increase in trade and other creditors	1,325	(431)
Decrease in provisions	(27)	(2)
Pension costs less contributions payable	1,988	802
Gain Hedge on inception	(7,456)	-
Tax payable	472	236
Share of operating (surplus) / Loss in joint venture	(1,594)	(873)
Transfer of Fixed Assets between tenure	(3,047)	-
Capitalised loan fees	(1,369)	-
RTA discount , bond and loan fee	72	-
	14,433	21,944
Adjustments for investing or financing activities:		
Interest payable	16,342	15,885
Interest received	(2,009)	(2,673)
	14,333	13,212
Tax (paid)	(294)	-
Net cash generated from operating activities	73,610	55,803

Notes to the Financial Statements (continued)

Notes to the Financial Statements (continued)

Analysis of changes in net debt

	31 March 2024 £'000	Cash flows £'000	Noncash movement £'000	31 March 2025 £'000
Cash	59,007	(15,535)	-	43,472
Bank loans due within one year	(8,780)	(11,991)	13,475	(7,296)
Bank loans due greater than one year	(460,297)	-	(6,938)	(467,235)
Total	(410,070)	(27,526)	6,537	(431,059)

Notes to the Financial Statements (continued)

28. Financial Commitments

Capital expenditure commitments were as follows:

Group and Association	2025 £'000	2024 £'000
Capital expenditure tangible assets		
Expenditure contracted for but not provided in the accounts	128,317	111,165
Expenditure authorised by the Board, but not contracted	222,436	98,909
Total tangible assets	350,753	210,074
Capital expenditure intangible assets		
Expenditure contracted for but not provided in the accounts	-	-
Expenditure authorised by the Board, but not contracted	-	-
Total intangible assets	-	-
Total	350,753	210,074

Commitments will be financed through cash reserves, operating cashflows and through borrowings from the loan facility.

Capital funding commitments

The Group has undrawn committed borrowing facilities. The undrawn facilities available at 31 March, in respect of which all conditions precedent had been met, were as follows.

	2025 £'000	2024 £'000
Expected change in loan cash flows due within one year	85,000	-
Loan facility expiring in less than one year	-	-
Loan facility expiring in more than one year but not more than two years	-	40,000
Loan facility expiring in more than two years	145,000	-
	230,000	40,000

Notes to the Financial Statements (continued)

29. Operating Leases

The future minimum lease payments of leases are as set out below. Leases relate to office space in eight locations, photocopiers, and motor vehicles.

	2025 £'000	2024 £'000
(i) Land and buildings		
Within one year	568	619
Between one to five years	1,707	2,191
Later than five years	87	402
Total	<u>2,362</u>	<u>3,212</u>
(ii) Office equipment and computers		
Within one year	27	27
Between one to five years	7	34
Later than five years	-	-
Total	<u>34</u>	<u>61</u>
(iii) Motor vehicles		
Within one year	1,655	1,525
Between one to five years	1,163	2,174
Later than five years	-	-
Total	<u>2,818</u>	<u>3,699</u>

30. Contingent Assets and Liabilities

The Group and Association have no contingent assets at 31 March 2025 (2024: £nil).

Notes to the Financial Statements (continued)

31. Financial Assets and Liabilities

The policy on financial risk management is explained in the Report of the Board as are references to financial risks.

Categories of financial assets and liabilities

	2025 £'000	2024 £'000
Financial Assets at amortised cost		
Homebuy loans receivable (note 16)	82	82
Liquidity reserve fund	4,634	3,726
Rents and service charges receivable (note 19)	1,248	653
Sundry debtors (note 19)	363	480
Other debtors (note 19)	517	577
Cash and cash equivalents	43,472	59,007
	<u>50,316</u>	<u>64,525</u>
Financial Liabilities – measured at fair value through other comprehensive income		
Interest rate swaps (note 31)	100,505	-
Financial Liabilities at amortised cost		
Debt (note 25)	474,531	469,077
Trade creditors (note 20)	5,766	3,207
Other creditors (note 20)	2,162	2,133
Disposal Proceeds Fund (note 20)	-	-
Recycled Capital Grant Fund (note 22)	1,761	1,343
Accruals (note 20)	11,464	13,112
	<u>495,684</u>	<u>488,842</u>

Financial Assets

Other than debtors, financial assets held are overnight cash deposits of £41.4m at 31 March 2025 (2024: £35.9m) and are held at call, and £0.1m (2024: £23.1m) cash on term deposit. They are sterling denominated and attract interest at rates that vary with bank rates.

Financial Liabilities excluding Trade Creditors – Interest Rate Risk Profile

The Group's financial liabilities are sterling denominated. The interest rate profile of the Group's financial liabilities at 31 March was:

	2025 £'000	2024 £'000
Floating rate	37,687	80,164
Fixed rate	336,339	388,913
Interest rate swaps	100,505	-
Total (note 25)	<u>474,531</u>	<u>469,077</u>

Notes to the Financial Statements (continued)

32. Significant Financial Liabilities

The key terms of the loans have been summarised in the table below and are inclusive of fair value adjustment.

Secured Bank Loans	Security / Terms	Repayment Terms	As at 31 March 2025 £'000
RBS facility A 6.22%- 6.82%	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	The final instalment of the loan amount will be repaid in March 2036.	119,818
RBS facility B1 SONIA +1.3%	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	Repayable in a single instalment in April 2030.	-
RBS facility B2 (interest rate swap)	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	Repayable in a single instalment in April 2030.	58,195
RBS Facility C1 (interest rate swap)	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	Repayable in a single instalment in April 2030.	42,311
Santander Facility A 6.66%-7.04%	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	Repayable in single instalments in 2034 to 2036.	69,787
Santander facility B1 5.95%	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	Repayable in single instalment in April 2030.	12,876
Santander facility B2 SONIA + Margin	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	Repayable in a single instalment in April 2030.	37,687
bLEND 3.46%	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	Repayable in a single instalment in September 2047.	120,109
Affordable Housing Guarantee Scheme	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	Repayable in a single instalment in October 2054.	13,748
Total			474,531

Notes to the Financial Statements (continued)

33. Derivative financial instruments

The Association applies hedge accounting on the transactions entered to manage the cash flow exposures in UK Sterling. It is the Association's treasury policy to hedge the interest rate risk exposure arising from its floating loans by entering into fixed interest rate swaps.

This hedge relationship meets each condition for hedge accounting from the effective date. It is consistent with the entity's risk management objectives for undertaking hedges.

The Association considers that an economic relationship exists between the hedge instrument (interest rate swap) and the hedge item (floating loan) in that the values of the hedge item and hedging instrument are expected to typically move in opposite directions in response to movements in the same risk, the hedge risk, over the life of the hedge.

	2025 £'000	2024 £'000
Derivative financial instruments designated as hedges	102,500	-
Derivative financial instruments not designated as hedges	-	-
At 31 March	102,500	-

Vico Homes has two interest rate swaps with an aggregate value of £102.5m maturing in March 2030. Both swaps which combined equal £102.5m have an economic relationship documented and is hedged against a term floating rate loan.

Derivatives designed as hedges includes £9m hedge effectiveness with £7.4m recognised at inception and £1.6m effectiveness movement recognised in the year.

Any gains or losses on inception are recognised within financing costs in the Statement of Comprehensive Income (SOCi). During 2024/2025, the gain on inception was a £7.4m (2023/2024: Nil) which was recognised within financing costs and can be identified on the face of the SOCi.

Following inception any movements in the fair value in the year of the swaps are recognised annually as other comprehensive income in the Statement of Comprehensive Income (SOCi). During 2024/2025, the change in value was a gain of £1.6m (2023/2024: Nil) which was recognised within other comprehensive income and can be identified on the face of the SOCi.

Notes to the Financial Statements (continued)

Notes to the Financial Statements (continued)

33. Significant Financial Liabilities (continued)

The loan security values by lender are as follows:

Lender	Security value at 31 March 2025
RBS - April 2024 (Tri-annual valuation)	£368.7m
Santander - May 2024 (tri-annual valuation)	£256.3m
bLEND – April 2024 (annual valuation)	£212.8m
AHGS - March 2025 (annual valuation)	£46.4m
Total	£884.2m

The following Security valuations were updated in April and July 2025 and increased to the following amounts, bLEND £216m and AHGS £46.8m.

Notes to the Financial Statements (continued)

34. Related Parties

In accordance with FRS 102 Related Party Disclosures, Section 33.1A the Group has not disclosed transactions entered between two or more members of the Group, where each party to the transaction is 100% owned.

At the year end there was one locally elected member from Wakefield Council, Michael Graham, on the Board. The Group undertakes transactions with Wakefield Council at arm's length in the normal course of business.

The Board has tenant members who hold tenancy agreements on normal terms and transactions are undertaken on an arm's length basis. Total rent charged to the Tenant Board members was £6.2k (2024: £5.6k). There were arrears of £0.3k on their tenancies at the reporting period end (2024: £0.0k).

Disclosures in relation to key management personnel and payments to Board members are included in note 9.

In July 2014, Vico Homes, formally WDH, and Wakefield Council created Bridge Homes (Yorkshire) LLP, Vico Homes has a 50% interest. The joint venture has been established to build homes for outright sale.

During the year Bridge Homes purchased from Vico Homes £375k of services (2024: £424k). During the year Vico Homes purchased properties from Bridge Homes totalling £556k (2024: £2,041k).

As at 31 March 2025 Bridge Homes owed Vico Homes £30k (2024: £79k) and Vico Homes owed Bridge Homes £nil (2024: £275k). In addition, Vico Homes paid £0k in advance to Bridge Homes (2024: £0k). All related party transactions are at arm's length.

Vico Homes



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Vico Homes Limited

A charitable Community Benefit Society registered under the Co-operative and Community Benefit Societies Act 2014. Register Number: 7530

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