Financial Statements

31 March 2026

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26

Torus62 Limited
Community Benefit Society 7973
Regulator of Social Housing registration 5065

torus

Contents

Information

Board Members

Chair	Mike Emmerich
Other Members	Steve Coffey Christine Fallon (Retired 25 September 2025) Andrew Gray Catherine Murray Howard Peter Fieldsend Sarah Jane Saunders (Retired 25 September 2025) Waqas Butt Lisa Greenhalgh Natasha Johnson Mark Bousfield Zamila Skingsley John Keyes (Appointed 25 September 2025) Lynda Brady (Appointed 25 September 2025)

Executive Officers

Group Chief Executive	Steve Coffey
Chief Financial Officer	Peter Fieldsend
Chief Operating Officer	Catherine Murray Howard

Company Secretary

Catherine Fearon

Registered Office

4 Corporation St, St Helens, Merseyside WA9 1LD

Auditors

External	BDO LLP, Eden Building, Manchester, United Kingdom, M3 5EN
Internal	TIAA, Artillery House, Fort Fareham, Newgate Lane, Fareham PO14 1AH

Solicitors

Internal	Catherine Fearon
External	Brabners, Horton House, Exchange Flags, Liverpool L2 3YL

Bankers

National Westminster Bank Plc, 5 Ormskirk Street, St Helens WA10 1DR

Funders

Royal Bank of Scotland Plc / National Westminster Bank Plc
Santander UK Plc
Nationwide Building Society
Barclays Bank Plc
bLEND Funding Plc
The Housing Finance Corporation Limited
Saltaire Finance plc

COMMITTEE MEMBERS

Torus Development Committee

Chair	Christine Fallon (retired 25 September 2025) Mark Bousfield (appointed as Chair 25 September 2025)
Other Members	Peter Fieldsend Steve Coffey Catherine Murray Howard Zamila Skingsley Kate McClean John Keyes (appointed 25 September 2025)

Group Remuneration & Nominations Committee

Chair	Lisa Greenhalgh	
Other Members	Mike Emmerich	
	Sarah Jane Saunders	(Retired 25 September 2025)
	Natasha Johnson	

Group Audit & Risk Committee

Chair	Waqas Butt
Other Members	Andrew Gray (Resigned 25 September 2025) Stephanie Donaldson Lisa Greenhalgh Zamila Skingsley (Resigned 25 September 2025) Lynda Brady (Appointed 25 September 2025) Gary Harding (Appointed 25 September 2025)

Landlord Operations Committee

Chair	Andrew Gray	
Other Members	Catherine Murray Howard	
	Sarah Jane Saunders	(retired 25 September 2025)
	Pamela Woodward	(resigned 29 April 2026)
	James Heneghan	
	Lyndzay Roberts	(resigned 31 March 2026)
	Rob Humphries	(resigned 29 April 2026)
	Natasha Johnson	
	Lynne Powell	(Appointed 25 September 2025)
	John Keyes	(Appointed 25 September 2025)
	Lynda Brady	(Appointed 25 September 2025)

STRATEGIC REPORT

About us

One of the Northwest's largest social landlords, Torus62 Limited ('Torus') is an established housing group with a primary geographical focus on communities across Warrington, Liverpool and St Helens, and a total operational footprint encompassing 11 local authority areas.

The Group owns and manages a core portfolio of more than 42,000 homes, including over 34,000 for general needs, 3,900 homes for older people and 2,100 shared ownership properties.

The Torus operating model comprises of five distinct business areas: Landlord (including both Housing and Assets) and the Corporate Core, which sit within Group operations, and three stand-alone entities, Torus Foundation, Torus62 Developments Limited ('Torus Developments') and Housing Maintenance Solutions Limited ('HMS').

The Group's primary activities are charitable, with new-build, sales and commercial contracting provided by non-charitable subsidiaries. Any profits generated by these business areas are reinvested into social purpose initiatives, enabling the Group to deliver its mission at scale.

Our purpose and principal activities

Torus is a diverse group, built around social and affordable housing for the North West region. Its core purpose is to provide quality affordable homes and services for those who cannot afford the market. Housing solutions include: social and affordable rented properties together with temporary, supported and specialist housing for people in crisis or with additional care needs. It also provides both shared ownership and rent to buy homes for those looking to transition from rental to ownership over time.

The Group works in partnership with local and devolved authorities, commissioners and other agencies at local, regional and national levels to improve lives and support the development of vibrant and sustainable neighbourhoods. Whilst housing remains the bedrock of the Torus offer to communities, the Group is committed to playing a role as an anchor institution and investor in neighbourhoods.

This commitment is enshrined in Torus' Mission of 'growing stronger communities' and its Vision to 'support the development of economically vibrant communities and independent lives', and comes to life through its principal activities, which are:

- Providing quality affordable housing for rent, including specialist housing for older customers and those with additional care needs;
- Delivering low-cost home ownership options for the North West, including both Shared Ownership and Rent to Buy;
- Offering tailored accommodation options for vulnerable groups, including temporary or permanent housing solutions to tackle homelessness and domestic violence;
- Supporting people to live independently and investing in meaningful social initiatives including benefits and money advice, employment and skills, digital inclusion, health and wellbeing, and youth services; and
- Maintaining active developments and assets renewal programmes, to increase the number and range of homes and housing solutions across the 11 local authority areas in which Torus operates.

STRATEGIC REPORT (continued)

Group Corporate Plan

Activities undertaken in 2025/26 are aligned to objectives set out in the Group Corporate Plan 'A Plan for Homes, Services & Sustainability' which launched in April 2024. The plan was developed in partnership with stakeholders including residents, colleagues and board members, and reaffirms Torus Group's commitment to the mission of 'growing stronger communities', whilst outlining key objectives for the period from 2024/25 to 2028/2029.

The Group Corporate Plan centres around three core themes:

- **People and Services:** Delivering high-quality services for all customers and the empowerment of colleagues.
- **Homes and Communities:** Addressing the need for quality housing by investing in existing homes, building new homes where they are most needed and actively contributing to the creation of vibrant, thriving communities.
- **Viability and Sustainability:** Ensuring that the Group can continue to generate positive impacts for people, homes and communities for the long-term.

The full Torus Group Corporate Plan 2024-2029 is available on the Torus website via the following link: https://www.torus.co.uk/explore-torus

Strategic achievements

Annual operational objectives are delivered in each year of the five-year Group Corporate Plan. These objectives strive to build upon key initiatives completed or commenced in the year under review, whilst responding to shifting national sector priorities, and include the following shown across the three key purpose areas of the plan:

Corporate Plan Theme	2025/26 Operational Plan actions	Status
People and Services	Review and analyse Customer Hub call volumes with a view to driving efficiencies	Completed Quarter 4 2025/26
	Further develop roadmap for compliance with the Employment Rights Bill and continue implementation	Completed Quarter 4 2025/26 with continued monitoring
	Develop a new approach to recruitment across the Group – 'default to apprenticeship'	Completed Quarter 4 2025/26
	Develop and implement a modern reward strategy for HMS	Completed Quarter 4 2025/26
Homes and Communities	Revise and implement proposals for the delivery of component replacements and low carbon retrofit works	Completed Quarter 4 2025/26
	Lead regional proposals that accelerate the delivery of new homes	Completed Quarter 4 2025/26

STRATEGIC REPORT (continued)

Corporate Plan Theme	2025/26 Operational Plan actions	Status
Viability and Sustainability	Achieve ISO accreditation for the Group in all relevant areas.	Completed Quarter 4 2025/26
	Identify a long-term replacement for the Aareon QL system and agree arrangements for transition	Completed Quarter 4 2025/26 with next phase in 2026/27
	Refresh the Group's Merger Strategy and undertake an initial search of potential partners	Completed Quarter 1 2025/26
	Secure funding necessary to fulfil the Group's development ambitions	Completed Quarter 3 2025/26
	Map and streamline the management processes for all void types	Completed Quarter 3 2025/26
	Implement phase two of the service charges implementation programme	Completed Quarter 4 2025/26 with next phase in 2026/27
	Deliver the post regulatory action plan	Completed Quarter 4 2025/26

Looking ahead to 2026/27

Annual objectives have been set to deliver year three of the five-year plan. These objectives strive to build upon key initiatives completed or commenced in the year under review, whilst responding to shifting national sector priorities, and include the following:

Corporate Plan Theme	2026/27 Operational Plan actions
People and Services	Development of an Employee Value Proposition (EVP)
	Neighbourhood Management Pilot 1
Homes and Communities	Transition to a Modern Strategic & Commercial Developer Model
	Review of Torus Foundation Service Offer
	Neighbourhood Management Pilot 2
	Scaling up HMS operations to deliver Group strategy to deliver standard house types
Viability and Sustainability	Renewed Torus Focus on Sustainability
	Finance/HR & Payroll System
	Service charge implementation programme
	Housing Management System
	HMS System Implementation

We will report updates against the key actions outlined above in next year's Strategic Report.

STRATEGIC REPORT (continued)

Governance

Torus Board

The Board is responsible for setting the strategic direction of the Group, and establishing the Group's Vision, Values, Corporate Plan and Business Plan.

It is made up of nine Non-Executive Directors and three Executive Officers, being the Group Chief Executive, the Chief Financial Officer and the Chief Operating Officer.

Board members are appointed based on their skills and experience to ensure that the Board is effective and sufficiently skilled to carry out its key governance roles. Board and Committee members are appraised annually in order to identify any skill gaps, and a training and development programme is in place to address any training needs.

Torus Group

Torus Group (or 'the Group') comprises Torus and three active subsidiary undertakings alongside an investment in a jointly controlled entity:

Housing Maintenance Solution Limited (HMS):

A registered company (number 7237932), providing construcl on, repair and maintenance operal ons for the group.

Turnover in 2025/26 was £135.1m (2025: £121.6m) and pre-tax profit was £7.1m (2025: £3.8m).

Torus62 Developments Limited (Torus Developments):

A registered company (number 9687200) supporl ng the Group's new build strategy, which targets the complel on of 7,800 homes by 2035/36, primarily across the Liverpool City Region, West Lancashire and Cheshire.

A total of 766 (2025: 593) proper es were completed in 2025/26. Turnover in 2025/26 was £131.4m (2025: £140.0m) and profit before tax was £0.5m (2024/25: £0.9m).

Torus Foundation:

A charitable venture registered with the Charity Commission (number 1152903) and also a registered company (8444912), providing a range of services across the Group which support the wellbeing of tenants and residents, specifically across its heartlands. Torus Foundation provides help and support in relation to Health and Wellbeing, Financial Inclusion, Youth and Employment and Skills.

In 2025/26, the charity received income of £5.9m (2025: £7.8m). Total expenditure on providing services was £6.8m (2025: £7.3m).

Torus62 Commercial Services Limited (TCS):

A registered company (number 5270846) which provided construction, repair and maintenance operations for external clients. It is currently held as a dormant company.

STRATEGIC REPORT (continued)

Torus Living Limited:

A registered company (number 9471506) providing new build development activities for the group. Torus Living ceased trading in 2019/20 and is held as a dormant company.

Peel Hall JV LLP:

This is a Joint Venture (registered company number OC444261), 50% owned by Torus62 Developments Limited and 50% by Countryside Properties (UK) Limited from 5 July 2024 (formerly Vistry Partnerships Limited) established in order to develop properties for outright sale at Peel Hall in Warrington, Cheshire. Torus Developments became a member on 12 January 2023. No profits or losses were recognised in the period ending 31 March 2026 (2025 £nil).

Committees

Torus Board has four committees to support its work. These committees are:

- Group Audit and Risk Committee – Responsible for ensuring that the Group complies with Regulatory requirements, meets, and discharges all its statutory duties, requirements, and responsibilities.

- Group Remuneration and Nominations Committee – Responsible for ensuring that the Group is well governed. It provides a formal and transparent mechanism for developing the payments and remuneration policy for the Group Executive Team and Board Members together with overseeing the appointment/removal of Board Members across the Group and members of the Group Executive Team.

- Landlord Operations Committee (LOC) – Responsible for overseeing operational matters with a focus on local customer service standards and wide ranging performance matters. LOC considers and acts on recommendations from customer scrutiny, focusing on quality outcomes. It establishes a clear accountability link between local concerns and performance monitoring.

- Torus Development Committee – Responsible as a decision making panel, to advance the delivery of the development and sales programme in line with the Group's Corporate Plan and development strategy, by making decisions and recommendations within the parameters set by the Group's Development Strategy and the Group Scheme of Delegation agreed by the Torus (Group) Board.

All Committees review their Terms of Reference annually and provide a report to Group Board on their effectiveness.

Risk Management

Torus is committed to the active management of risk by ensuring it is at the heart of the business, aiding decision making. The Torus (Group) Board has overall responsibility for ensuring there are appropriate risk management systems in place. The Group Risk Appetite and Statement has been agreed by Torus Group Board and sets out the level of risk that the Group is prepared to accept, tolerate, or be exposed to at any point in time. The statement of risk appetite is kept under review

STRATEGIC REPORT (continued)

and updated as necessary as a response to changing circumstances. The Group Audit and Risk Committee (GARC) oversees and monitors risk management and internal control systems.

Torus utilises a risk management framework that ensures the Group's strategic and operational risks are identified and managed appropriately. Torus' approach to risk management is based on the ISO 31000 Standard of a five-step risk management process. These steps are designed to identify and manage, rather than eliminate, the risks that threaten the Group's ability to achieve its key business objectives that are set out in the Group Corporate Plan.

Managing risk is a continuous process and a risk register is maintained which identifies all strategic and operational risks including all internal controls and pending risk-mitigating actions. The Risk Registers are managed and monitored in the Group's Performance Management Software (Pentana). A nominated Risk Owner is assigned to each risk to ensure its review and management. Quarterly risk updates are considered collectively by Group Leadership and presented to Group Audit and Risk Committee.

Key strategic risks have been identified that could threaten the delivery of the Group's goals and aspirations as set out in the Five-Year Corporate Plan. They have also been considered in line with the Sector Risk Profile which is produced on an annual basis by the Regulator of Social Housing.

Strategic Risk Register

The Corporate Core is the support service to the business. It is responsible for providing efficient, cost effective 'back-office' services to enable the delivery of the Group's Goals and Aspirations. The Corporate Core includes Finance, People Services, ICT and Transformation, and Business Assurance.

KEY RISK AREA	POSSIBLE IMPACTS	KEY CONTROLS IN PLACE
Failure to develop a dynamic, flexible, inclusive, and high performing workforce	• Loss of skills and organisational knowledge • High staff turnover and absence • Difficulty attracting talent. • Reduced morale and engagement • Failure to meet corporate objectives • Reputational damage as an employer	• Management qualification programme • Skills Gap Audit and Competency Framework • Revised performance management approach • Management training programme • Diversity & Inclusion Strategy • Development and apprenticeships programmed • Total Reward Strategy • People Services policy framework • Staff surveys and engagement networks
Failure to maintain high standards of governance and compliance with legal and regulatory requirements	• Regulatory downgrade or intervention • Loss of stakeholder confidence • Legal action and fines • Financial loss • Failure to achieve strategic objectives	• Board skills assessments and recruitment • Board induction, training and meetings • Annual regulatory self-assessments • Independent governance reviews • Stress testing and recovery planning • Governance reporting and compliance monitoring • G1, V1 and C1 regulatory grading
Failure to manage our long-term financial resilience	• Reduced service delivery • Regulatory downgrade • Loss of stakeholder trust • Inability to secure funding	• Financial planning and stress testing • Funding and treasury strategy • Value for money strategy

STRATEGIC REPORT (continued)

KEY RISK AREA	POSSIBLE IMPACTS	KEY CONTROLS IN PLACE
	• Failure to deliver development programmes • Breach of loan covenants	• Financial controls and governance framework • Budget monitoring and reporting • Fraud prevention
Ineffective identification and management of Safety & Compliance obligations	• Serious injury or death • Legal action and prosecution • Regulatory intervention (HSE) • Financial penalties • Reputational damage • Loss of customer trust	• Safety policies and compliance framework • Training and awareness programmes • Compliance monitoring dashboards • Certified management systems (ISO Standards) • Incident Reporting (RIDDOR) • First aid and safety roles in place • C365 accident and near misses reporting
Fail to prevent disruption or damage to Torus IT systems	• Service disruption • Data loss or corruption • Financial and reputational damage • Regulatory action. • Legal penalties	• Disaster recovery and business continuity plans • IS0 27001 certification • Cyber security controls and training • Multi-factor authentication • Data backups and resilient infrastructure • Network and system monitoring
Failure to safeguard and manage the integrity of Torus data	• Loss of customer trust and satisfaction • Regulatory action and fines (ICO) • Reputational damage • Operational disruption • Financial losses and increased insurance costs	• Data protection policy and training • Data loss prevention controls • Cyber security measures • Change management controls • Business continuity and disaster recovery • Regular audits and assurance

LANDLORD

Torus aims to become the leader in providing good, affordable homes and excellent Landlord services across the Northwest. The homes it provides will be of good quality and well maintained and the services aim to put the customer at the heart of everything by shaping the services provided around customers and enhancing the communities in which they live.

KEY RISK AREA	POSSIBLE IMPACTS	KEY CONTROLS IN PLACE
Failure to maintain the confidence, satisfaction and trust of customers and other stakeholders	• Increased complaints and dissatisfaction • Regulatory downgrade • Reduced partner engagement • Legal action and financial penalties • Loss of trust and customer disengagement	• Tenant engagement strategy • Satisfaction surveys and benchmarking • Complaints policy and monitoring • Tenant scrutiny and feedback mechanisms • Performance reporting and service reviews • G1, V1 and C1 regulatory grading
Failure to provide homes that are good quality, safe and energy efficient	• Legal breaches and fines • Regulatory downgrade • Health and safety risks • Reduced customer satisfaction • Reputational damage	• Building safety and asset management strategies • Stock condition surveys • Compliance frameworks • Performance monitoring • Internal audit and assurance processes • C365 compliance reporting

STRATEGIC REPORT (continued)

TORUS DEVELOPMENTS

Torus aims to become a leading house builder and provider of landlord services in the North-West. With a strategic focus on driving growth and regeneration across Liverpool, St Helens, Warrington and neighbouring areas of significant potential, it will build the right homes for the right people in the right places to create better places to live and to support economic growth and regeneration.

KEY RISK AREA	POSSIBLE IMPACTS	KEY CONTROLS IN PLACE
Failure to deliver the development programme	• Increased costs and delays • Loss of income • Legal claims • Reputational damage • Health & Safety risks • Loss of staff and partner confidence	• Annual Development Programme • Development Strategy • Development Committee • Development strategy and programme • Performance monitoring and reporting • Development governance (committee oversight) • Strategic partnerships • Risk and contractor management

HMS

Torus will build on the existing strengths of its contracting arm to deliver quality, efficient and cost-effective construction and repair activities, ensuring it creates and maintains great homes in the North-West. With a strategic focus on driving growth and regeneration across Liverpool, St. Helens, Warrington and neighbouring areas of significant potential. A target is to grow the business and deliver surpluses in excess of £5m per annum for gift aid to Torus Foundation.

KEY RISK AREA	POSSIBLE IMPACTS	KEY CONTROLS IN PLACE
Failure to deliver the HMS Business Plan	• Financial targets not met • Risk of insolvency • Loss of key staff • Inability to support Torus Foundation in achieving social impact ambitions • Contractual failures	• Procurement and performance framework • Financial planning and forecasting • Board oversight • Staff succession planning • ISO accreditation and quality standards

TORUS FOUNDATION

Torus aims to become a leading growth and regeneration group for the North-West. Its charitable organisation, the Torus Foundation, aims to be a sector-leader in supporting communities to grow stronger and to thrive, providing targeted services to support tenants, customers and communities most in need. With a strategic focus on Liverpool, St Helens and Warrington, as well as key neighbouring areas, it will create better places to live, and support sustained economic growth and regeneration.

KEY RISK AREA	POSSIBLE IMPACTS	KEY CONTROLS IN PLACE
Inability to deliver our Social Impact ambitions	• Failure to meet corporate objectives • Negative impact on communities • Loss of trust	• Fundraising strategy • Grant monitoring and compliance • Partnerships and delivery agreements • Impact measurements tools • Internal audit and assurance

STRATEGIC REPORT (continued)

KEY RISK AREA	POSSIBLE IMPACTS	KEY CONTROLS IN PLACE
	• Reduced funding opportunities • Financial penalties for non-compliance	

Tenant Satisfaction Measures

Introduction

How our customers feel about the services that we provide is essential to us and our continuous improvement. Before the TSM framework was introduced, we were already conducting regular customer feedback surveys, including the STAR survey, to hear how were performing from our customers' perspective.

The TSMs are an integral part of the RSH's new proactive Consumer Regulation, which is designed to ensure the social housing sector is well-governed, transparent, and accountable to tenants, and able to deliver quality homes that meet a range of needs.

In place from April 2023, the RSH requires all registered social landlords to report in the same way, making it easier for social housing tenants to understand how landlords are performing against the key services that matter most. The benchmark information is taken from the RSH TSM Report 2024/2025 relating to Private Registered Providers.

Satisfaction Measure Low Cost Rental Accommodation	Link to Corporate Plan	2025/26 Torus	2024/25 Benchmark Median	2024/25 Benchmark Upper Quartile
Overall service from Landlord	PEOPLE AND SERVICES	72.3%	75.4%	80.6%
Overall repairs service		77.5%	76.1%	80.7%
Time taken to complete their most recent repair		76.8%	70.8%	77.4%
Home is well maintained		74.0%	75.0%	80.4%
Home is safe		78.8%	80.3%	84.9%
Landlord listens to tenant views and acts upon them		64.9%	65.7%	72.1%
Landlord keeps them informed about things that matter to them		72.9%	74.4%	80.9%
Landlord treats them fairly and with respect		79.2%	80.4%	86.1%
Landlord's approach to complaints handling		26.7%	38.8%	45.1%
Landlord keeps communal areas clean and well maintained		68.9%	68.8%	74.5%
Landlord makes a positive contribution to the neighbourhood		67.2%	67.2%	74.6%
Landlord's approach to handling ASB		56.6%	63.4%	69.7%

STRATEGIC REPORT (continued)

Building Safety Measure	Link to Corporate Plan	2025/26 Torus	2024/25 Benchmark Median	2024/25 Benchmark Upper Quartile
% of homes for which all required gas safety checks have been carried out	HOMES AND COMMUNITIES	99.90%	100%	100%
% of homes for which all required fire risk assessments have been carried out		100%	100%	100%
% of homes for which all required asbestos management surveys or re-inspections have been carried out		100%	100%	100%
% of homes for which all required legionella risk assessments have been carried out		100%	100%	100%
% of homes for which all required communal passenger lift safety checks have been carried out		100%	100%	100%

Responsive Repairs Measure	Link to Corporate Plan	2025/26 Torus	2024/25 Benchmark Median	2024/25 Benchmark Upper Quartile
Proportion of homes that do not meet the Decent Homes Standard	HOMES AND COMMUNITIES	0.2%	0.1%	0%
Non-emergency repairs completed within target timescales		90.6%	81.3%	87.1%
Emergency repairs completed within target timescales		99.41%	95.2%	98.9%
Works-in-progress as a proportion of responsive repairs raised		2.76	-	-

Neighbourhood Management Measure	Link to Corporate Plan	2025/26 Torus	2024/25 Benchmark Median	2024/25 Benchmark Upper Quartile
Number of ASB cases, opened per 1,000 homes	HOMES AND COMMUNITIES	101.12	34.5	56.2
Number of ASB cases that involve hate incidents opened per 1,000 homes		3.2	0.7	1.1

STRATEGIC REPORT (continued)

Complaints Measure	Link to Corporate Plan	2025/26 Torus	2024/25 Benchmark Median	2024/25 Benchmark Upper Quartile
Number of stage one complaints received per 1,000 homes	PEOPLE AND SERVICES	56.4	59	83.9
Number of stage two complaints received per 1,000 homes		18.7	9	14.1
Stage 1 complaints responded to within the Handling Code timescales		99%	93.9%	98.2%
Stage 2 complaints responded to within the Handling Code timescales		99.7%	93.8%	100%

Value for Money

Introduction

Value for Money (VfM) means unlocking maximum social, financial and environmental value from the resources we have available. By putting VfM at the heart of every decision we make, Torus will ensure that we can deliver the best possible homes and services in communities and support the Group's mission of 'growing stronger communities'.

VfM considerations will therefore play an essential part in all aspects of internal business planning, management and operation, and support the delivery of sector leading services, as well as the Group's broader growth and regeneration objectives.

Torus is committed to providing services that deliver Value for Money (VFM) for its customers and stakeholders. The Group Value for Money Strategy 2022 -2026 has been developed as an operational strategy to support the Group Corporate Plan, which has a goal to "Deliver excellent services driven by quality, value for money and changing demand".

This four-year strategy sets out the cross-cutting principles and approaches that will be adopted to achieve optimal value for money from Torus activities, as well as the actions needed to deliver VfM and the targets and measures that will confirm if we are on track. Seven core principles will underpin delivery:

- Maximise economy, efficiency and effectiveness across all aspects of service delivery
- Make best use of assets and resources
- Maximise social value
- Focus on performance, service quality and satisfaction
- Use insight and data intelligence to inform strategic business decisions
- Maintain regulatory compliance and long-term financial viability
- Enhance customer involvement, scrutiny and accountability structures

Value for Money has always been a priority for Torus and the emphasis on achieving VfM across all of the Group's activities has never been stronger. External forces including inflation, rising energy, materials and supplier prices, the cost-of-living crisis and restrictions on rent increases compared to cost inflation are putting increased pressure on budgets and financial planning. Yet Torus remains

STRATEGIC REPORT (continued)

committed to the mandate of 'growing stronger communities' – supporting people and places through the challenges of today and tomorrow whilst pursuing broader growth and regeneration objectives.

The Group's focus on improving lives and supporting inclusive growth across communities focuses immediate VfM priorities on maximising housing and social impacts. However, the circular nature of the Torus operating model makes it vital that all parts of the organisation contribute equally to the Value for Money agenda – commercial profitability and streamlined corporate services' support are therefore essential parts of the 'where do we want to be?' section of our VfM strategy.

The fundamental drivers relating to Value for Money are:

- Optimise efficiency, targeting service improvements, wherever possible
- Strike the right balance between cost and quality
- Manage our assets and resources wisely
- Develop a strong internal culture around performance
- Embrace value-adding technologies, where appropriate
- Provide consistently high-quality services that improve lives and grow stronger communities

Internal Drivers

Torus' mission, which underpins each Group strategy, is one of 'growing stronger communities'. The Group vision is to 'support the development of economically vibrant communities and independent lives'. These core objectives sit at the centre of the Group Corporate Plan 2021-2026 and establish a 'golden thread' that weaves through the Torus family of strategies.

Value for Money is a cross-cutting strategy that will underpin, and enable, each Corporate Plan ambition. This strategy responds to the Corporate Plan's three strategic focuses of People and Services, Homes and Communities, and Viability and Sustainability. The Corporate Plan goals that connect explicitly to the three-year vision for VfM are:

People and Services

- Increase visibility in communities, supported by an enhanced neighbourhood housing offer and smaller, more focused officer patches;
- Understand customer needs from first contact, improving the customer experience and making processes more effective;
- Use data, customer and colleague feedback to design and improve inclusive services;
- Ensure rent and service charges provide value for money;
- Embed a sector-leading complaints team that advocates for tenants and resolves matters quickly and effectively when things go wrong;
- Drive a culture where colleagues are trained, are rewarded for living and breathing the Torus mission and values, and feel a sense of belonging;
- Prioritise keeping colleagues safe and well.

Homes and Communities

- Ensure every Torus home, whether existing or new-build, is safe, comfortable and well maintained;

STRATEGIC REPORT (continued)

- Continue to meet all legislative and statutory requirements, including The Building Safety Act and Decent Homes Standard;
- Work with tenants to improve satisfaction with homes, neighbourhoods and communal areas;
- Use the Torus operating model, specifically the skills of an accredited contractor, to enable the design and delivery of retrofit solutions at scale;
- Grow our diverse and specialist housing offer by responding to local need and collaborating with health and social care partners;
- Invest profits and social value levies into initiatives that exceed the traditional housing offer – focussing on facilities for young people, and support to improve health, wellbeing and finances;
- Use the LIFE model (lead, influence, follow, exit), to restrict developments to areas where we can lead or influence.

Viability and Sustainability

- Ensure operating costs are proportionate and affordable;
- Use a long-term outlook to shape strategic spending decisions;
- Align Group activity with Environmental, Social and Governance (ESG) criteria defined by the Sustainability Reporting Standard for social housing;
- Invest in energy efficiency, so that every Torus home is EPC C (and beyond where funding allows) by 2030;
- Make sure our systems and processes are fit for purpose, so that colleagues have the tools they need to deliver;
- Maximise value for money and social value wherever possible across the Group;
- Ensure core skills and professional standards are embedded and maintained at every level across the Group influence;

These critical aspirations provide clarity of direction and shape the change that Value for Money will deliver over the lifetime of this strategy, working in combination with other Torus Group Strategies including Procurement, Treasury, Environmental Sustainability, Asset Management, Developments and Customer Access.

External Drivers

The operating environment for Torus, and the wider UK social housing sector, has remained challenging throughout 2025/26. While headline inflation has eased, the cumulative impact of recent years means prices remain significantly elevated, with further increases in areas such as energy expected. These pressures continue to affect both tenants and the organisation.

Rising costs across fuel, materials and labour are not fully matched by rent-setting mechanisms, creating ongoing financial strain. At the same time, the sector faces growing investment demands to meet net-zero carbon commitments, comply with evolving building safety requirements, and deliver increased volumes of new homes over the coming years. Together, these factors place sustained pressure on financial and operational capacity.

Although the external environment remains subject to change, these challenges are expected to persist and are therefore key drivers shaping this strategy.

STRATEGIC REPORT (continued)

This approach also reflects the expectations of the Regulator of Social Housing, including the Value for Money Standard and Code of Practice, and the Government's Social Housing White Paper. Torus aims to exceed these requirements through its Seven Principles of Value for Money.

Performance is monitored through the Torus Performance Management Framework, with quarterly reporting and benchmarking against sector peers using regulatory Value for Money and tenant satisfaction measures.

How our Group Structure provides VfM

The group structure of Torus62 Limited includes HMS Limited, Torus Developments and Torus Foundation. This structure supports the strategic direction of the group through intercompany activity which maximises the financial benefit to the group in support of our three strategic focuses of People and Services, Homes and Communities, and Viability and Sustainability. HMS provide Repairs and Maintenance Services to Torus62, Development planning, support and construction delivery services to Torus Developments. Torus Developments provides strategic planning, support and manages contracted delivery of construction projects to Torus62. In addition to any non-charitable activity within Torus62, both subsidiaries donate any profit, via gift aid, to Torus Foundation to further the charitable objectives of the Foundation and maximise the delivery of social value through its delivery of a wide range of essential support to Torus tenants and communities. The structure is tax efficient and enables VAT to be recovered wherever possible which maximises the donations provided to Torus Foundation. During 2025/26 a total of £0.6m VAT was recovered through Torus Developments.

2025/26 VFM Metrics

Torus has adopted the sector scorecard as a mechanism for measuring and comparing VFM Performance. This scorecard has been developed by the social housing sector to measure, benchmark and demonstrate VFM using a range of metrics that allow like for like comparison. They cover a range of areas to give an assessment of value across the activities undertaken across the social housing sector.

The Regulator of Social Housing has also identified seven metrics that measure VFM and there is an expectation that housing providers will measure and report their performance against these metrics, alongside other measures specific to each provider that link to its corporate aims and aspirations. The seven VFM metrics identified by the Regulator form part of the sector scorecard.

From 2023, the Regulator introduced a range of new metrics linked to consumer standards. These tenant satisfaction measures are measured and benchmarked. Torus uses both these measures and the VFM Metrics to demonstrate a balance between operational efficiency, financial health and effective delivery of services.

To provide transparency over performance, 2025/26 results have been compared against targets, while 2024/25 performance has been benchmarked against the peer group. External comparisons have been made against the sector median and a specific peer group of providers. Torus has set its peer group as registered providers with over 30,000 units, who operate outside of London (also excluding providers who have over 85% of units in London, South East and South West region). Performance against metrics is set out below;

STRATEGIC REPORT (continued)

	Backward Look		Current Performance		Forward Look		Comments
	2024-25	2024-25	2025/26	2025/26	2026-27	2027-28	
Metric	Actual	Sector / Peer Group Median	Actual	Target	Budget / Target	Forecast / Target	
Reinvestment %	16.1%	7.6% / 8.9%	15.7%	15.1%	9.8%	12.9%	Reinvestment measures the investment in properties (existing and new supply) as a percentage of the value of total properties. Reinvestment compares well against peers and is attributable to the continued focus on development activity. Actual performance was lower than the previous year due to timing on some development sites. Forecasts reflect a prudent view as government bids are awaiting confirmation.
New Supply % (social)	2.4%	1.3% / 1.8%	2.4%	2.7%	2.5%	2.8%	New supply metrics demonstrate performance in terms of developing new units which is a key objective of housing providers and creates social value to communities. Development completions although behind target, remained above sector and peer group median with 1,009 units completed in 2025/26. There is still an ambitious programme of development activity in future years, with a target to complete over 1,200 units in 2026/27.
New Supply % (non-social)	0.1%	0.0% / 0.1%	0.0%	0.1%	0.0%	0.0%	Focus in on delivery to social supply with minimal units developed for open market sale.
EBITDA MRI (interest cover) %*	179.9%	112.9% / 108.6%	242.1%	156.0%	151.3%	203.4%	EBITDA MRI (% of interest) is a key indicator of liquidity and investment capacity. The metric has increased in 2025/26 as overall operating margins remain above sector and peer medians. This metric starts to reduce from year 3 as additional funding is put into place to support both existing asset investment and further growth in development activity.
Gearing %	32.8%	45.5% / 46.0%	33.4%	36.5%	38.1%	39.7%	Gearing assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It can indicate a provider's appetite for growth. Gearing has increased to 34.4% in 2025/26. This reflects an increase in borrowing following the securing of AHGS facility to support the development programme. Underlying gearing is very low in comparison to the sector and peers. This low level is attributable to legacy organisations strong financial performance in previous years with little development activity as the organisation's priority was related to existing property investment after stock transfers from local authorities.

STRATEGIC REPORT (continued)

	Backward Look		Current Performance		Forward Look		Comments
	2024-25	2024-25	2025/26	2025/26	2026-27	2027-28	
Metric	Actual	Sector / Peer Group Median	Actual	Target	Budget / Target	Forecast / Target	
Operating Margin % (Overall)	22.3%	17.6% / 19.1%	24.9%	21.2%	22.2%	24.6%	Operating Margins demonstrate the profitability of operating assets. While still challenging to achieve against a volatile economic environment and availability of trade skills, demand and performance in 2025/26 has remained stable. Torus is committed to providing high quality safe homes and the costs associated with construction materials and building safety continue to have an above inflation impact on margins. Performance has been affected by impairment charges in 2025/26, due to project delays incurring higher costs to complete from previous supplier failures. Underlying performance remains strong when compared to sector and peer group medians from 2024/25.
Operating Margin % (Social Housing)	28.0%	20.5% / 24.8%	29.7%	26.1%	26.0%	28.4%	
Social Housing Cost Per Unit £	£4,631	£5,576 / £5,441	£4,466	£5,048	£5,081	£4,759	Headline social housing cost per unit measures efficiency in terms of the management of social housing and includes costs of management, housing services, repairs and maintenance and capital investment in existing stock. Torus compares well to the sector and its peers, demonstrating efficiency in its housing management operations. Cost per unit in 2025/26 remained consistent to prior year largely due to increased investment in stock, ensuring homes are of high quality. Cost per unit is anticipated to remain at around £5,000 per unit, due to increased investment in stock, including the retrofitting of homes to meet decarbonisation targets.
Return on Capital Employed %	3.9%	3.1% / 3.1%	4.1%	3.7%	3.3%	3.4%	Return on Capital Employed measures operating surplus against fixed and net current assets and is used to assess the efficient investment of capital resources. Return remains strong in 2025/26 due to the continued improvement in operating surplus. In the medium term, additional investment in repairs and maintenance to ensure Torus maintain decent homes will see returns remain below 4%.

Torus is well placed to increase activity in future years; it has strategic partner status with Homes England and has submitted a Strategic Partnership Plus bid to deliver 5,768 homes by 2031/32.

STRATEGIC REPORT (continued)

There is also a strong pipeline in place with 2,211 committed units to be completed over the next two financial years. The units committed include 835 units for shared ownership. This new supply will continue to increase to over 2,000 units to be completed in 2030, this activity will require additional borrowing with the current business plan forecasting an increase in borrowing from £1.1bn to £1.9bn by 2034/35. As a result, gearing will increase steadily to 45% between 2027-31.

Outcomes Delivered

Metric	Link to Corporate Plan	Backward Look		Current Performance		Comments
		2024-25 Actual	2024-25 Sector / Peer Group Median	2025/26 Actual	2025/26 Target	
Customer Satisfaction	People & Services	73.8%	80% / 73.5%	72.3%	75.0%	Customer satisfaction is derived from the Tenant Satisfaction Measures survey of tenants and measures the proportion of tenants who are very or fairly satisfied with their landlord's service overall, along with 11 other perception measures. Torus continues to monitor performance and complaints, identify issues of poor performance and put in place corrective actions.
% of vacant properties available to let	Viability and Sustainability	1.3%	0.7% / 0.7%	1.3%	1.2%	Occupancy measures the effectiveness in letting and maintaining sustainable properties. Torus performance is slightly above that of the sector and its peers. There is strong demand for properties and lettings processes are a focus for Torus as we aim to minimise income lost through void properties. Increased specifications for void works will help maintain high demand levels.
% of vacant properties unavailable to let		0.5%	0.7% / 0.7%	0.3%	0.5%	
Rent Collected		99.6%	100.2% / 100.3%	99.7%	98.5%	Rent collection in 2025/26 was 99.7%, which represents good performance against target.. The current economic climate continues to have an impact on our tenants. Supporting tenants to sustain tenancies and continue to pay rent is a priority. We continue to work with tenants to ensure that rents are affordable and to help them manage their money.

STRATEGIC REPORT (continued)

Performance Framework

In addition to the above metrics the Group Corporate Plan and its related strategies measure performance in order to demonstrate that Torus is delivering services in line with its goals and aspirations. Where services are not in line with plans, actions required to address performance are identified and implemented.

A performance management framework is in place whereby performance is scrutinised by officers and Boards. A suite of key performance indicators (KPIs) has been agreed which is reported to the Torus (Group) Board together with explanations of adverse performance and actions being taken to address any issues. This covers all aspects of activities across Torus. Performance in 2025/26 against a range of indicators was as set out in the following table;

Metric	Link to Corporate Plan	2024-25	2025 - 26	2025 – 26	Comments
		Actual	Actual	Target	
RIDDOR accident frequency rates	People and Services	0.1	0.2	0.5	The health and safety of colleagues continue to be a top priority. In 2025/26, Torus achieved a RIDDOR accident frequency rate of 0.2, significantly better than the target of 0.5 with just a slight increase on the previous year.
Average working days lost due to sickness		9.3 days	11.27 days	7.6 days	Average working days lost at 11.27 days is higher than target, Colleague wellbeing and productivity remain key management priorities. A new Group People Strategy (2025-2028) reinforces Torus' commitment to clear, structured health and wellbeing programmes that support the physical, emotional, financial and social wellbeing of colleagues.
Voluntary Staff Turnover		15.4%	11.0%	12.0%	Voluntary staff turnover remains a key area of focus for management, with several actions underway to address it, including: • A review of the job evaluation/benchmarking process and provider is being undertaken to ensure salaries are in line with market expectations. • The tender process for a new benefits platform is underway.

STRATEGIC REPORT (continued)

Metric	Link to Corporate Plan	2024-25 Actual	2025 - 26 Actual	2025 – 26 Target	Comments
					• The refreshed People Strategy launched in Q1 and the work to embed this is ongoing.
Development starts on site	Viability and Sustainability	1013	972	581	Development activity remains strong with some delays still impacting timing of delivery on some development sites. Approved schemes are prioritised to meet programme deadlines, with ongoing reviews to identify opportunities to reduce delivery times wherever possible.
Number of Sales		358	309	292	
Sales Exposure		£31.5	£17.4m	£60.2m	
% of properties with valid Gas Safety certificate	Homes and Communities	99.9%	99.9%	100%	Compliance continues to be a top priority. Overall performance was robust with 43 gas certificates outstanding at year-end, persistent no-access remains an issue and a targeted evening and weekend access initiative has been introduced – this will continue as needed.
Fire Risk Assessments completed within target		100%	100%	100%	All Fire Risk Assessments were completed, meeting the set targets.
HMS Reactive Repairs completed within time	Viability and Sustainability	98.6%	99%	98.5%	Reactive repairs performance has maintained performance at 99% for 2025/26 and remains above target. indicating continued strong delivery by HMS. Ongoing analysis of the full "life of a repair" supports the embedding of best practices at HMS and across the Group.
HMS Vacant Properties completed within time		78.5%	91.5%	92%	The completion of vacant properties within target time improved by 13% over the year, reflecting enhanced processes and more efficient working practices. Organisational culture and collaboration with partners and contractors remain active areas of focus. The void process streamlining was a core element of the Group’s 2025/26 Operational Plan.

STRATEGIC REPORT (continued)

Metric	Link to Corporate Plan	2024-25	2025 - 26	2025 – 26	Comments
		Actual	Actual	Target	
Number of people engaged in the employment and skills service	Homes and Communities	1,117	1,083	900	Performance across core services remains strong. In 2025/26, 1,083 people were supported through employment and skills programmes - significantly above the target of 900, demonstrating a valued service with an effective reach throughout communities.
Actual monetary gain to the tenant as a result of welfare benefits, budgeting or debt advice		£3.5m	£3.6m	£3.0m	The Foundation's welfare, budgeting and debt advice services generated £3.6 million in gains for tenants, achieving the target of £3m and an improvement on the previous year. These services have produced many positive case studies throughout the year, providing clear evidence of their value to communities.
Grant Income		£1.7m	£4.3m	£2.0m	In total, the Foundation secured £4.3 million in grant income to support charitable services throughout 2025/26. This is an improvement on 2024/25 and is also well above target and comes at a time when many charitable funds and awarding bodies are continuing to cut projects and are under significant financial pressure themselves.

A full suite of compliance indicators is regularly presented to the Landlord Operations Committee and the Torus Group Board for scrutiny.

Performance Data is published on our website at the following location
www.torus.co.uk/explore-torus/how-were-performing/performance-dashboards

STRATEGIC REPORT (continued)

Future VfM activity - Where do we want to be?

The key building blocks for the future state that Torus will work to achieve within the lifem e of this strategy period, and beyond, in respect of the Value for Money agenda are set out below. We will:

- Maintain strong financial health with above median VfM metrics compared to peers;
- Achieve sustained improvements in customer sal sfacl on metrics as well as above median performance on new regulatory consumer metrics compared to peers;
- Generate a sustained return from Asset performance;
- Ensure strong performance across all Environmental, Social and Governance (ESG) themes against the Sustainability Reporng Standards;
- Strive to bring tenants and other customer groups closer to the decision-making and performance processes, ensuring that tenants are involved in shaping and priorisi ng services;
- Undertake full systems and process reviews, and deliver key improvements where needed, to maximise efficiency and streamlining of processes across the board; and
- Unlock commercial profits of £5m per annum through commercial acl vil es for investment in social value projects.

This future state will be realised by implemenng seven Principles of Value for Money across all Torus Group acl vil es. The successful integral on of these principles across the business therefore represents the overarching key objec ve of this strategy.

Financial Performance

2025/26 remained a challenging year for the Group and the wider housing sector. Economic uncertainty, continuing affordability pressures and increasing expectations in relation to building safety, stock quality and customer service continued to shape the operating environment. The regulatory landscape also continued to tighten during the year, with consumer regulation becoming increasingly embedded and further legislative changes, including Awaab's Law and new electrical safety requirements, reinforcing expectations on landlords in relation to safety, repairs and responsiveness.

While borrowing conditions eased during the year, inflation remained above target and cost pressures persisted, particularly in relation to labour, materials, repairs and maintenance, fire safety and damp and mould remediation.

Market volatility enabled Torus to acquire homes from volume housebuilders that the builder had originally developed for outright sale and to offer these homes through Shared Ownership, contributing to the higher turnover reported for the year. Increased attention across the sector to transparency, affordability and customer protection in Shared Ownership also continued during the year.

The Shared Ownership market continues to evolve, with recent changes enabling lower initial purchase shares—now starting from 10%—thereby improving accessibility for households with smaller deposits, although this may defer progression to full ownership. At the same time, access to mortgage finance remains relatively constrained compared to the wider market, with fewer products available and affordability pressures persisting despite some easing in interest rates. Notwithstanding these challenges, demand for Shared Ownership remains resilient, driven by ongoing barriers to

STRATEGIC REPORT (continued)

outright home ownership and reinforcing its role as an important pathway into the housing market for first-time buyers and other households.

Statement of Comprehensive Income	2026 £000	2025 £000	2024 £000
Turnover	281,072	277,076	245,597
Operating Costs	(184,271)	(180,295)	(188,226)
Cost of Sales	(26,789)	(35,080)	(31,896)
Gain on disposal of Assets	9,242	7,185	4,735
Operating Surplus	**79,254**	**68,886**	**30,210**
Share of surplus in JV	-	-	-
Interest Receivable	3,907	3,962	6,926
Interest payable and financing costs	(14,475)	(10,254)	(15,998)
Movement in fair value of investment properties	(214)	880	(1,192)
Net surplus before taxation	**68,472**	**63,474**	**19,946**

Torus Group has delivered a strong financial performance for the year with increased turnover whilst managing its cost base well. The increased turnover was attributable to a rent increase of 2.7% in April 2025 in line with the rent standard, and income from shared ownership sales in 2025/26 £27.1m (2025: £29.8m). Whilst shared ownership demand remains strong with 309 sales during the year (2025: 347) the average proportion purchased has seen a reduction to 32%.

An impairment charge of £7.6m (2025: £6.2m) has been recognised in operating costs, largely relating to historic development schemes which have suffered from contractor failure in previous years and the consequent delays incurring additional remediation works required to complete.

The reduction of interest receivable is relating to cash management moving to usage of RCF’s.

Interest payable and financing costs saw a reduction 2024/25 due to an increase in capitalisation of interest on housing properties under construction in line with Torus development program.

Statement of Financial Position	2026 £000	2025 £000	Restated 2024 £000
Housing Properties, Net of depreciation	1,824,174	1,591,635	1,378,661
Other Fixed Assets	47,950	44,183	40,746
Fixed Assets net of Depreciation	**1,872,124**	**1,635,818**	**1,419,407**
Net Current Assets	63,387	116,339	174,723
Total Assets less current liabilities	**1,935,511**	**1,752,157**	**1,594,130**
Creditors, amounts falling due after more than one year	(1,018,913)	(902,598)	(805,054)
Provision for Liabilities	(1,418)	(791)	(976)
Total Net Assets	**915,180**	**848,768**	**788,100**

STRATEGIC REPORT (continued)

Statement of Financial Position	2026 £000	2025 £000	Restated 2024 £000
Revenue Reserve	915,167	848,638	787,842
Restricted Reserve	13	130	258
Total Reserves	**915,180**	**848,768**	**788,100**

The Group's Statement of Financial position shows a continuing increase in net assets in line with the Groups growth plans of investment in new properties. The increase in Creditors reflects a new bond facility, the usage of RCF funds and deferred grant received in year not yet released to income, the rest of the investment in new properties has been funded from within existing resources.

Cash Balances have remained healthy with sufficient cash available to meet short term commitments, and sufficient security to raise funds and meet long term commitments.

Treasury Management

Treasury Policy

Torus has a formal Treasury Policy approved by the Board. The purpose of the policy is to ensure Treasury Management activities are controlled effectively, ensuring there are processes in place for identification, monitoring and control of risk. The treasury policy addresses funding and liquidity risk, interest rate management, together with reporting and management arrangements.

The Group has not entered into any standalone derivative arrangements. The policy allows Torus to enter such arrangements, but they would be sourced, when required, from creditworthy counterparties under advice from our treasury and legal advisers and will be entered into only after a full assessment of the costs, benefits and any risks has been presented to the Board.

Surplus Funds can only be invested with bank, building societies and money market funds that are authorised by the Bank of England. Deposits can only be made for a maximum 12 months and no more than £30m can be invested with a single institution. The approved counterparty list is given in Appendix A to the Group Treasury Policy. The temporary extension to counterparty limits from £30m to £45m expired on 31 March 2026 and reverted to the £30m policy limit as at 31 March 2026.

The Group has adopted an interest policy of maintaining a minimum of 60% of its total drawn funds at fixed rates or otherwise hedged against the effect of interest rate increases. At the balance sheet date 31 March 2026, 92.4% of drawn funds are at fixed rates.

Treasury Strategy 2025-2026

A high-level annual treasury strategy was updated and approved by the Torus (Group) Board in May 2025. This sets out the principles and actions that underpin a proactive, insight and partnership driven approach to treasury activities. These principles are:

- Liquidity, ensuring facilities are secured ahead of investment need;
- Value for Money, attracting investment at lowest cost available in the markets;
- Managing Risk, ensuring activities are in line with the torus risk appetite and comply with funder, regulatory and statutory requirements; *and*
- Transparency, promoting Torus in an ethical, open and honest manner.

STRATEGIC REPORT (continued)

Debt Structure

All loan facilities are held by the Group parent Torus62 Limited. The Group has a well-diversified pool of loans from seven lenders from the banking sector and debt capital markets. Five lenders from the banking sector provide 66% of the Group's total debt (Royal Bank of Scotland / NatWest, Nationwide, Santander and Barclays), and three lenders from the debt capital markets provide the remaining 34% (The Housing Finance Corporation, bLEND (a subsidiary of the Housing Finance Corporation) and Saltaire Finance (AHGS loans). The Group has total committed facilities amounting to £1,037.5m of which £377.5m is undrawn (RCFs - £277.5m; AHGS Term Loan - £100m). The main funding source are the AHGS loans which accounts for £400m (39%) of the Group's total committed facilities. Currently no lender accounts for more than 40% of the Group's total committed facilities avoiding excessive concentration risk. There were no loan repayments in 2025/26.

During 2025/26 all the key objectives in the 2025/26 Treasury Strategy were completed. On 6 October 2025 Torus completed on its second £200m AHGS loan from Saltaire Finance. This second AHGS loan has a tenor of c. 10 years allowing Torus to transact within the interest rate in the 2025/26 business plan. Through the Letter of Irrevocable Release, Venn (administrators of the AHGS loans) were able to transact the deal on behalf of Torus. On 15 October, the first £100m drawdown at an all-in rate of 5.238% was achieved. The first £100m loan was issued at a discount (£3.5m) from the 2036 AHGS bond series. Torus received proceeds of £92.7m (after deduction for arrangement and legal fees, and the Liquidity Reserve Fund. The £200m loan is fully secured. In adopting this approach, security is in place and relied on from day 1 and it enables Torus to take swift advantage of any favourable movements in the financial markets in the coming months to draw down the remaining £100m which is available until October 2027.

On 26 May 2025 the Board approved the recommendation to extend the 3 year RBS £50m Tranche C facility for a year. The extension letter was signed on 8 August 2025 and the £50m Tranche C RCF was extended to 27 September 2028. The 2026/27 Interim Treasury Strategy presented to Board on 7 May 2026 approved the second extension of the £50m Tranche C RCF to 27 September 2029, together with one year extensions for the 5 year RBS £10m Tranche B and the 5 year NatWest £40m Tranche B facilities. Subject to Lender consents, the Tranche C and Tranche B RCFs will be extended by one year respectively to 27 September 2029 and 27 September 2030.

A summary of loans and bonds, as at 31 March 2026 is shown below:

Provider	Total Facility (£m)	Undrawn Facility (£m)	Drawn Facilities (£m)
Royal Bank of Scotland/ NatWest	153.7	50.0	103.7
Nationwide	67.8	50.0	17.8
Santander	183.0	125.0	58.0
Barclays	95.0	52.5	42.5
The Housing Finance Corporation	38.0	-	38.0
bLEND	100.0	-	100.0
Saltaire Finance – AHGS1	200.0	-	200.0
Saltaire Finance – AHGS2	200.0	100.0	100.0
Total	**1,037.5**	**377.5**	**660.0**
Bond Premia			19.5
Fair Value adjustment			6.5
Issue Costs			(5.0)
Net Debt (Note 26)			**681.0**

STRATEGIC REPORT (continued)

All drawn facilities are at fixed rates with terms ranging from 4 to 31 years, with final instalments due to be repaid between 2026 and 2054. Interest Rates range from 2.92% to 7.06%.

THFC and bLEND proceeds included an issue premium which is written off over the life of the loan. AHGS proceeds included an issue discount which is written off over the life of the loan. The balance at year end was £19.5m.

The Statement of Financial Position includes £6.5m in respect of fair value adjustments of loans. These have arisen due to categorisation of a cancellable loan as non-basic, in accordance with FRS102, requiring it to be held at fair value. In addition, the refinancing of loans relating to former Liverpool Mutual Homes in 2017/18 and former Golden Gates Housing Trust in 2018/19 were treated as a derecognition event, requiring the revised loans to be revalued at their fair value. These fair value costs were initially charged as finance charges in the statement of comprehensive income. They will subsequently be amortised over the term of the loans in order that interest and financing charges reflect the market rates for these loans.

The consolidation of the three legacy Security Trust Deeds into one new Security Trust Deed took in the name of Torus62 Limited took place in March 2025. This consolidation will ensure Torus is in a good security position for any future bond or private placement it might want to seek in the future. It will also streamline the administration of the property allocations. This consolidation exercise now opens the way to undertaking a MV Uplift exercise. Torus currently has 29,737 properties charged to M&G that are allocated to Funders as per the table below

Allocation to Lender under the Torus M&G Security Trust Deed	Total Torus
Barclays	3,786
Nationwide	1,699
NatWest	3,580
RBS	2,277
Santander	10,104
Saltaire Finance (AHGS1 & AHGS2)	7,044
Unallocated	1,247
Total Properties	**29,737**

Additionally, there are 5,080 charged directly to THFC for the THFC and bLEND loan facilities and the remainder of circa 6,000 properties charged to Torus62 Limited and not charged under any security trust arrangement.

At the time of the various stock transfers, limited title due diligence will have been undertaken as each lender will have relied on the various collateral warranties and consequently portfolio valuations will have been restricted to an EUV-SH basis. Approval has been given to complete the MV security uplift for the security charged to RBS, Nationwide and Santander currently relying on the St Helens collateral warranty that expires in 2032. All three lenders have agreed to this valuation uplift and have sought their own credit approvals for this to happen.

During 2025/26 NatWest provided a pension bond to Merseyside Pension Fund to cover termination costs should Torus default on its obligations. At year end bonds totalled £3.8m (2025: £3.8m). The NatWest pension bond is fully charged against part of the security charged to NatWest.

Loans and Pension Bonds are fully secured by fixed charges on individual properties.

STRATEGIC REPORT (continued)

Current Liquidity

It is the Group's normal policy not to hold significant cash balances but to ensure that loan facilities are in place to fund future liquidity requirements. The Group currently holds cash balances amounting to £52.2m (2024: £55.8m) mainly arising from the utilisation of the second AHGS loan from Saltaire Finance to fund development activities. Development activity continues to increase, and loan facilities will continue to be utilised to fund development requirements.

Facilities are sufficient to meet the Group's requirements until 2028/29. New facilities will be required after this date with peak debt projected at £1.9bn in 2034/35. The Group is working with its Treasury advisors on a Treasury funding plan to address its long-term funding requirements to prepare for further long-term debt raising over the next 2 years.

Future Prospects

The social housing sector is navigating an increasingly complex landscape, characterised by sustained economic pressures, enhanced regulatory oversight, and growing demands relating to building safety, housing quality, and decarbonisation. Coupled with this is a renewed focus on tenant voice and accountability. As a result, organisations must strike a careful balance between investing in existing stock, delivering new homes, and transforming services, while ensuring ongoing financial viability in a constrained funding environment.

Notwithstanding these challenges, Torus remains well placed for the future. A skilled and experienced Board provides strong leadership, underpinned by a five-year Group Corporate Plan, developed in 2023/24 and now in its fourth year, which clearly articulates the organisation's mission, goals and long-term ambitions. This has three focuses:

People and Services: Central to our mission is the delivery of high-quality services for all our customers, alongside a commitment to supporting and empowering our colleagues.

Homes and Communities: We aim to address the critical need for housing by strategically building homes where they are most needed, while actively contributing to the creation of vibrant, thriving communities.

Viability and Sustainability: Ensuring the long-term viability and sustainability of our operations is essential for driving enduring success and positive impact.

Each focus area is supported by clear targets and performance indicators, providing a strong framework for accountability and success, and ensuring continued delivery of value for money to our communities.

A Programme Management Office is in place to support and drive organisational change, ensuring that activities align with corporate plan objectives and deliver value for money.

Robust governance and risk management processes ensure that Torus meets its legal and regulatory obligations while effectively delivering its strategic objectives.

Torus has adopted a rent policy in line with the Government rent policy. Rents have been increased by CPI +1% (4.8%) in 2026 and then, in the business plan, by CPI +1% to 2035 in line with the latest rent policy and by CPI only thereafter. Torus has chosen to apply rent flexibilities and set rents for void properties at the government formula rent plus 5% for General needs properties and plus 10%

STRATEGIC REPORT (continued)

for sheltered properties. Affordability for tenants is a key consideration when annual rent increases are considered by the Torus Board.

It is essential that Torus provides homes that meet building safety standards, align with tenant needs and continue to be in high demand. Component lifecycles and specifications are regularly reviewed, with appropriate funding allocated within the business plan to deliver updated requirements.

In 2024/25, an independent stock condition survey has resulted in over 90% of stock being surveyed within the last five years, supported by a rolling programme to maintain this position. Investment plans are updated accordingly. There remains a strong focus on addressing disrepair and damp and mould issues to ensure homes are fit for purpose and meet tenant expectations.

Decarbonisation and meeting net zero targets by 2050 is a key focus for Torus and a Sustainability Strategy was approved in 2021/22. Net (of grant) additional costs of £349m until 2050 have been factored into the business plan to fund decarbonisation works on Torus properties.

Torus has strategic partner status with Homes England, and this provides £79m of grant under the WAVE2 programme and £141m under its affordable homes programme 2021-2026, to support the delivery of its development and business plan targets. This status also provides opportunities for influence across the region and the ability to lead on large scale development schemes. Partner status and availability of grant have seen a shift in emphasis toward social rent, affordable rent and shared ownership products which make up 94% of the overall programme. The exposure to market rent or sales products is, therefore, limited. Torus is committed to the development of new homes to support our current and future tenants. An ambitious bid has been submitted to the recently announced Social and Affordable Homes Programme (SAHP) 2026-2036 which has been factored into the 2026 Business Plan. The outcome of the bid is expected in the Autumn of 2026.

A financial plan is in place which has been updated to take account of the current inflationary pressures and investment requirements. The plan has been stress tested and indicates that it is broadly resilient and can withstand a wide range of adverse economic and operational scenarios.

Assumptions include:

- rent increases in line with government policy i.e. 4.8% (CPI + 1%) in 2026/27, CPI +1% for the next 9 years to 2035/36 followed by CPI only increases;
- void Losses at 1.3% per annum;
- costs increasing by CPI plus 0.5% overall for the long term;
- pay inflation at 3.5% 2026/27 and CPI + 0.5% thereafter;
- repairs and maintenance inflation at CPI +1.0% to 2029/30 and CPI +0.5% thereafter;
- specific costs included for insurances, energy costs, stock condition survey work and transformation programme investment;
- rent collection assumptions at a prudent 98.5% per annum;
- interest rates on new debt in the long term at 5.5%;
- development costs to increase by CPI + 1.0% per annum to 2029/30 and CPI +0.5% thereafter;
- no inflation on sales value in 2026/27 followed by increases at 1% per annum to 2029/30, falling to 0.5% long term; *and*
- development programme of 9,638 units completed by 2034/35.

Mitigations have been agreed by the Board to address the economic pressures and these include a rephasing of uncommitted units/land acquisition in the development programme along with revised

STRATEGIC REPORT (continued)

programmes for decarbonisation works to 2050. The business plan indicates that surpluses will be generated throughout its 30-year timeframe and funders covenants complied with at all times.

In future years overall margins are expected to remain below 20% per annum in the short term reducing to below 10% in the medium to long term as Torus continues to invest in the development of new homes and services; this will be further impacted from 2040 as increased investment in decarbonisation in addition to component replacement investment, begins to depreciate. Margins are expected to recover towards the end of the 30 year plan driven by increased rents and new units together with efficiencies from investment in systems and reduced maintenance costs following significant investment in the stock. It is anticipated that EBITDA MRI will remain above 100% despite the increased investment in existing stock and increasing interest payments due to new debt to fund Torus' ambitious development programme.

Borrowing of up to £1.9bn is required by 2033/34 to fund the business plan. Facilities of £1,037.5m are in place, of which £377.5m is undrawn. In addition, cash balances of £52.2m are available. These will be used alongside grant and sales proceeds to meet the capital commitments of £553m as set out in note 34. The Group has strong liquidity, low gearing, and sufficient security to meet its long-term ambitions.

The sector continues to face significant economic and policy uncertainty, driven by high inflation, increased borrowing costs, supply chain disruption, and a changing government policy landscape, including delays in confirming long-term grant funding for the development of new homes. These factors are impacting operating costs and may affect customers' ability to pay rent. Demand for Shared Ownership products continues to be challenging but is showing some signs of improvement more recently.

Consequently, there is a medium-term risk to financial performance and surplus generation. Comprehensive stress testing has been completed to assess the impact of a prolonged economic downturn, supported by clear recovery plans.

Subsidiaries hold modest cash balances, and Torus is committed to providing support in the short to medium term to address any issues that arise. The Group's financial strength positions it well to meet these challenges while maintaining high-quality service delivery. Torus will continue to monitor the economic environment and will review and adjust its Corporate Plan, operating model and business plan as required.

Statement of Compliance

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

Mike Emmerich
Chair
Date: 6th August 2026

REPORT OF THE BOARD OF DIRECTORS

Principal Activities

The Group's principal activities are the development, maintenance and management of affordable housing.

Charitable Status

Torus62 Limited became an exempt charity on 1 January 2019, following the amalgamation between the former Torus62 Limited, Golden Gates Housing Trust Limited, Helena Partnerships Limited and Liverpool Mutual Homes Limited. The Co-operative and Community Benefit Society registration number is 7973.

Business Changes

No business changes took place during 2025/26.

During 2022/23 Torus Developments entered into a Joint Venture with Countryside Partnerships for the development of new properties for outright sale in Peel Hall, Warrington.

Business Review

Details of the Group's performance for the year and its future activities are set out in the strategic Report.

Financial Performance and Reserves

The Group achieved a net surplus before tax of £68.5m (2025: £63.5m), with total reserves at year end amounting to £915.2m (2025: £848.8m). Further details of performance are set out in the Strategic Report and Financial Statements.

Post Balance Sheet Events

There are no post balance sheet events since the year end that would have a significant impact on Torus' financial position.

Employees

The Group's employees are its greatest asset and it is only through their contribution and commitment that the Group can achieve its Corporate plan objectives.

The Group engages with its employees via a variety of means utilising face to face meetings with senior management, employee focus groups through to social media messages.

The Group recognises Trade Unions and regular meetings take place at Torus and subsidiary levels between senior management and trade union representatives on matters affecting employees.

Torus is committed to continuous development of its employees and has put in place a workforce development strategy to drive forward people and organisational performance.

REPORT OF THE BOARD OF DIRECTORS

Qualifying Third party indemnity provision

Torus provides Directors and Officers liability insurance to c
over against claims made against individuals acting in their capacity as directors or officers. No claims were made in 2025/26.

Equality, Diversity and Inclusion

The Group is committed to equal opportunities with regard to its employees and its operations. A new inclusion strategy was launched in April 2026 following consultation internally and with the Tenant and Diversity Inclusion Panel. Delivery planning continues across key priority areas, supported by the development of associated KPIs and reporting measures to enable ongoing monitoring of progress, impact and organisational accountability to ensure the Group complies with its duties and provides services that meet the requirements of all staff and customers.

The Group seeks to ensure there is equality in treatment and pay of men and women. Torus has published its Group mean gender pay gap figure as at 31 March 2025 (the latest data available):
-0.27% (2024: -0.72%). This reflects the impact of the collective actions that continue to be taken to close the gender pay gap across the torus Group, including increased representation of female operatives in our leadership roles, through improved recruitment practices and campaigning.

HMS mean gender pay gap as at 31 March 2025: 6.9% (2024: 7.5%). We are continually working with external partners including schools and colleges, to encourage females into construction and raising awareness of the industry as a viable and rewarding career pathway for females remains a priority at HMS.

Health and Safety

The Board is aware of its responsibilities on all matters relating to health and safety. Regular reports on performance are presented to Boards and the Group Audit and Risk Committee.

The Group operates employee Health and Safety Committees across the Group, alongside a Health and Safety Steering Group, who are responsible for monitoring all health and safety activities and reporting on these.

The Group has also prepared detailed health and safety policies and provides training and education on health and safety matters.

Environmental, Social and Governance Reporting

Torus is committed to ensure its activities have a positive impact for the communities it serves and wider society. Torus has become an adopter of the Sustainability Reporting Standard for Social Housing as a mechanism to demonstrate its environmental, Social and Governance (ESG) credentials to customers, stakeholders and investors. Torus published its ESG report in September 2025.

Streamlined Energy and Carbon Reporting Statement

Whilst Torus is not obliged to report under the SECR regulations, we maintain a policy of transparency and voluntarily provide the information.
Global Greenhouse Gas emissions summary

REPORT OF THE BOARD OF DIRECTORS (continued)

	Reporting Year 2025/26	Reporting Year 2024/25
Scope 1	4,612.39 tonnes CO2e	6,988.01 tonnes CO2e
Scope 2	1,299.16 tonnes CO2e	1,137.68 tonnes CO2e
Scope 3	90,347.63 tonnes CO2e	92,566.39 tonnes CO2e
Total	**96,259.18 tonnes CO2e**	**100,692.08 tonnes CO2e**

Consumption and energy use data

	Reporting Year 2025/26	Reporting Year 2024/25
Energy Consumption used to calculate emissions	Gas: 15,513,802 kWh Electricity: 7,339,908 kWh Transport Fuel: 6,843,039 kWh Business miles: 603,067 kWh Total: 30,299,816 kWh	Gas: 26,109,336 kWh Electricity: 5,494,725 kWh Transport Fuel: 8,719,186 kWh Business miles: 599,313 kWh Total: 40,922,560 kWh
Emissions from combustion of gas tCO2e (scope1)	2,838.41 tonnes CO2e	4,775.40 tonnes CO2e
Emissions from combustion of fuel for transport purposes tCO2e (scope1)	1,773.98 tonnes CO2e	2,212.61 tonnes CO2e
Emissions from purchased electricity CO2e (scope 2)	1,299.16 tonnes CO2e	1,137.68 tonnes CO2e
Intensity Ratio based on scope 1 and 2 above	148.55 kgCO2e per home managed (excl office emissions) Office intensity: 20.68 kgCO2e per m2	207.67 kgCO2e per home managed (excl office emissions) Office intensity: 22.65 kgCO2e per m2
Emissions from generation of electricity that is consumed in a transmission and distribution system for which Torus does not own (scope 3)	136.01 tonnes CO2e	100.55 tonnes CO2e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (scope 3)	146.70 tonnes CO2e	144.75 tonnes CO2e
Emissions from employee business travel (scope 3)	3.79 tonnes CO2e	2.85 tonnes CO2e
Estimated Emissions from housing stock (scope 3)	90,061.13 tonnes CO2e	92,318.24 tonnes CO2e
Intensity ratio – total scope 1,2 and 3 tCO2e / homes managed	2.47 tonnes CO2e per home managed	2.62 tonnes CO2e per home managed

REPORT OF THE BOARD OF DIRECTORS (continued)

Methodology	Information produced using SHIFT Environment methodology SECR and ESOS reporting | SHIFT Environment Using Defra (2025) Conversion Factors in line with Environmental Reporting Guidelines (2019) as the majority of the financial year falls into the calendar year 2025.

As part of the Groups commitment to the installation of energy efficient heating solutions, Torus completed delivery of its SHDF Wave 2.1 Retrofit Schemes in March 2026 (full retrofit works to 828 properties in Torus communities totalling approximately £31m in work). Further retrofit works under the Warmer Homes: Social Housing Fund Wave 3 programme commenced in September 2025 and will deliver energy efficiency measures to 904 properties over 3 years.

With regards to the Works Completed in this financial year, Torus Group installed:

- 195 Windows
- 382 Doors
- 317 Cavity Wall Insulation
- 140 External Wall Insulation
- 29 Flat Roof
- 364 Ventilation
- 317 Loft Insulation
- 67 Heating Controls
- 43 Solar
- 76 Low Energy Lighting

Resident Involvement

The Group is committed to resident involvement in its activities and the governance structure includes a Landlord Operations Committee which includes tenants within its membership. A scrutiny panel is also in place providing in depth scrutiny of performance and action plans.

Torus has signed up to the National Housing Federation 'Together with Tenants' Charter and developed a tenant voice strategy to ensure tenants have greater involvement and influence over our services and activities.

Complaints

The Group complaints policy is in line with the Housing Ombudsman complaint handling code. The complaints policy and process have been designed to make it easy for customers to provide feedback on its services. Listening to feedback and taking appropriate action will help Torus continually improve services.

Statement of Internal Control

The Torus (Group) Board acknowledges its responsibility for establishing and maintaining an effective system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Group's objectives and can therefore provide substantial and not absolute assurance.

The Torus (Group) Board confirms that the processes for identifying, evaluating and managing the significant risks facing the Group are ongoing, and have been implemented throughout the year. Regular assurances on the adequacy and implementation of these processes have been provided by the Group Audit and Risk Committee throughout 2025/26.

REPORT OF THE BOARD OF DIRECTORS (continued)

- **Framework of Control**
  The Group's internal control framework forms an integral part of its Risk and Assurance Framework and supports delivery of the Corporate Plan (2024-2029). It encompasses governance, risk management, performance management, financial controls and compliance arrangements across the Group and its subsidiaries.

  The framework is underpinned by:

  - A formally constituted Group Board and Committee structure, with approved Standing Orders, Financial Regulations and a Scheme of Delegation.
  - Clearly defined reporting and escalation arrangements between the Group and its subsidiaries, supported by a formal Intra-Group Arrangement.
  - Adoption of the NHF Code of Governance (2020), with annual self-assessment reported to the Board.

Board and Committee members are appointed based on skills and experience and are supported through structured appraisal and development arrangements.

- **Risk Management and Assurance**
  The Group maintains a comprehensive approach to risk management through a Board-approved Risk and Assurance Framework. Strategic and operational risks are captured within a Group Risk Register and are subject to regular review.

  Key features include:

  - Oversight of risk by the Group Board and Group Audit and Risk Committee
  - Regular review of risk mitigations, near misses and emerging risks
  - Annual review of the effectiveness of risk management arrangements.

Health and Safety performance is subject to monthly, quarterly and Board-level scrutiny through established reporting and committee structures.

An annual review of insurance arrangements ensures that cover remains adequate. Insurance was competitively tendered in 2025/26. Property valuation exercises support appropriate cover.

Data protection compliance is overseen through ICO registrations for all Group entities, supported by policy, system implementation (One Trust) and dedicated resource.

The Board considers that the Group's approach enables risks to be identified, assessed and managed effectively within an acceptable risk appetite.

- **Performance and Internal Monitoring**
  Delivery of the Corporate Plan is supported by annual Operational Plans and Business Plans, with clear accountability assigned to senior officers.

  Performance is monitored through a Group-wide Performance Management Framework, supported by integrated reporting systems. Regular performance reports are considered by:

REPORT OF THE BOARD OF DIRECTORS (continued)

- ➢ Executive Management and Senior Management on a quarterly basis
- ➢ The Group board and subsidiary Boards and Committees on a quarterly basis

- **Internal Audit and Assurance**
  The Group has an established internal audit function, delivered by TIAA, appointed for the period 2024/25 to 2026/27. The Internal Audit Plan is risk-based and aligned to the Corporate Plan and Group Risk Register.

  During 2025/26:

  - ➢ Internal audit reports were reviewed by the Group Audit and Risk Committee
  - ➢ Progress against audit recommendations was monitored through a formal tracking process.
  - ➢ Independent assurance was provided that agreed actions had been implemented.

The Annual Internal Audit opinion concluded that the Group has an adequate and effective framework for governance, risk management and internal controls.

- **External Audit**
  BDO act as the Group's external auditors and provide independent assurance on the accuracy of the Group's Statement of Accounts and the effectiveness of the supporting financial systems. Their findings are reported to the Group Board via the Group Audit and Risk Committee.

- **Financial Control**
  Strong financial governance arrangements are in place, including:

  - ➢ Annual review of Financial Regulations and the Scheme of Delegations
  - ➢ Approval of budgets, Business Plans and stress testing by the Board.
  - ➢ Regular monitoring of financial performance and covenant compliance.
  - ➢ A Board-approved Treasury Management Strategy, subject to review and internal audit.
  - ➢ Regulatory compliance is maintained.

- **Compliance and Ethical Standards**
  The Group maintains robust ethical and compliance framework, including Anti-Fraud, Anti-Bribery, Whistleblowing and Code of Conduct policies. Arrangements are in place for declaring interests, gifts and hospitality.

  Compliance with the Regulator of Social Housing's Regulatory Standards is assessed annually, with the results reported to the Group Board.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Group Audit and Risk Committee to regularly review the effectiveness of the system of internal control. The Board receives quarterly reports from the Audit and Risk Committee together with minutes of committee meetings.

REPORT OF THE BOARD OF DIRECTORS (continued)

The Group Audit and Risk Committee has received and approved the annual review of the effectiveness of the system of internal control for the Group and the annual report of the internal auditor and has reported its findings to the Board.

Based on this review, the Board is satisfied with the adequacy of the internal controls in place for the year ending 31 March 2026, and for the period to date of signing the financial statements.

Going Concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out in the Strategic Report.

Torus62 Limited continues to operate in a challenging economic environment, with ongoing pressures from inflation, cost increases in repairs and maintenance, heightened expectations around building safety and quality, and wider cost of living impacts on tenants. The business plan has been updated to reflect current economic assumptions, including prudent rent collection rates, controlled cost inflation and continued investment in decarbonisation and development. The plan indicates that operating surplus in 2026/27 remains strong at approximately £67m (22%), with net profit of £52m (17%). While profitability is expected to be impacted in later years by increased financing costs linked to development activity, the organisation maintains strong operating margins and covenant compliance throughout the planning period.

The Group maintains a robust liquidity position, with cash balances of £52.2m and undrawn facilities of £377.5m, alongside access to additional funding where required. Operating cashflows are strong and forecast to grow over the medium term, supporting both ongoing operations and an expanded development programme. Security from housing assets also provides capacity for further funding. A treasury strategy is in place to ensure sufficient liquidity is maintained in line with internal requirements.

Rental income remains resilient, supported by strong collection performance of over 99%, and prudent assumptions within the business plan. Although there are risks associated with arrears and voids due to economic conditions, mitigating actions such as tenant support initiatives and operational improvements have been implemented. Exposure to sales risk is limited, with the plan not heavily reliant on proceeds from property sales.

The Group's asset base remains strong, with housing stock valuations of approximately £2.1bn providing significant security. While there are ongoing risks relating to development cost inflation, contractor performance and potential impairment, these are actively managed and are not expected to have a material impact on the overall financial position. Pension valuations currently indicate a net surplus position, and investment property exposure is limited.

Cross-default risk across the Group is mitigated through careful financial management and the provision of intra-group support where required. Subsidiaries remain viable, with positive forecast results and sufficient liquidity, supported by established funding arrangements and sustainable business models.

After making appropriate enquiries, the Board has a reasonable expectation that Torus62 Limited has adequate resources to continue in operational existence for the foreseeable future, being a period of

REPORT OF THE BOARD OF DIRECTORS (continued)

not less than 12 months from the date on which the financial statements are signed. Accordingly, the financial statements have been prepared on a going concern basis. In this context, reference should be made to the Strategic Report and Financial Statements.

Regulatory Compliance

Torus fully complies with the Governance and Viability Standard published by the Regulator of Social Housing and there are no areas of non-compliance.

Torus complies with all elements of the Regulatory Standards (Economic and Consumer Standards) and a self-assessment is presented to the Torus Board on an annual basis.

Torus has reviewed the new consumer standards and put in place arrangements to ensure compliance.

Following responsive engagement with the Regulator, Torus received an upgrade to C1 under the consumer standards, as confirmed in the Regulators formal judgement published on 15 April 2026. Torus' Regulatory gradings are now G1/V1/C1.

As part of its compliance with the Governance and Viability Standard, Torus has adopted the NHF 2020 code of practice from 1 April 2021. Torus complies with all elements of the code. A self-assessment against the NHF Code of Governance is carried out and presented to the Board on an annual basis.

In addition, Torus has adopted the NHF Code on Mergers, Partnerships and Group Structures which supports the Code of Governance to ensure that Torus operates effectively, efficiently and economically.

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

Board members' responsibilities

Board members are responsible for preparing the report of the board and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social 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 group and association will continue in business.

REPORT OF THE BOARD OF DIRECTORS (continued)

Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the group and association's transactions and disclose with reasonable accuracy at any time the financial position of the group and association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the group and association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board is responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Financial statements are published on the group and association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group and association's website is the responsibility of the board members. The board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Annual General Meeting

Torus' Annual General Meeting will take place on 24th September 2026.

External Auditors

A resolution to re-appoint BDO as auditors for the year ending 31 March 2027 will be proposed at the AGM.

Approval

The report of the Board was approved by the Board on 6th August 2026 and signed on its behalf by

Mike Emmerich
Chair
Date: 6th August 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS62 LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group and of the Association's affairs as at 31 March 2026 and of the Group and the Association's surplus and the Group's and the Association's cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of Torus62 Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2026 which comprise of the following:

- Consolidated statement of comprehensive income
- Consolidated statement of financial position
- Consolidated statement of change in reserves
- Consolidated statement of cash flows
- Association statement of comprehensive income
- Association statement of financial position
- Association statement of change in reserves
- Association statement of cash flows
- Notes 1 to 39 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 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 or the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS62 LIMITED (continued)

can be predicted, this statement is not a guarantee as to the Group and the Association's ability to continue as a going concern.

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 to report to you if, in our opinion:

- the Society has not kept proper books of account;
- the Society has not maintained a satisfactory system of control over its transactions;
- the financial statements are not in agreement with the Society'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 more fully in the board members responsibilities statement, 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.

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. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Society and management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS62 LIMITED (continued)

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 Group and the industry in which it operates;
- Discussion with management and those charged with governance including Audit 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, UK tax legislation, the Housing and Regeneration Act 2008, etc.

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 health and safety legislation, employment law, the Regulator of Social Housing's Regulatory Standards, fire safety legislation, data protection legislation, etc.

Our procedures in respect of the above included:

- Enquiries of management whether there were any litigations and claims;
- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- 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;
- Involvement of tax specialists in the audit; 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 meetings 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; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS62 LIMITED (continued)

override and revenue recognition in relation to error through journals to revenue.

Our procedures in respect of the above included:

- Testing all journal entries that met defined risk criteria, as well as a random sample from the non-risky population, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias in particular in relation to the following:
- - whether indicators of impairment exist
- - 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 who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 is available 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.

BDO LLP

BDO LLP
Statutory Auditor
Eden Building, Manchester, United Kingdom
M3 5EN
Date:

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

Consolidated Statement of Comprehensive Income

	Note	2026 £'000	2025 £'000
Turnover	3	281,072	277,076
Operating expenditure	3	(184,271)	(180,295)
Cost of sales	3	(26,789)	(35,080)
Surplus on disposal of fixed asset housing properties	6	9,242	7,185
Operating surplus	3, 5	79,254	68,886
Interest receivable	7	3,907	3,962
Interest payable and financing costs	8	(14,475)	(10,254)
Movement in fair value of investment properties	16	(214)	880
Surplus before taxation		68,472	63,474
Taxation	13	(522)	(1,571)
Surplus for the year		67,950	61,903
Actuarial gain in respect to pension schemes	29	(1,538)	(1,235)
Total comprehensive income for the year		66,412	60,668

All amounts relate to continuing activities.

The notes on pages 53 to 95 form part of these financial statements.

The financial statements were authorised and approved by the Board on 6th August 2026.

Mike Emmerich
Chair

Steve Coffey
Group Chief Executive

Catherine Fearon
Company Secretary

Consolidated Statement of Financial Position

	Note	2026 £'000	2025 £'000
Fixed assets			
Tangible fixed assets-housing properties	14	1,824,174	1,591,635
Other tangible assets	15	18,269	19,212
Investment properties	16	29,427	24,723
HomeBuy loans receivable	17	194	194
Other investments	18	60	54
		1,872,124	1,635,818
Current assets			
Stock	22	746	999
Properties held for sale	21	47,349	75,282
Debtors - receivable after one year	23	35,445	28,743
Debtors - receivable within one year	23	20,904	21,574
Investments	23	1,219	1,170
Cash and cash equivalents		52,174	55,799
		157,837	183,567
Creditors: amounts falling due within one year	24	(94,450)	(67,228)
Net current assets		63,387	116,339
Total assets less current liabilities		1,935,511	1,752,157
Creditors: amounts falling due after more than one year	25	(1,018,913)	(902,598)
Defined benefit pension liability	29	-	-
Provisions for liabilities	30	(1,418)	(791)
Total net assets		915,180	848,768
Reserves			
Revenue reserve		915,167	848,638
Restricted reserve		13	130
Total reserves		915,180	848,768

The notes on pages 53 to 95 form part of these financial statements.

These financial statements were approved by the Board on 6th August 2026 and were signed on its behalf by:

Mike Emmerich	Steve Coffey	Catherine Fearon
Chair	Group Chief Executive	Company Secretary

Consolidated Statement of Changes in Reserves

	Revenue reserve £'000	Restricted reserve £'000	Total £'000
Balance at 31st March 2024	**787,842**	**258**	**788,100**
Surplus for the year	62,031	(128)	61,903
Actuarial losses on defined benefit pension scheme (note 28)	(1,235)	-	(1,235)
Total comprehensive income	60,796	(128)	60,668
Balance at 31st March 2025	**848,638**	**130**	**848,768**
Surplus for the year	68,067	(117)	67,950
Actuarial losses on defined benefit pension scheme (note 28)	(1,538)	-	(1,538)
Total comprehensive income	66,529	(117)	66,412
Balance at 31st March 2026	**915,167**	**13**	**915,180**

The notes on pages 53 to 95 form part of these financial statements.

Consolidated Statement of Cash Flows

	Note	2026 £'000	2025 £'000
Net cash generated from operating activities	33	141,428	104,301
Cash flow from investing activities			
Purchase of tangible fixed asset properties		(267,387)	(241,607)
Purchase of other tangible fixed assets		(2,230)	(2,621)
Investment property additions		(4,918)	(2,881)
Proceeds from sale of tangible fixed assets		13,526	11,255
Grants received		39,934	62,945
Current asset investment movement		(55)	6,250
Interest received		2,468	3,027
Loans to joint ventures		(4,387)	(9,526)
		(223,049)	(173,158)
Cash flow from financing activities			
Interest paid		(32,004)	(28,445)
New secured loans		110,000	40,000
		77,996	11,555
Net change in cash and cash equivalents		(3,625)	(57,302)
Cash and cash equivalents at beginning of the year		55,799	113,101
Cash and cash equivalents at end of the year	39	52,174	55,799

The notes on pages 53 to 95 form part of these financial statements.

Association Statement of Comprehensive Income

	Note	2026 £'000	2025 £'000
Turnover	3	278,021	268,246
Operating expenditure	3	(191,283)	(186,241)
Cost of sales	3	(27,284)	(28,789)
Surplus on disposal of housing properties	6	9,242	7,185
Other operating income	3	7,577	7,261
Donations	9	(485)	(495)
Operating surplus	3	75,788	67,167
Interest receivable	7	5,273	6,633
Interest payable and financing costs	8	(13,269)	(9,472)
Movement in fair value of investment properties	16	(214)	880
Surplus before taxation		67,578	65,208
Taxation	13	(92)	-
Surplus for the year		67,486	65,208
Actuarial loss in respect to pension schemes	29	(1,482)	(1,198)
Total comprehensive income for the year		66,004	64,010

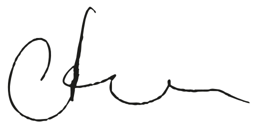
All amounts relate to continuing activities.

The notes on pages 53 to 95 form part of these financial statements.

The financial statements were authorised and approved by the Board on 6th August 2026.

Mike Emmerich
Chair

Steve Coffey
Group Chief Executive



Catherine Fearon
Company Secretary

Association Statement of Financial Position

	Note	2026 £'000	2025 £'000
Fixed assets			
Tangible fixed assets-housing properties	14	1,827,418	1,586,806
Other tangible assets	15	17,566	18,395
Investment properties	16	29,427	24,723
HomeBuy loans receivable	17	194	194
Other investments	18	60	54
Investment in subsidiary	19	3,050	3,050
		1,877,715	1,633,222
Current assets			
Stock	22	32	32
Properties held for sale	21	46,112	68,899
Debtors - receivable after one year	23	50,444	55,409
Debtors - receivable within one year	23	19,115	19,370
Investments	23	1,219	1,170
Cash and cash equivalents		33,347	38,349
		150,269	183,229
Creditors: amounts falling due within one year	24	(86,326)	(57,082)
Net current assets		63,943	126,147
Total assets less current liabilities		1,941,658	1,759,369
Creditors: amounts falling due after more than one year	25	(1,018,871)	(902,598)
Defined benefit pension liability	29	-	-
Provisions for liabilities	30	(803)	(791)
Total net assets		921,984	855,980
Reserves			
Revenue reserve		921,984	855,980
Restricted reserve		-	-
Total reserves		921,984	855,980

The notes on pages 53 to 95 form part of these financial statements.

These financial statements were approved by the Board on 6th August 2026 and were signed on its behalf by:

Mike Emmerich
Chair

Steve Coffey
Group Chief Executive

Catherine Fearon
Company Secretary

Association Statement of Changes in Reserves

	Revenue reserve £'000
Balance at 31st March 2024	**791,970**
Surplus for the year	65,208
Actuarial losses on defined benefit pension scheme (note 29)	(1,198)
Total comprehensive income	64,010
Balance at 31st March 2025	**855,980**
Surplus for the year	67,486
Actuarial losses on defined benefit pension scheme (note 29)	(1,482)
Total comprehensive income	66,004
Balance at 31st March 2026	**921,984**

The notes on pages 53 to 95 form part of these financial statements.

1. Legal status

Torus62 Limited is registered under the Co-operative and Community Benefit Societies Act 2014 as a Community Benefit Society, registered with the Financial Conduct Authority. It has charitable status.

On 1 January 2019, the following entities amalgamated to form the society Torus62 Limited, registered under the Co-operative and Community Benefit Societies Act 2014:

- The former Torus62 Limited.
- Liverpool Mutual Homes Limited.
- Helena Partnerships Limited.
- Golden Gates Housing Trust Limited.

Torus62 Limited has five subsidiaries all incorporated in England and Wales. Housing Maintenance Solutions Limited provides repairs and maintenance services. Torus 62 Developments Ltd and Torus Living Ltd provide construction services. Torus Living Ltd has now ceased trading. Torus Foundation is a registered charity providing support to its communities and Torus tenants. Torus62 Commercial Services Ltd provides specialised construction services to external clients. In July 2019 Housing Maintenance Solutions Limited purchased Torus62 Commercial Services Limited and amalgamated ongoing service contracts with external customers, together with any existing assets and liabilities.

2. Accounting policies

Basis of accounting

The financial statements of the Group and Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers (2018 Update) and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

Torus62 Limited is a public benefit entity in accordance with FRS 102.

The financial statements are prepared on an historical cost basis of accounting and are presented in £ sterling.

Disclosure exemptions

Individual accounts of the Association have adopted the following disclosure exemptions per FRS 102:

- The requirement to present a statement of cash flows and related notes.
- Financial instrument disclosures, including:
  - categories of financial instruments:
  - items of income, expense, gains or losses relating to financial instruments; *and*
  - exposure to and management of financial risks.

Going concern

The Groups business activities, its current financial position and factors likely to affect its future development are set out in the Strategic Report.

Torus62 Limited continues to operate in a challenging economic environment, with ongoing pressures from inflation, cost increases in repairs and maintenance, heightened expectations around building safety and quality, and wider cost of living impacts on tenants. The business plan has been updated to

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

reflect current economic assumptions, including prudent rent collection rates, controlled cost inflation and continued investment in decarbonisation and development. The plan indicates that operating surplus in 2026/27 remains strong at approximately £67m (22%), with net profit of £52m (17%). While profitability is expected to be impacted in later years by increased financing costs linked to development activity, the organisation maintains strong operating margins and covenant compliance throughout the planning period.

The Group maintains a robust liquidity position, with cash balances of £52.2m and undrawn facilities of £377.5m, alongside access to additional funding where required. Operating cashflows are strong and forecast to grow over the medium term, supporting both ongoing operations and an expanded development programme. Security from housing assets also provides capacity for further funding. A treasury strategy is in place to ensure sufficient liquidity is maintained in line with internal requirements.

Rental income remains resilient, supported by strong collection performance of over 99%, and prudent assumptions within the business plan. Although there are risks associated with arrears and voids due to economic conditions, mitigating actions such as tenant support initiatives and operational improvements have been implemented. Exposure to sales risk is limited, with the plan not heavily reliant on proceeds from property sales.

The Group's asset base remains strong, with housing stock valuations of approximately £2.1bn providing significant security. While there are ongoing risks relating to development cost inflation, contractor performance and potential impairment, these are actively managed and are not expected to have a material impact on the overall financial position. Pension valuations currently indicate a net surplus position, and investment property exposure is limited.

Cross-default risk across the Group is mitigated through careful financial management and the provision of intra-group support where required. Subsidiaries remain viable, with positive forecast results and sufficient liquidity, supported by established funding arrangements and sustainable business models.

After making appropriate enquiries, the Board has a reasonable expectation that Torus62 Limited has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date on which the financial statements are signed. Accordingly, the financial statements have been prepared on a going concern basis. In this context, reference should be made to the Strategic Report and Financial Statements.

After making appropriate enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the preparation of the financial statements. In this context reference should be made to the Strategic Report and Financial Statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Association and entities (including special purpose entities) controlled by the Group (and its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

In the consolidated accounts, interests in joint ventures and associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate.

Significant management judgements and estimation uncertainty

The preparation of the financial statements may require management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates are relevant in the statements:

- **Estimation uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

- **Impairment**

Impairment assessments are prepared annually, which consider whether there have been any indications of impairment. If an impairment trigger is identified a full impairment review is conducted, considering whether the recoverable value is higher than the carrying value.

As part of the Group's continuous review of the performance of their assets, management identify any homes, or schemes that have increasing void losses, are impacted by policy changes or where the decision has been made to dispose of the properties. These factors are considered to be an indication of impairment. Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any impairment losses are charged to operating surpluses. As a result, the recoverable amount of the housing properties were estimated as follows:

(a) Determined the level at which the recoverable amount is to be assessed (i.e., the asset level or cash-generating unit (CGU) level). The CGU level was determined to be an individual scheme.

(b) Estimated the recoverable amount of the cash-generating unit;

(c) Calculated the carrying amount of the cash-generating unit; *and*

(d) Compared the carrying amount to the recoverable amount to determine if an impairment loss has occurred.

Based on this assessment, the Depreciated Replacement Cost (DRC) of each social housing property scheme were calculated to be the recoverable amount, using appropriate construction costs and land prices. Where the DRC is less than the carrying amount, an impairment is taken to reduce the carrying amount to the DRC. For Development schemes that are under construction the value in use is determined as the present value of the future cash flows expected to be derived from the asset or cash-generating unit. This is compared to the cost to construct and the difference impaired.

- **Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets including any components. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain IT equipment and changes to decent homes standards which may require more frequent replacement of key components.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

- **Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets including investment properties. This involves developing estimates and assumptions consistent with how market participants would price the instrument or asset. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices.

Fair value measurements are applied to significantly modified loans following loan restructures.

Fair value measurements are applied to investment properties in the year.

- **Defined benefit obligation**

Management's estimate of the defined benefit obligation is based on several 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 liability and the annual defined benefit expenses.

Management applies a consistent set of assumptions with the exception of mortality rates, which are in line with those provided by Pensions Funds.

- **Arrears provision**

Rental arrears are provided for based on the age of debt, as this is considered to be a reasonable indication of recoverability.

The Group provides for all current rent arrears more than or equal to 60 days. Former tenant arrears are provided at 100%.

Judgements

- **Classification of loans**

Torus62 has two cancellable loans, which are cancellable quarterly at the option of the banks. If the banks exercise their option to cancel these loans would revert to LIBOR rate loans. Judgement has been made by management to classify the loans as non-basic and therefore they are held at fair value.

- **Supporting people**

Management judgement is applied in determining the extent to which the risks and benefits are transferred to the Association when considering the income to be recognised.

- **Investment properties**

Based on the guidance provided in FRS102, depots owned by Torus62 Limited and leased to Housing Maintenance Solutions Limited are deemed to be Tangible Fixed Assets in both Association and Group accounts.

Investments are stated at fair value.

Turnover

Turnover represents rental and service charge income, income from shared ownership first tranche sales, revenue-based grants receivable (except where such grants are reimbursement or part reimbursement of specific items of expenditure) and other income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

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

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 agreed grant funding have been met.

Other social income is recognised according to the level of social investment activity undertaken and commission earned for collection of water rates, based on actual charges levied.

Other non-social income is recognised based upon the practical completion of works from external contracts.

Gift aid

Gift aid is recognised at the earlier of the point there is a legal obligation or when paid.

Service charges

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

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

Housing properties

Housing properties are reflected on the Statement of Financial Position at historic cost less depreciation. Legacy LMH properties were initially recognised at deemed cost on transition to FRS102.

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties held for rent. Costs include the cost of acquiring the land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Works to existing housing properties

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

Works to existing properties which 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

improvements. When an existing component is replaced, the component is disposed of and the new component is added.

Below is a list of components that are capitalised:

- Roofs
- Windows
- doors
- kitchens
- bathrooms (including aids and adaptations full bathroom replacements)
- lifts
- central heating (boilers and distribution systems)
- electrical rewires
- wall ties and repointing
- Building envelope render systems
- Environmental and communal works

Any other expenditure capitalised would be subject to a de-minimis of £500 and form part of a capital improvement programme

Investment property

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition and subsequently at fair value at the reporting date. Fair value is determined periodically by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the Statement of Comprehensive Income.

Government grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

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

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in income and expenditure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to income and expenditure.

Other 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 on the Association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as deferred income.

Sales of housing properties

Sales of housing properties, including Right to Buy and Right to Acquire sales, are taken into account on completion of contracts. Due to the nature of the transfer agreements with Liverpool City Council, St Helens Metropolitan Borough Council and Warrington Borough Council (the “Councils”), it is not possible to identify separately the original cost of each property sold. Instead, an average cost plus actual capitalised costs since transfer is eliminated from housing properties and is charged to the Statement of Comprehensive Income.

As part of the transfer agreement with the Councils, the Group agreed to retain a proportion of the Right to Buy proceeds with the balance being due to the relevant Council.

Depreciation of housing properties

Freehold land is not depreciated. The Group separately identifies the major components which comprise its housing properties, and charges depreciation, so as 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 housing properties at the following annual rates:

Structure	60-100 years
Non-traditional construction	30 years
Bathrooms	30 years
Kitchens	20 years
Windows and doors	30 years
Electrical systems	30 years
Roofs	60-75 years
Heating – Boilers	15-18 years
Heating - Distribution system	30-36 years
Lifts	40 years
Wall ties and repointing	40 years
Building envelope render systems	40 years
Environmental and communal works	20 years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

Other tangible fixed assets

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis over the expected useful economic lives of the asset over the following periods.

Freehold Property	40 years
Leasehold Properties	Over life of lease
Computers and Office Equipment	3-5 years
Furniture, Fixtures and Fittings	3-10 years
Motor Vehicles	3-10 years

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

Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

First tranche shared ownership sales

Shared ownership properties are split proportionally between current and fixed assets based on the first tranche proportion. First tranche proportions are accounted for as current assets and the related sales proceeds shown in turnover. The proportion of the asset remaining in the Group's ownership is accounted for as a fixed asset and included in housing properties at cost less any provisions for depreciation or impairment, so that any subsequent sale is treated as a part disposal of a fixed asset.

Properties for sale

Shared ownership first tranche sales completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads.

Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

The Group recognises a provision for annual leave accrued by employees as a result of service rendered in the current period, and which employees are entitled to carry forward and use within the next financial year. The provision is measured at the salary cost payable for the period of absence.

Bad and doubtful debts

Provision is made on an aged basis against rent arrears and other debts to the extent that they are considered potentially irrecoverable.

Corporation Tax

HM Revenue and Customs has accepted that the Association is a charity for tax purposes and therefore its charitable activities are not subject to Corporation Tax. The Association's subsidiaries, Housing Maintenance Solutions Limited, Torus62 Commercial Services Limited, Torus Living Limited and Torus62 Developments Limited, have no such exemption and their activities are chargeable to Corporation Tax. Torus Foundation is a registered charity and its activities are not subject to Corporation Tax.

Deferred taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed. Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the Group is able to control the reversal of the timing difference; *and*
- it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is calculated using the tax rates and laws that that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. Deferred tax is measured on an undiscounted basis. With the exception of changes arising on the initial recognition of a business combination, the tax expense/(income) is presented either in income and expenditure, other comprehensive income or reserves depending on the transaction that resulted in the tax expense/(income). Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if:

- the Group has a legally enforceable right to set off current tax assets against current tax liabilities; *and*
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Value Added Tax (VAT)

The Group is partially exempt in relation to Value Added Tax (VAT) and accordingly is able to recover from HM Revenue & Customs part of the VAT incurred on expenditure. At the year-end VAT recoverable or payable is included in the Statement of Financial Position. Irrecoverable VAT is accounted for in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

Investments

Investments are stated at historic cost less accumulated impairment losses.

Interest Payable

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

a) interest on borrowings specifically financing the development programme after deduction of social housing grant (SHG) received in advance; *or*

b) a fair amount of interest on borrowings of the Group as a whole after deduction of SHG received in advance to the extent that they can be deemed to be financing the development programme; *or*

Other interest payable is charged in the Statement of Comprehensive Income in the year.

HomeBuy loans

HomeBuy loans are treated as concessionary loans. They are initially recognised as a loan at the amount paid to the purchaser and are subsequently updated to reflect accrued interest and any impairment loss is recognised in income and expenditure to the extent that it cannot be offset against the HomeBuy grant. The associated HomeBuy grant is recognised as deferred income until the loan is redeemed.

Stocks

Stocks are stated at the lower of cost or net realisable value.

Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model. Management has reviewed the Group's loan agreements and has deemed the majority to be basic financial instruments, with the exception of two non-basic loans, which will be fair valued each period in accordance with FRS 102, with the movements posted to interest payable and financing costs within the Statement of Comprehensive Income.

Where a loan agreement is subject to a substantial modification per FRS 102, the Group will calculate a fair value of the loan via a Net Present Value calculation, discounted by an agreed treasury market rate. Any discrepancies between the loan amount and the fair values are recognised within interest payable and financing costs within the Statement of Comprehensive Income.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction price and are measured subsequently at amortised cost using the effective interest method, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction price and are measured subsequently at amortised cost using the effective interest method.

Retirement benefits

The surpluses or deficits of the pension schemes are recognised in full. The movements in the scheme's surpluses/deficits are included in the Statement of Comprehensive Income and shown in the Statement of Changes in Reserves - under the heading actuarial gains and losses.

Pension Cost

The Group participates in the Merseyside Pension Fund and the Cheshire Pension Fund, part of the Local Government Pension Scheme, both of which are a multi-employer defined benefit scheme.

The difference between the realisable value of the assets held in the Group's defined benefit pension schemes and the schemes' liabilities measured on an actuarial basis using the projected unit method are recognised in the Group's Statement of Financial Position as a pension scheme asset or liability as appropriate.

The carrying value of any resulting pension scheme asset is restricted to the extent that the Group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Changes in the defined benefit pension schemes asset or liability arising from factors other than cash contribution by the Group are charged to the Statement of Comprehensive Income in accordance with FRS 102.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income.

The Group also provides a Group Pension Scheme supplied by AVIVA, which is a defined contribution scheme. The income and expenditure charge represent the employer contribution payable to the scheme for the accounting period.

Reserves

The Group establishes restricted reserves for specific purposes where their use is subject to external restrictions.

- **Revenue reserve**

Revenue reserves relate to historic surpluses and deficits from Group activities.

- **Restricted reserve**

Restricted reserves represent funds earmarked for a specific use. Reserves are restricted on receipt of specific donations to the Group's charity.

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

	2026				2025			
Group	Turnover	Cost of Sales	Operating Expenditure	Operating Surplus	Turnover	Cost of Sales	Operating Expenditure	Operating Surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing Activities								
Income and expenditure from lettings	246,172	-	(173,069)	73,103	231,699	-	(166,838)	64,861
Other Social Housing Activity								
First tranche low cost home ownership sales	27,053	(27,284)	-	(231)	29,794	(28,789)	-	1,005
Other income & expenditure	3,066	-	(7,408)	(4,342)	4,859	-	(8,643)	(3,784)
	30,119	(27,284)	(7,408)	(4,573)	34,653	(28,789)	(8,643)	(2,779)
Non-Social Housing Activities								
Market sales	-	-	-	-	2,826	(2,525)	-	301
Lettings income and expenditure	1,865	-	(1,236)	629	1,999	-	(1,059)	940
Other income and expenditure	2,916	495	(2,558)	853	5,899	(3,766)	(3,755)	(1,622)
	4,781	495	(3,794)	1,482	10,724	(6,291)	(4,814)	(381)
Net total	**281,072**	**(26,789)**	**(184,271)**	**70,012**	**277,076**	**(35,080)**	**(180,295)**	**61,701**
Gain on disposal of fixed assets (Note 6)				9,242				7,185
Other operating income				-				-
Operating surplus				**79,254**				**68,886**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

Particulars of turnover, cost of sales, operating costs and operating surplus (continued)

	2026				2025			
Association	**Turnover**	**Cost of Sales**	**Operating Expenditure**	**Operating Surplus**	**Turnover**	**Cost of Sales**	**Operating Expenditure**	**Operating Surplus**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Social Housing Activities								
Income and expenditure from lettings	246,172	-	(186,840)	59,332	231,699	-	(180,010)	51,689
Other Social Housing Activity								
First tranche low cost home ownership sales	27,053	(27,284)	-	(231)	29,794	(28,789)	-	1,005
Other income & expenditure	2,931	-	(3,207)	(276)	4,754	-	(5,172)	(418)
	29,984	(27,284)	(3,207)	(507)	34,548	(28,789)	(5,172)	587
Non-Social Housing Activities								
Lettings income and expenditure	1,865	-	(1,236)	629	1,999	-	(1,059)	940
Other non-social income and expenditure	-	-	-	-	-	-	-	-
	1,865	-	(1,236)	629	1,999	-	(1,059)	940
Net total	**278,021**	**(27,284)**	**(191,283)**	**59,454**	**268,246**	**(28,789)**	**(186,241)**	**53,216**
Gain on disposal of fixed assets (Note 6)				9,242				7,185
Donations (Note 9)				(485)				(495)
Other operating income				7,577				7,261
Operating surplus				**75,788**				**67,167**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

Particulars of income and expenditure from social housing lettings

Group	2026 General Needs Housing	2026 Temporary Social Housing	2026 Supported & Housing for Older People	2026 LCHO	2026 Outright Sale	2026 Total	2025 Total
Income	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	198,629	77	22,893	7,391	-	228,990	215,458
Charges for support services	1	-	299	11	-	311	235
Service charge income	4,611	169	8,116	944	659	14,499	14,155
Net rents receivable	203,241	246	31,308	8,346	659	243,800	229,848
Amortised government grants	1,945	1	236	121	69	2,372	1,851
Management fee in respect of unsustainable stock	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Turnover from Social Housing Lettings	205,186	247	31,544	8,467	728	246,172	231,699
Expenditure							
Management	35,914	19	4,363	2,236	1,265	43,797	43,300
Services	11,781	11	10,885	817	492	23,986	22,439
Support services	(1)	2	342	-	-	343	211
Routine maintenance	28,581	13	3,914	39	-	32,547	32,009
Planned maintenance	12,542	1	556	19	22	13,140	12,417
Major repairs expenditure	7,963	-	351	1	-	8,315	12,867
Bad debts	321	-	39	20	11	391	1,513
Depreciation on housing properties	35,753	18	4,196	2,150	-	42,117	34,750
Impairment of investments / housing properties	7,611	-	-	-	-	7,611	6,195
Other costs	843	-	(31)	10	-	822	1,137
Operating expenditure on Social Housing Lettings	141,308	64	24,615	5,292	1,790	173,069	166,838
Operating surplus/(deficit) on Social Housing Lettings	63,878	183	6,929	3,175	(1,062)	73,103	64,861
Void losses	(3,087)	(28)	(837)	(6)	-	(3,958)	(3,993)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

Income and Expenditure from Social Housing Lettings (continued)

Association	2026 General Needs Housing	2026 Temporary Social Housing	2026 Supported & Housing for Older People	2026 LCHO	2026 Outright Sale	2026 Total	2025 Total
Income	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	198,629	77	22,893	7,391	-	228,990	215,458
Charges for support services	1	-	299	11	-	311	235
Service charge income	4,611	169	8,116	944	659	14,499	14,155
Net rents receivable	203,241	246	31,308	8,346	659	243,800	229,848
Amortised government grants	1,945	1	236	121	69	2,372	1,851
Other income	-	-	-	-	-	-	-
Turnover from Social Housing Lettings	205,186	247	31,544	8,467	728	246,172	231,699
Expenditure							
Management	35,914	19	4,363	2,236	1,265	43,797	43,300
Services	11,781	11	10,885	817	492	23,986	22,439
Support services	(1)	2	342	-	-	343	211
Routine maintenance	34,775	13	3,914	39	-	38,741	37,920
Planned maintenance	12,542	1	556	19	22	13,140	12,417
Major repairs expenditure	7,963	-	351	1	-	8,315	12,867
Bad debts	321	-	39	20	11	391	1,513
Depreciation on housing properties	35,753	18	4,196	2,150	-	42,117	34,750
Impairment of investments / housing properties	7,611	-	-	-	-	7,611	6,195
Other costs	8,420	-	(31)	10	-	8,399	8,398
Operating expenditure on Social Housing Lettings	155,079	64	24,615	5,292	1,790	186,840	180,010
Operating surplus/(deficit) on Social Housing Lettings	50,107	183	6,929	3,175	(1,062)	59,332	51,689
Void losses	(3,087)	(28)	(837)	(6)	-	(3,958)	(3,993)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

4. Accommodation in management and development

All accommodation is managed and developed by the parent. At the end of the year accommodation in management for each class of accommodation was as follows:

	Association					
	At start of period	Units developed or newly built units acquired	Units sold / demolished	Other movements	Transfers and acquisitions	Period end
Social housing units owned						
Social rent general needs housing	29,205	37	(192)	3	-	29,053
Affordable rent general needs housing	4,186	348	(6)	-	-	4,528
Intermediate rent general needs housing	647	379	-	21	-	1,047
Social rent supported housing	169	-	-	(2)	-	167
Affordable rent supported housing	168	-	-	-	-	168
Social rent housing for older people	3,386	-	(1)	-	-	3,385
Affordable rent housing for older people	505	-	-	-	-	505
Low Cost Home Ownership	1,925	245	(20)	(21)	27	2,156
Total social housing units owned	40,191	1,009	(219)	1	27	41,009
Social housing units managed						
Total social housing units managed but not owned	78	-	(78)	-	-	-
Total social housing units owned and/or managed	40,269	1,009	(297)	1	27	41,009
Non-social rental housing units owned						
Non-social rental housing units owned	77	-	-	-	-	77
Total non-social housing units owned	77	-	-	-	-	77
Non-social rental housing units managed						
Total non-social rental housing units managed by others	-	-	-	-	-	-
Total non-social rental housing units managed	-	-	-	-	-	-
Leasehold units						
Leasehold units owned	1,211	-	-	9	-	1,220
Total leasehold units owned	1,211	-	-	9	-	1,220

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

5. Operating surplus

The operating surplus is arrived at after charging/(crediting):

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Depreciation	40,196	34,029	40,050	33,885
Impairment	7,536	6,195	7,536	6,195
Operating lease rentals (as lessee):				
- Land and buildings	258	547	186	463
- Other	2,435	2,353	57	67
Operating lease rentals (as lessor)	(631)	(688)	(631)	(688)
Auditors remuneration (excluding VAT):				
Fees payable to the Association's auditors for the audit of the parent and Group financial statements	109	104	109	104
Fees payable to the Association's auditors for the audit of the accounts of subsidiaries	48	45	-	-
Fees payable to the Association's auditors for non-audit services:				
- All other assurance services	15	7	15	7

6. Surplus on disposal of fixed assets

	2026			2025
Group and Association	Proceeds	Costs	Surplus	Surplus
	£'000	£'000	£'000	£'000
Right to buy	11,154	(2,252)	8,902	3,841
Right to acquire	5,136	(652)	4,484	4,537
Staircasing	2,305	(1,571)	734	518
Other property sales	16	(1)	15	425
Other fixed assets sales	16	(38)	(22)	17
	18,627	(4,514)	14,113	9,338
Less share of proceeds due to Local Authorities/Homes England	(4,871)	-	(4,871)	(2,153)
Group share of proceeds	13,756	(4,514)	9,242	7,185
Less transfer to Recycled Capital Grant Fund	-	-	-	-
Surplus on disposal of fixed assets			9,242	7,185

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

7. Interest receivable and other income

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Bank interest receivable	2,468	3,027	2,138	2,902
Defined benefit pension interest	73	59	70	58
Inter-company interest	-	-	3,065	3,673
Interest receivable from the JV	1,366	876	-	-
	3,907	3,962	5,273	6,633

8. Interest payable and financing costs

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Loans and bank overdraft	31,539	26,912	30,333	26,130
Amortisation of loan premiums	(368)	(667)	(368)	(667)
Non-utilisation fees	1,006	531	1,006	531
Other fees	1,210	834	1,210	834
Unwinding of discount on NPV	(1,837)	(1,783)	(1,837)	(1,783)
Interest on RCGF/DPF	19	27	19	27
	31,569	25,854	30,363	25,072
Capitalised interest on housing properties under construction	(17,094)	(15,600)	(17,094)	(15,600)
	14,475	10,254	13,269	9,472
Capitalisation interest rates	5.60%	5.26%	5.60%	5.26%

Rates are based upon weighted average cost of funds.

9. Gift aid

	Association	
	2026	2025
	£'000	£'000
Gift aid paid to Torus Foundation	(485)	(495)
	(485)	(495)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

10. Employees

	Group		Association	
Full Time Equivalents	**2026 Average Number**	**2025 Average Number**	**2026 Average Number**	**2025 Average Number**
Administration	236	239	167	166
Assets, development and maintenance	853	852	137	106
Housing, support and care	433	411	374	357
	1,522	1,502	678	629

The average monthly number of persons, expressed in full time equivalents (calculated based on a standard working week of 37 hrs).

	Group		Association	
Employee costs	**2026 £'000**	**2025 £'000**	**2026 £'000**	**2025 £'000**
Wages and salaries	59,038	56,963	27,775	25,613
Social security costs	7,180	5,500	3,474	2,570
Other pension costs	4,918	4,955	2,859	2,820
	71,136	67,418	34,108	31,003

The Association's and subsidiaries' employees are members of the Merseyside Pension Fund (MPF), Cheshire Pension Fund (CPF) or Aviva Defined Contribution Scheme. Further information on each scheme is given in note 29.

	Group	
The full-time equivalent number of staff who received remuneration (excluding directors):	**2026 £'000**	**2025 £'000**
£60,001 to £70,000	49	50
£70,001 to £80,000	35	25
£80,001 to £90,000	19	12
£90,001 to £100,000	11	12
£100,001 to £110,000	10	6
£110,001 to £120,000	1	2
£120,001 to £130,000	2	1
£130,001 to £140,000	2	2
£140,001 to £150,000	2	2
£150,001 to £160,000	2	1
£160,001 to £170,000	-	-
£170,001 to £180,000	1	-
£180,001 to £190,000	-	1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

11. Board members and Executive Directors

The remuneration paid to the Directors of the company (the Board and Executive Directors, including the Chief Executive) for the year was:

	2026				2025
	Basic £'000	BIK £'000	Pension £'000	Total £'000	Total £'000
Chief Executive					
Steve Coffey	278	16	59	353	344
Executive Directors					
Peter Fieldsend	201	11	43	255	249
Catherine Murray-Howard	196	11	12	219	213
Chair of the Board					
Mike Emmerich	33	-	-	33	33
Board Members (non-executive)					
Andrew Gray	19	-	-	19	19
Christine Fallon	9	-	-	9	17
Duncan Craig	-	-	-	-	9
Robert Hepworth	-	-	-	-	9
Sarah Jane Saunders	9	-	-	9	19
Christine McLoughlin	-	-	-	-	3
Alistair Hollows	-	-	-	-	4
Stephanie Donaldson	7	-	-	7	7
Waqas Butt	19	-	-	19	17
Lisa Greenhalgh	19	-	-	19	19
Mark Bousfield	17	-	-	17	7
Natasha Johnson	14	-	-	14	7
Zamila Skingsley	17	-	-	17	7
Gary Harding	4	-	-	4	-
Lynda Brady	7	-	-	7	-
John Keyes	7	-	-	7	-

The aggregate remuneration of the executive officers was £827k (2025: £807k).

The remuneration of the highest paid director, the Chief Executive of Torus, excluding pension contributions, was £294k (2025: £287k). Pension contributions of £59k (2025: £57k) were paid.

Pension costs are shown as contributions paid on the executive officer's behalf. The current Chief Executive is a member of Merseyside Pension Fund. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The Association does not make any further contribution to any individual pension arrangement for the Chief Executive.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

12. Key management personnel

The aggregate remuneration for key management personnel, which includes the Group Executive Management team and the Group Leadership Team, charged in the year is:

	Group	
	2026	**2025**
	£'000	**£'000**
Basic salary	2,767	2,504
Benefits in kind	146	170
Employers NIC	386	314
Pension contributions	237	235
	3,536	3,223

13. Tax on surplus on ordinary activities

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	**£'000**
Analysis of charge in the period				
Current Tax:				
UK corporation tax on surplus for the year	452	1,571	92	-
Deferred Tax:				
Origination and reversal of timing differences				
- current year	(17)	-	-	-
- other	87	-	-	-
Tax on surplus on ordinary activities	522	1,571	92	-

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 25%. The differences are explained below:

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	**£'000**
Surplus on ordinary activities before tax	68,472	63,474	67,578	65,208
Theoretical tax at the standard rate of corporation tax in the UK of 25%	17,119	15,869	16,895	16,302
Effects of:				
Charitable exemption	(15,355)	(14,566)	(16,803)	(16,302)
Fixed asset differences	2	-	-	-
Expenses not deductible for tax purposes	16	-	-	-
Income not taxable for tax purposes	-	(138)		
Adjustments in respect of previous periods	(1,165)	406	-	-
Adjustments in respect of previous periods - deferred tax	311	-	-	-
Gift aid	(406)			
Total tax charge	522	1,571	92	-

Deferred tax has been calculated on the rate substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

14. Tangible Fixed Assets – Housing Properties

Group

	Social Housing		Low Cost Home Ownership		
	Held for Letting	Under Construction	Completed	Under Construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1st April 2025	1,431,156	210,872	213,751	78,949	1,934,728
Enhancements to existing properties	52,804	-	-	-	52,804
Additions	-	157,756	-	76,186	233,942
Transfer (to) investment properties	(161)	-	-	-	(161)
Reclassification	3,819	-	(3,819)	-	-
Schemes completed	196,009	(196,009)	51,451	(51,451)	-
Disposals of sales	(4,433)	-	(1,629)	-	(6,062)
Disposals of components	(14,256)	-	-	-	(14,256)
At 31 March 2026	1,664,938	172,619	259,754	103,684	2,200,995
Depreciation and impairment					
At 1st April 2025	315,123	23,046	4,924	-	343,093
Depreciation	34,897	-	2,059	-	36,956
Impairments	417	6,947	172	-	7,536
Transfer (to) investment properties	(6)	-	-	-	(6)
Reclassification	175	-	(175)	-	-
Schemes completed	7,697	(7,697)	-	-	-
Released on disposal of sales	(1,757)	-	(66)	-	(1,823)
Accelerated depreciation on disposal of components	(8,935)	-	-	-	(8,935)
At 31 March 2026	347,611	22,296	6,914	-	376,821
Net book value at 31 March 2026	1,317,327	150,323	252,840	103,684	1,824,174
At 31 March 2025	1,116,033	187,826	208,827	78,949	1,591,635

Capitalised interest is calculated based on FRS102 using the weighted average cost of borrowing. The Interest rate used in 2025/26 was 5.60% (2024/25: 5.26%.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

Tangible Fixed Assets – Housing Properties (continued)

Association

	Social Housing		Low Cost Home Ownership		
	Held for Letting	Under Construction	Completed	Under Construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1st April 2025	1,431,764	208,520	213,751	75,864	1,929,899
Enhancements to existing properties	52,804	-	-	-	52,804
Additions	-	158,123	-	83,891	242,014
Transfer (to) investment properties	(161)	-	-	-	(161)
Reclassification	3,819	-	(3,819)	-	-
Schemes completed	196,009	(196,009)	51,451	(51,451)	-
Disposals of sales	(4,433)	-	(1,629)	-	(6,062)
Disposals of components	(14,256)	-	-	-	(14,256)
At 31 March 2026	1,665,546	170,634	259,754	108,304	2,204,238
Depreciation and impairment					
At 1st April 2025	315,123	23,046	4,924	-	343,093
Depreciation	34,897	-	2,059	-	36,956
Impairments	417	6,947	172	-	7,536
Transfer (to) investment properties	(6)	-	-	-	(6)
Reclassification	175	-	(175)	-	-
Schemes completed	7,697	(7,697)	-	-	-
Released on disposal of sales	(1,757)	-	(66)	-	(1,823)
Accelerated depreciation on disposal of components	(8,936)	-	-	-	(8,936)
At 31 March 2026	347,610	22,296	6,914	-	376,820
Net book value at 31 March 2026	1,317,936	148,338	252,840	108,304	1,827,418
At 31 March 2025	1,116,641	185,474	208,827	75,864	1,586,806

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

The net book value of housing properties may be further analysed as:

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Freehold	1,529,510	1,281,243	1,529,510	1,281,243
Long Leasehold	41,266	44,345	41,266	44,345
	1,570,776	1,325,588	1,570,776	1,325,588

Expenditure on works to existing properties

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Amounts charged to revenue	54,002	57,293	60,196	63,204
Amounts capitalised	52,804	53,453	52,804	53,453
	106,806	110,746	113,000	116,657

Finance costs	Group and Association	
	2026	2025
	£'000	£'000
Aggregate amount of finance costs included in the cost of housing properties	74,617	57,523
Rate used for finance costs capitalisation	5.60%	5.26%

Social housing assistance	Group and Association	
	2026	2025
	£'000	£'000
Total accumulated social housing grant received or receivable at 31 March:		
Recognised in the Statement of Comprehensive Income	147,890	145,518
Held as deferred income	359,183	321,946
	507,073	467,464

Amounts recognised in the SoCI includes a deemed cost release relating to stock transfer properties.

Impairment

The group considers individual schemes to be separate cash generating units when assessing impairment in accordance with FRS102 requirements. The impairment in year relates to historic development schemes which have suffered from contractor failure in previous years and the consequent delays incurring additional remediation works required to complete.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

15. Tangible Fixed Assets - Other

Group	Freehold Buildings	Leasehold Properties	Computers & Office Equipment	Furniture, Fixtures & Fittings	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1st April 2025	7,799	9,001	11,542	7,997	5,915	42,254
Additions	752	-	779	1,438	-	2,969
Transfer (to) Investment properties	(1,058)	-	-	-	-	(1,058)
Reclassification	(2,503)	2,503	-	-	-	-
Disposals	-	-	(775)	(723)	(369)	(1,867)
At 31st March 2026	4,990	11,504	11,546	8,712	5,546	42,298
Depreciation						
At 1st April 2025	2,454	1,932	9,475	4,911	4,270	23,042
Charge for the year	135	271	1,082	1,203	543	3,234
Transfer (to) Investment properties	(425)	-	-	-	-	(425)
Reclassification	(1,114)	1,114	170	(170)	-	-
Disposals	-	-	(770)	(723)	(329)	(1,822)
At 31st March 2026	1,050	3,317	9,957	5,221	4,484	24,029
Net book value at 31st March 2026	3,940	8,187	1,589	3,491	1,062	18,269
Net book value at 31st March 2025	5,345	7,069	2,067	3,086	1,645	19,212

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

Tangible Fixed Assets – Other (Continued)

Association

	Freehold Buildings	Leasehold Properties	Computers & Office Equipment	Furniture, Fixtures & Fittings	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1st April 2025	7,798	9,001	10,894	6,408	5,915	40,016
Additions	752	-	779	1,406	-	2,937
Transfer (to) Investment properties	(1,058)	-	-	-	-	(1,058)
Reclassification	(2,503)	2,503	-	-	-	-
Disposals	-	-	(575)	(701)	(369)	(1,645)
At 31st March 2026	4,989	11,504	11,098	7,113	5,546	40,250
Depreciation						
At 1st April 2025	2,454	1,932	9,113	3,852	4,270	21,621
Charge for the year	135	271	1,066	1,079	543	3,094
Transfer (to) Investment properties	(425)	-	-	-	-	(425)
Reclassification	(1,114)	1,114	-	-	-	-
Disposals	-	-	(575)	(701)	(330)	(1,606)
At 31st March 2026	1,050	3,317	9,604	4,230	4,483	22,684
Net book value at 31st March 2026	3,939	8,187	1,494	2,883	1,063	17,566
At 31 March 2025	5,344	7,069	1,781	2,556	1,645	18,395

The group had no assets held under finance leases at either year end.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

16. Investment properties held for letting

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
At 1st April	24,723	20,962	24,723	20,962
Additions	4,130	2,227	4,130	2,227
Transfer from housing properties	155	89	155	89
Transfer from tangible fixed assets: other	633	565	633	565
(Decrease)/Increase in fair value	(214)	880	(214)	880
At 31st March	29,427	24,723	29,427	24,723

Acquired properties have been assessed for fair value based on external valuations performed by Savills. The valuation report included the following clause:

Developed properties have been assessed for fair value taken on a direct valuation based on current market yields and shop rental units have been assessed for fair value based on a current year valuation.

Transfers from housing properties relates to properties where the intention is to let them at market rent in the long-term. They have therefore been classed as investment properties.

If investment properties had been accounted for under the historical cost accounting rules the properties would have been measured as follows:

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Historical cost	31,736	26,818	31,736	26,818
Accumulated depreciation	(1,629)	(1,180)	(1,629)	(1,180)
Impairment	-	-	-	-
	30,107	25,638	30,107	25,638

17. HomeBuy loans

Eight shared equity loans have been issued to date originally by Helena Partnerships Limited.

Group and Association	2026	2025
	£'000	£'000
At 1st April 2025	194	194
Redeemed in year	-	-
At 31st March 2026	194	194

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

18. Other investments

Group & Association	2026 £'000	2025 £'000
Other	60	54

Other represents a shareholding in MORHomes PLC, a funding vehicle established by a number of social housing providers.

19. Investment in subsidiaries

The financial statements consolidated the results of Housing Maintenance Solutions Ltd (HMS), Torus62 Developments Ltd (TD), Torus Living Ltd (TL), Torus62 Commercial Services Ltd (TCS) and Torus Foundation. At the year end the Association owned 100% of issued share capital in HMS, TD, TL and TCS. The Association controls Torus Foundation and its right to appoint and remove Trustees.

Housing Maintenance Solutions Limited provides repairs and maintenance services. Torus62 Commercial Services Ltd provides specialised construction services to external clients. In July 2019 Housing Maintenance Solutions Ltd purchased Torus62 Commercial Services Ltd and amalgamated ongoing service contracts with external customers, together with any existing assets and liabilities. They are incorporated in England and Wales.

Torus62 Developments Ltd and Torus Living Ltd provide construction services. Torus62 Developments Limited now acts as the development company for the group and contracts held by Torus Living Ltd have been novated to Torus62 Developments Ltd. Torus Living Ltd has therefore ceased to trade. They are incorporated in England and Wales.

Torus Foundation is a registered charity providing support to its communities and Torus tenants. It is incorporated in England and Wales.

The registered office of the subsidiaries is the same as that of Torus62 Ltd.

	Investment in subsidiaries	
	2026 £'000	2025 £'000
Cost and net book amount		
At 1 April	3,050	3,050
Additions	-	-
At 31 March	3,050	3,050

Association investment in subsidiaries relates to £2.8m for HMS and £250k for Torus Developments.

During the year the Association had recharged the following amounts to subsidiaries:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

Investment in subsidiaries (continued):

	2026 £'000	2025 £'000
Amounts recharged to HMS Ltd		
Management services	5,142	4,809
Recharge of rent on property (lease agreement)	90	90
Vehicles (lease agreement)	568	597
	5,800	5,496
Amounts recharged to Torus 62 Developments Ltd		
Management services	1,644	1,680
Amounts recharged to Torus Foundation		
Management services	792	772

20. Investment in jointly controlled entities

Torus62 Developments became a member of Peel Hall JV LLP on 12 January 2023. This is a Joint Venture (registered company number OC444261), 50% owned by Torus62 Developments Limited and 50% by Countryside Properties (UK) Ltd from 5 July 2024 (previously Vistry Partnerships Limited), established in order to develop properties for outright sale at Peel Hall in Warrington, Cheshire. No equity is held in the Joint Venture and £nil profits or losses were recognised in the period ending 31 March 2026 (2025 £nil). Note 23 refers to a loan owed to the Group by the Joint Venture in the year.

21. Properties held for sale

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Shared Ownership				
Completed properties	14,085	19,803	14,085	19,803
Under construction	33,264	42,434	32,027	41,197
	47,349	62,237	46,112	61,000
Properties developed for outright sale				
Completed properties	-	-	-	-
Under construction	-	5,146	-	-
	-	5,146	-	-
Land held for sale				
Land	-	7,899	-	7,899
Total properties held for sale	**47,349**	**75,282**	**46,112**	**68,899**

22. Stock

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Raw materials	714	967	-	-
Consumables	32	32	32	32
	746	999	32	32

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

23. Debtors and current asset investments

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Due within one year				
Arrears of rent and service charges	11,448	13,030	11,448	13,030
Less: Provision for bad and doubtful debts	(8,487)	(10,631)	(8,423)	(9,503)
	2,961	2,399	3,025	3,527
Other debtors	2,411	2,445	1,509	1,983
Prepayments and accrued income	15,532	16,730	14,559	13,860
Amounts owed by Group undertakings	-	-	22	-
	20,904	21,574	19,115	19,370
Due after more than one year				
Inter-company revolving loan facility	-	-	36,307	43,587
Peel Hall JV LLP loan and interest	21,308	16,921	-	-
Leaseholder sinking fund arrears	762	941	762	941
Liquidity Reserve Fund	13,375	10,881	13,375	10,881
	35,445	28,743	50,444	55,409
Total Debtors	56,349	50,317	69,559	74,779
Current asset investments				
Cash deposits	1,219	1,170	1,219	1,170
	1,219	1,170	1,219	1,170

The intra group loan facility relates to 3 facilities from Torus62 Ltd to:

- Torus Developments £30m facility for a working capital loan to support outright sales activity at an interest rate of 4.25% above Bank of England base rate. It is a revolving credit facility ending 31 March 2030 with a current balance drawn of £18.1m (2025: £26.4m).
- Torus Developments £19m facility to be repaid by 30 June 2031 to fund the investment into the Peel Hall joint venture. The current balance drawn is £18.2m (2025: £15.2m).
- HMS £6m facility to support working capital at an interest rate of 3.0% above Bank of England base rate repayable on 31 March 2028. The current balance drawn is £nil (2025: £2.0m).

The liquidity reserve fund represents cash security against the Association's borrowing.

Cash deposits relate to short term investments that cannot be realised within a 90 day period and have therefore been classified as current asset investments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

24. Creditors: Amounts falling due within one year

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Trade creditors	9,949	10,614	2,361	2,400
Rent and service charges received in advance	6,775	5,824	6,775	5,824
Amounts owed to Group undertakings	-	-	28,309	30,114
Deferred income	209	15	-	-
Other tax and social security	1,550	1,303	878	778
Local Government Pension Scheme	451	305	451	305
Other creditors	650	299	52	48
Deferred capital grants (Note 27)	2,545	1,996	2,545	1,996
Debt - Housing loan (Note 26)	24,569	-	24,569	-
Accruals and deferred income	46,135	45,707	20,294	15,617
Corporation tax	1,617	1,165	92	-
	94,450	67,228	86,326	57,082

25. Creditors: Amounts falling due after more than one year

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Leaseholder sinking fund *	4,898	3,859	4,898	3,859
Debt - housing loan (Note 26)	656,468	577,933	656,468	577,933
Deferred capital grants (Note 27)	356,638	319,950	356,638	319,950
Recycled capital grant (Note 28)	299	391	299	391
Deferred tax (Note 31)	42	-	-	-
Other creditors	568	465	568	465
	1,018,913	902,598	1,018,871	902,598

*A sinking fund for repairs has been established for shared ownership leaseholders and reflects contributions from residents in relation to their future commitments.

26. Debt Analysis

Security

Local authority and other loans are secured by fixed charges on individual properties. The bank loans are secured by a floating charge over the assets of the Association and by fixed charges on individual properties.

	Group and Association	
	2026	2025
	£'000	£'000
Due within one year		
Bank loans	25,000	-
Less issue costs	(431)	(269)
	24,569	(269)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

Due after more than one year		
Bank loans	197,000	212,000
Bond	438,000	338,000
Premium/Discount on bond issue	19,476	23,382
Fair value adjustment	6,510	8,347
Less issue costs	(4,518)	(3,796)
	656,468	577,933
Total borrowings	681,037	577,664

The bank and other loans are at fixed rates of interest ranging from 2.92% to 7.06%. The instalments are to be repaid in the period 2026 to 2054.

The bond loan amount of £438m relates to:
- £100m maturity date November 2036 with an interest rate of 4.815%. The effective interest rate of 5.238% resulted in a discount on bond issue of £3.5m.
- £38m maturity date October 2043 with an interest rate of 5.2%. It carries an effective interest rate of 3.07% which has resulted in a premium on bond issue of £13.5m.
- £200m maturity date of March 2053 with an interest rate of 4.809%. The effective interest rate of 5.238% resulted in a discount on bond issue of £4.5m.
- £100m maturity date of April 2054 with an interest rate of 2.922%. It carries an effective interest rate of 2.17% which has resulted in a premium on bond issue of £17.2m.

In 2025/26 £0.4m was amortised and to date £3.2m has been amortised with a remaining balance of £19.5m.

Terms of repayment and interest rates	**Group and Association**	
	2026	**2025**
	£'000	**£'000**
On demand	4,574	4,574
Within one year	25,000	-
One year or more but less than two years	13,000	25,000
Two years or more but less than five years	110,000	88,000
Five years or more	507,426	432,426
	660,000	550,000
Premium/Discount on bond issue	19,476	23,382
Fair value adjustments	6,510	8,347
Less issue costs	(4,949)	(4,065)
	681,037	577,664

The fair value adjustments are in respect of the following:

	2026	**2025**
	£'000	**£'000**
Financial liabilities measured at fair value through surplus or deficit	73	116
Restatement of loans held at amortised cost	5,228	6,733
Adjustment to recognise loans at amortised cost and reflect an effective interest rate	1,209	1,498
	6,510	8,347

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

The fair value adjustments have been accounted for in compliance with FRS102.
- £0.3m movement in non-basic financial instruments measured at fair value through surplus or deficit, as referenced in the accounting policy, which have an outstanding principal amount of £4.6m and a carrying amount of £4.6m.
- £1.5m relates to an adjustment to recognise the effective rate of interest in relation to basic loans.

27. Deferred capital grant

	Group and Association	
	2026	2025
	£'000	£'000
At 1 April	321,946	261,071
Grant received in year	39,969	63,086
Released to income	(2,372)	(1,851)
Grant recycled	(360)	(360)
At 31 March	359,183	321,946
Amounts to be released within one year	2,545	1,996
Amounts to be released in more than one year	356,638	319,950
	359,183	321,946

28. Recycled capital grant fund (RCGF)

	Group and Association	
	2026	2025
	£'000	£'000
At 1 April	391	771
Grants recycled	360	360
Interest credited	19	27
New build	(471)	(767)
	299	391
Repayment of grant	-	-
At 31 March	299	391
Amount of grant due for repayment	-	-
Amounts 3 years or older where repayment may be required	-	-

There were no withdrawals from the recycled capital grant fund during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

29. Pensions

The group participates in the Local Government Pension Schemes administered by Wirral Metropolitan Borough Council as the Merseyside Pension Scheme (MPF), and Cheshire West and Chester Council as the Cheshire Pension Fund (CPF). Both funds are multi-employer schemes administered under the regulations governing the Local Government Pension Scheme, a defined benefit scheme.

Admission agreements in place 2023 to 2026 are:

Employer	Pension fund	Employer contribution rate
Torus62	MPF	21.1%
Torus62 `	CPF	38.0%
Torus Foundation	MPF	23.1%
Torus Foundation	CPF	30.5%

Employer contribution rates were reset at 1 April 2023, based on the triennial actuarial valuation for the respective funds which was based on information as at 31 March 2022. The latest valuation took place on 31 March 2025 and new contribution rates coming into effect from 1 April 2026 for the following 3 years are Torus62 MPF (0%), Torus62 CPF (0%), Torus Foundation MPF (9.6%), Torus Foundation CPF (0%).

Total employer contributions were £2.9m (2025: £3.1m).

Net pension asset / (liability)	2026						2025	
	Torus 62 Cheshire	Torus 62 Merseyside	**Association Total**	Torus Foundation Cheshire	Torus Foundation Merseyside	**Group Total**	**Group Total**	**Association Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Defined benefit obligation net of plan assets	28,275	77,911	106,186	1,444	601	108,231	78,726	77,171
Effect of asset ceiling	(28,275)	(77,911)	(106,186)	(1,444)	(601)	(108,231)	(78,726)	(77,171)
	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

Analysis of amounts recognised in operating costs	2026						2025	
	Torus 62 Cheshire	Torus 62 Merseyside	**Association Total**	Torus Foundation Cheshire	Torus Foundation Merseyside	**Group Total**	**Group Total**	**Association Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Current service cost	(428)	(925)	(1,353)	(50)	(30)	(1,433)	(1,955)	(1,861)
Past service (costs)	-	-	-	-	-	-	-	-
Administration costs	-	(49)	(49)	-	(1)	(50)	(39)	(38)
Curtailments	-	-	-	-	-	-	-	-
Net operating loss	**(428)**	**(974)**	**(1,402)**	**(50)**	**(31)**	**(1,483)**	**(1,994)**	**(1,899)**

Analysis of amounts recognised in other finance costs	2026						2025	
	Torus 62 Cheshire	Torus 62 Merseyside	**Association Total**	Torus Foundation Cheshire	Torus Foundation Merseyside	**Group Total**	**Group Total**	**Association Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Expected return on pension scheme assets	3,738	11,472	15,210	150	128	15,488	13,039	12,812
Interest effect of net asset ceiling	(1,620)	(2,932)	(4,552)	(76)	(16)	(4,644)	(2,689)	(2,636)
Interest on pension scheme liabilities	(2,091)	(8,497)	(10,588)	(72)	(111)	(10,771)	(10,291)	(10,118)
Net finance cost	**27**	**43**	**70**	**2**	**1**	**73**	**59**	**58**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

Reconciliation of defined benefit obligation	2026						2025	
	Torus 62 Cheshire	Torus 62 Merseyside	**Association Total**	Torus Foundation Cheshire	Torus Foundation Merseyside	**Group Total**	**Group Total**	**Association Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Opening defined benefit obligation	(35,618)	(147,634)	(183,252)	(1,193)	(1,964)	(186,409)	(209,036)	(205,601)
Current service cost	(428)	(925)	(1,353)	(50)	(30)	(1,433)	(1,955)	(1,861)
Past service cost	-	-	-	-	-	-	-	-
Interest cost	(2,091)	(8,497)	(10,588)	(72)	(111)	(10,771)	(10,291)	(10,118)
Contributions by members	(238)	(480)	(718)	(22)	(11)	(751)	(807)	(775)
Benefits paid	1,025	7,736	8,761	2	184	8,947	7,924	7,866
Actuarial gains	(1,514)	13,276	11,762	(21)	133	11,874	27,756	27,237
Closing defined benefit obligation	**(38,864)**	**(136,524)**	**(175,388)**	**(1,356)**	**(1,799)**	**(178,543)**	**(186,409)**	**(183,252)**

Reconciliation of the impact of the asset ceiling	2026						2025	
	Torus 62 Cheshire	Torus 62 Merseyside	**Association Total**	Torus Foundation Cheshire	Torus Foundation Merseyside	**Group Total**	**Group Total**	**Association Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Impact of asset ceiling at start of period	(27,470)	(49,701)	(77,171)	(1,284)	(271)	(78,726)	(53,777)	(52,714)
Effect of the asset ceiling included in net interest cost	(1,620)	(2,932)	(4,552)	(76)	(16)	(4,644)	(2,689)	(2,636)
Actuarial losses (gains) on asset ceiling	815	(25,278)	(24,463)	(84)	(314)	(24,861)	(22,260)	(21,821)
Impact of asset ceiling at end of period	**(28,275)**	**(77,911)**	**(106,186)**	**(1,444)**	**(601)**	**(108,231)**	**(78,726)**	**(77,171)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

Reconciliation of the fair value of plan assets	2026						2025	
	Torus 62 Cheshire	Torus 62 Merseyside	**Association Total**	Torus Foundation Cheshire	Torus Foundation Merseyside	**Group Total**	**Group Total**	**Association Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Opening fair value of plan assets	63,088	197,335	260,423	2,477	2,235	265,135	262,813	258,315
Interest income	3,738	11,472	15,210	150	128	15,488	13,039	12,812
Administration cost	-	(49)	(49)	-	(1)	(50)	(39)	(38)
Contributions by employee	238	480	718	22	11	751	807	775
Contributions by employer	1,345	1,469	2,814	96	38	2,948	3,170	3,039
Benefits paid	(1,025)	(7,736)	(8,761)	(2)	(184)	(8,947)	(7,924)	(7,866)
Actuarial gains/(losses)	(245)	11,464	11,219	57	173	11,449	(6,731)	(6,614)
Closing fair value of plan assets	**67,139**	**214,435**	**281,574**	**2,800**	**2,400**	**286,774**	**265,135**	**260,423**

Analysis of amounts recognised in actuarial (loss) relating to pension schemes	2026						2025	
	Torus 62 Cheshire	Torus 62 Merseyside	**Association Total**	Torus Foundation Cheshire	Torus Foundation Merseyside	**Group Total**	**Group Total**	**Association Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Actuarial gains/(losses) on assets	(245)	11,464	11,219	57	173	11,449	(6,731)	(6,614)
Actuarial gains arising on the scheme liabilities	(1,514)	13,276	11,762	(21)	133	11,874	27,756	27,237
Effect of movement of asset ceiling	815	(25,278)	(24,463)	(84)	(314)	(24,861)	(22,260)	(21,821)
Actuarial (loss) recognised	**(944)**	**(538)**	**(1,482)**	**(48)**	**(8)**	**(1,538)**	**(1,235)**	**(1,198)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

Principal actuarial assumptions: Financial assumptions

	2026				2025
	Torus 62 Cheshire	Torus 62 Merseyside	Torus Foundation Cheshire	Torus Foundation Merseyside	Prior year range
	%	%	%	%	%
Discount rate	6.2	6.2	6.2	6.2	5.9
Future salary increases	3.9	3.9	3.9	3.9	3.8
Future pension increases	2.9	2.9	2.9	2.9	2.8
Inflation assumption	2.9	2.9	2.9	2.9	2.8

Mortality assumptions
The post-retirement mortality assumptions adopted to value the benefit obligation at March 2026 and March 2025 are based on the PA92 series. The assumed life expectations on retirement at age 65 are:

	2026				2025
	Torus 62 Cheshire	Torus 62 Merseyside	Torus Foundation Cheshire	Torus Foundation Merseyside	Prior year range
	No of years	No of years	No of years	No of years	No of years
Retiring today:					
Males	21.7	20.6	21.6	20.6	20.7 - 20.9
Females	23.9	23.3	24.5	23.3	23.2 - 23.9
Retiring in 20 years:					
Males	21.6	21.8	20.7	21.8	19.8 - 22.1
Females	25.6	24.8	25.8	24.8	24.4 - 25.2

Major categories of plan assets as a percentage of total plan assets

	2026				2025
	Torus 62 Cheshire	Torus 62 Merseyside	Torus Foundation Cheshire	Torus Foundation Merseyside	Range
	%	%	%	%	%
Equities	35	52	35	52	41-42
Gilts/bonds	52	11	52	11	22-43
Properties	13	9	13	9	9-14
Cash	-	5	-	5	1-6
Other	-	23	-	23	0-21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

30. Provisions for liabilities – Other

Group	2026	2025
	£'000	£'000
Disrepair provision	351	670
SHO Repairs allowance	125	121
Void Utilities provision	74	-
Insurance Excess provision	253	-
Other	615	-
At 31st March 2025	1,418	791

Association	2026	2025
	£'000	£'000
Disrepair provision	351	670
SHO Repairs allowance	125	121
Void Utilities provision	74	-
Insurance Excess provision	253	-
At 31st March 2026	803	791

31. Deferred tax

	Group	
	2026	2025
	£'000	£'000
At 1 April 2025	28	28
Deferred tax charged in the period	(70)	-
At 31 March 2026	(42)	28

32. Non-Equity Share Capital

There are two classes of shareholders: Tenant Shareholders and Independent Shareholders. Each share has the nominal value of one pound which shall carry no right to interest, dividend or bonus. The independent shareholders are the independent Board members. Tenants are eligible to become shareholders, which provides them with the right to vote at general meetings. Tenant shareholders have 51% of total votes available at general meetings. At 31 March 2026 there were 40 tenant shareholders.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

33. Cash Flow from Operating Activities

	£'000	£'000
Surplus for the year	67,950	61,903
Cash flows from operating activities:		
Depreciation of housing properties	42,277	34,752
Depreciation of other fixed assets	3,234	2,822
Amortised government grants	(2,372)	(1,851)
Impairment charge	7,536	6,195
Movement in fair value of investment properties	214	(880)
(Increase)/Decrease in trade and other debtors	(1,610)	8,705
(Decrease)/Increase in trade and other creditors	(2,806)	3,100
Decrease/(Increase) in properties held for resale	27,933	(10,732)
Increase/(Decrease) in provisions	627	(185)
Decrease in stock	253	121
Pension costs less contributions payable	(1,538)	(1,235)
Taxation charge	522	1,571
Adjustments for investing or other financing activities:		
Net gain on sale of fixed assets	(9,242)	(7,185)
Fair value adjustment/refinancing	(5,743)	(2,450)
Interest payable	16,661	12,677
Interest received	(2,468)	(3,027)
Net cash generated from operating activities	141,428	104,301

34. Capital commitments

	Group and Association	
	2026	**2025**
	£'000	**£'000**
Capital expenditure:		
Expenditure contracted for but not provided in the accounts	140,235	185,135
Expenditure authorised by the Board, but not contracted	412,730	392,100
	552,965	577,235
Financed by:		
Social housing grant	78,514	39,253
Proceeds from sale of properties	119,289	164,908
Committed loan facilities and cash	355,162	373,074
	552,965	577,235

The above figures include the full cost of shared ownership properties contracted for.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

35. Contingent Liabilities

The admission agreements with Merseyside Pensions Fund require Torus62 Ltd to provide bonds to cover any potential risks on the pension fund. Bonds in place at 31 March 2026 of £3.8m (2025: £3.8m) in respect of the Merseyside Pension Fund.

As part of the establishment of pension arrangements at 1 January 2019, Torus62 Ltd has provided a guarantee to Merseyside Pension Fund that it will meet any liabilities in connection with Torus Foundation pension obligations should Torus Foundation be unable to meet them.

36. Leasing commitments

Operating Leases

The Group leases out some of its other land and buildings. The future minimum lease payments under non-cancellable leases are as follows:

As lessor

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Less than one year	703	772	631	688
Between one and five years	538	587	250	250
More than five years	163	226	163	226
	1,404	1,585	1,044	1,164

The Group is committed to a number of leases in relation to other land and buildings, vehicles and office equipment.

As lessee

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Less than one year	243	530	243	530
Between one and five years	288	488	288	488
More than five years	25	72	25	72
	556	1,090	556	1,090

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

37. Related Parties

Torus62 Limited as the parent provides group services to subsidiaries under an Intra Group Agreement. The recharge methodology reflects appropriate allocations of costs to each subsidiary. The value of charges is set out in note 19.

Torus62 trades with Housing Maintenance Solutions Limited, a wholly owned subsidiary of Torus62, who provide repairs and maintenance, planned environmental works and development projects on Torus62 properties. Torus62 also trades with Torus 62 Developments Limited, a wholly owned subsidiary of Torus62 Limited, who develops new build properties for Torus62.

Torus62 Developments is a member of Peel Hall JV LLP, a joint venture (registered company number OC444261), 50% owned by Torus62 Developments Limited and 50% by Countryside Properties (UK) Limited from 5 July 2024 (previously Vistry Partnerships Limited), established in order to develop properties for outright sale at Peel Hall in Warrington, Cheshire. Torus62 Developments recognised £nil profit from its Peel Hall JV LLP joint venture in the year (2025: £nil).

The Association had no tenant Board members as at 31 March 2026 (2025: none). At the 31 March 2026 £nil (2025: £nil) amounts were outstanding.

38. Financial assets & liabilities

	Group and Association	
	2026	2025
	£'000	£'000
Categories of financial assets and financial liabilities		
Financial assets that are measured at amortised cost	109,742	107,342
Financial liabilities measured at fair value through surplus or deficit - debt instruments	(4,647)	(4,690)
Financial liabilities measured at amortised cost - debt instruments	(676,390)	(572,974)
Total debt instruments	(681,037)	(577,664)
Other liabilities measured at amortised cost	(64,542)	(62,944)
Financial liabilities measured at fair value through surplus or deficit		
The difference between the financial liability's carrying amount and the amount the entity would be contractually obliged to pay at maturity	(73)	(116)
Financial assets		
Cash at bank	52,174	55,799
Financial assets on which no interest is earned	57,568	51,543
	109,742	107,342

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2026 (continued)

Financial liabilities excluding trade creditors – interest rate risk profile		
Fixed rate	681,037	577,933
Floating rate	-	-
Total borrowings	681,037	577,933
Borrowing facility		
Expiring in more than two years	681,037	577,933

The Group has undrawn committed borrowing facilities. The facilities available at 31 March 2026 in respect of which all conditions precedent had been met are above.

As at 31 March 2026, The Group had £4.6m of cancellable fixed rate loans provided by Nationwide Building Society and the Royal Bank of Scotland. Under these arrangements, the lenders have the option to cancel these arrangements every three months. If these options were exercised, the loans would revert to a variable rate basis, which would increase the level of interest rate risk. These loans are managed in accordance with the Group's treasury policy, which requires that at least 60% of drawn funds be on fixed interest rates or otherwise hedged against the effects of interest rate increases. The position is considered annually when the Board sets the annual treasury strategy. The Group takes independent advice on treasury management and with rising variable interest rates there is an increased risk that these options will be exercised, although this did not occur after the year end. As at 31 March 2026, 92.4% of the Group's drawn loans were on fixed rates of interest. If these cancellable loans had been converted to variable rates, the percentage fixed would have been 91.7%.

Cash at bank and in hand includes £226k held for leaseholder sinking fund, which can only be used for the reasons specified.

39. Net debt reconciliation

	Cash at Bank and In Hand £'000	Current asset investments - cash deposits £'000	Liquidity reserve funds held as security £'000	Bank Loans (including issue costs) £'000	Fair Value element of debt £'000	Net Debt £'000
1st April 2025	55,799	1,170	10,881	(569,317)	(8,347)	(509,814)
Cash flows	(3,625)	49	2,469	(110,000)	-	(111,107)
Other non-cash changes	-	-	25	4,790	1,837	6,652
31st March 2026	52,174	1,219	13,375	(674,527)	(6,510)	(614,269)

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