

PINE COURT HOUSING ASSOCIATION

Registered Social Housing Provider

Report and Financial Statements

Year ended 31 March 2025

Community Benefit Society
(FCA) number: 25192R

Regulator of Social Housing registration number: L3692

Pine Court Housing Association

Report and Financial Statements for the year ended 31 March 2025

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Pine Court Housing Association

Executives and Advisors for the year ended 31 March 2025

Board of management

Stephen Gow	Non-executive (Chair)
Michael Parkin	Non-executive
Gillian Ditchburn	Non-executive
James Currie	Non-executive
Julia Emelogu	Non-executive
Roy Williams	Executive

Executive management

Ian Mitchell	Managing Director for Housing
David Brown	Director of Operations - Pine Court

Company secretary and registered office

Jennifer Cureton
Pine Court Housing Association
The Sovini Group
Unit 1
Heysham Road
Bootle
Liverpool
L30 6UR

Company numbers

Co-operative and Community Benefit Society (FCA) number	25192R
Regulator of Social Housing registered number	L3692

Auditors

BDO LLP
Eden Building
Irwell Street
Salford
Manchester
M3 5EN

Principal solicitors

Weightmans
100 Old Hall Street
Liverpool
L3 9QJ

Bankers

Royal Bank Of Scotland
Merseyside Cheshire & North Wales, Corporate Banking
1st Floor
2-8 Church Street
Liverpool
L1 3BG

Pine Court Housing Association

Chair's Statement for the year ended 31 March 2025

I am pleased to confirm that this year we achieved a surplus of £443k (2024: £428k). These resources will be reinvested in the coming years to help us achieve our vision of "a better future".

The 2024/25 financial year has continued to present a challenging operating environment, particularly due to the ongoing impacts of the cost-of-living crisis, which has directly affected our customers, and persistent supply chain disruption. Against this backdrop, I am extremely proud to present a strong set of financial results, underpinned by sustained performance.

This year, we successfully delivered the majority of our responsive repairs and major improvement works, and continued our decarbonisation programme in partnership with our principal contractor, Sovini Commercial Limited. Having proactively contacted all our customers, encouraging them to engage with us on any concerns relating to damp, mould, and condensation, as part of our "find it / fix it" policy, we have also committed £0.3m towards our Net Zero Carbon priorities through to 2030.

Our focus will also remain firmly on the specialist housing services that we provide to customers from ethnic minority backgrounds across the Liverpool City Region, in particular those from the Chinese and Southeast Asian communities. We are currently working with our independent treasury advisors, Savills, to explore future funding options that will support our development aspirations and pipeline. With several exciting opportunities on the horizon, I look forward with optimism to the year ahead and all that it may bring.

We remain steadfast in our commitment to supporting our customers' wellbeing and safety. Equally, we continue to invest in our people, not only because it is the right thing to do, but because it is fundamental to our long-term success. We want to attract and retain the very best talent. We are members of the Sovini group Equality, Diversity and Inclusion Steering Group and Forum, and are proud holders of the Navajo LGBTQI+ Charter Mark since 2021, and are an accredited Mindful Employer, demonstrating our commitment to better mental health at work.

Despite the ongoing challenges, 2024/25 has been a year of significant achievement. I believe this success is rooted in our strong sense of purpose and the unique benefits of being part of the Sovini group. Achieving a customer satisfaction score of 99.29% (exceeding our 95% target) and collecting over 100% of rent due, whilst maintaining high occupancy rates.

Looking ahead, we will continue to work closely with our customers and the Regulator of Social Housing to tailor our services, respond to housing needs, and maintain strong financial resilience and headroom. We remain an ambitious housing provider, committed to maximising income to support a sustainable development programme, while continuing to invest in our existing homes. This includes doing all we can to contribute to the UK's Net Zero targets for 2030 and 2050.

We recognise the vital role we play in improving the quality of life for our customers, whether through support with the cost-of-living crisis, improving energy efficiency, or creating safe and secure communities. We also embrace our strategic role within the Liverpool City Region Combined Authority, investing in our communities and contributing to improvements in transport, employment, culture, digital access, and housing.

We have responded proactively to the Government's Housing White Paper and, through compliance with the new Consumer Standards, remain committed to treating our customers with dignity and respect, while tackling and removing the stigma still associated with aspects of social housing.

I believe we are in a strong position to continue investing in our communities and supporting the provision of quality homes and services for the future.



Stephen Gow (chair of the board)
04 September 2025

Pine Court Housing Association

Report of the Board for the year ended 31 March 2025

The board is pleased to present its report and audited financial statements for the year ended 31 March 2025.

Who are we?

Pine Court Housing Association Limited (PCHA) is a community benefit society with charitable status, a registered provider administered by a board and regulated by the Regulator of Social Housing (RSH).

PCHA became a partner of the Sovini group (a non-registered, non asset holding community benefit society) on 1 December 2011.

Principal activities

Established in 1986, PCHA is administered by a board of directors with the aim to provide homes and housing services to customers mainly to customers from ethnic minority backgrounds across the Liverpool City Region, in particular those from the Chinese and Southeast Asian communities. PCHA continues to meet the needs of its customer group through the employment of high performing staff with the provision of bilingual services.

A minority shareholding is held in the Sovini group undertaking Sovini Developments Limited, whose financial results are reported as part of the Sovini group's financial statements.

As a specialist housing provider, we help to redress the disadvantage and discrimination suffered by some of our ethnic minority customers. We put our customers at the heart of everything that we do and focus on delivering what we say we will.

The Board and delegation

Board comprises of seven members, six are non-executive and remunerated (one vacancy) and one executive non-remunerated member. Details of board remuneration can be found in note 10 of the financial statements.

Board membership is strong and drawn from a diverse range of skills, knowledge and experience. Some board members hold Sovini Limited board responsibilities, as well as Risk and Audit Committee (RAC) roles.

The board is responsible for the strategic planning and policy framework. Implementation of this framework and day to day management is delegated to the director of operations who regularly attends board meetings.

During the period, all board members were appraised and their training needs were identified. An ongoing board development programme is in place and specific training was provided to address any personal development needs.

Results

The surplus for the period, prior to taxation, amounted to £443k (2024: £428k).

Compliance with the 2020 NHF Code of Governance and RSH Regulatory Standards

A self-assessment of compliance in meeting the specific requirements of the RSH regulatory framework and standards, including activity undertaken during 2024/25, has been undertaken and approved by board in July 2025.

Therefore, the board certify compliance with the Governance and Financial Viability Standard.

As part of the certification process the board has considered and approved its Value for Money (VFM) statement, which evidences PCHA's outcomes and best practice. The VFM statement is reported on pages 12 to 21 of the Strategic Report and a copy of the approved VFM statement can be obtained at:

<https://www.pinecourt-housing.org.uk/about-us/our-performance/>

The board formally adopted the 2020 NHF Code of Governance in April 2022. An annual self-assessment of compliance has been undertaken for 2024/25 and approved by board in July 2025. As a result, the board can confirm full compliance with the requirements of the 2020 NHF Code of Governance.

Pine Court Housing Association
Report of the Board
for the year ended 31 March 2025 (continued)

Board members' responsibilities

The 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 Pine Court Housing Association will continue in business.

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

The 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 PCHA'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 PCHA'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.

Statement on internal control

The board acknowledges its responsibility for ensuring that an effective system of internal control is in place. The system of internal control is designed to manage corporate risks and provide reasonable assurance that planned business objectives are achieved.

It is the board's responsibility to establish and maintain systems of internal control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. The board's approach to risk management includes regular evaluation of the nature and extent of the risks to which PCHA is exposed and is consistent with best practice principles. Key elements include:

Identification and evaluation of key risks

Management's responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of PCHA's activities. The board regularly considers and receives reports on the corporate risks faced.

Control environment

The board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance, including treasury strategy and new investments. Policies and procedures are in place and cover these issues, including delegated authority, segregation of duties, accounting policies, treasury management policy, health and safety policy, data and asset protection policy and the anti-fraud corruption and money laundering policy. The Sovini Risk and Audit Committee oversees the review of the control environment and the fraud register.

The controls environment is regularly reviewed by our internal auditor, Beever and Struthers, who report to the Sovini Risk and Audit Committee. An annual review of the internal controls system is reported to the board and the Sovini group board to provide assurance of its ongoing effectiveness.

Pine Court Housing Association
Report of the Board
for the year ended 31 March 2025 (continued)

Statement on internal control (continued)

Information and financial reporting systems

Financial and performance reporting procedures include the preparation and stress testing of a 30-year business plan and an annual budget. Detailed management accounts are produced monthly and reported quarterly to the board, alongside a number of key performance indicators (balanced scorecard). Financial and organisational performance are reviewed by the executive management team monthly and improvement actions are implemented as necessary.

Liquidity and covenant compliance is monitored and reported monthly to the executive management team and quarterly to the board. This includes compliance with the information undertaking requirements of relevant loan agreements.

Employee involvement

There are eight employees (note 8) who are committed and motivated in the achievement of our objectives. The board is appreciative of the efforts of staff, particularly in improving the outcomes achieved for customers and its wider reputation amongst the housing sector for innovation and improvement. PCHA are committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability or perceptions of it.

An employee intranet site is maintained which provides employees with information on matters of concern to them as employees, including the financial and economic factors affecting performance. This includes opportunities for employees to express their views on matters that affect them. Annual staff surveys are also undertaken to canvas views on significant matters.

Customer voice and involvement

PCHA has continued to focus efforts on three key and interlinked themes within the new Consumer Standards: 'Transparency, Influence and Accountability'. We continue to build on the opportunities presented by the evolving external and operating environment to improve and modernise our resident engagement services and provisions, ensuring they are fit for purpose and fit for the future.

At PCHA, we have been closely monitoring the release of Regulatory Judgements following inspections, and we have been inspired by several organisations that have achieved the top 'C1' gradings in response to the Consumer Standards. These types of gradings demonstrate that organisations fully understand the needs of their customers, provide opportunities for them to influence service delivery and strategic direction, and ensure their voices are heard in decision-making processes. This is exactly where we want to be. This ethos aligns with our long-standing history of close collaboration with our customers and represents our future path as we continually seek to improve all aspects of the customer experience and the relationships of trust we build.

We want to continue using the data we hold about our customers intelligently, so we can do everything possible to help them sustain tenancies, provide the right forms of support where needed, and ensure our ongoing investment programme is targeted to deliver maximum benefit, now and into the future. We aim to provide accessible opportunities for customers to have their say in how we plan and deliver services, both overall and in areas of special interest to them. Most importantly, we want our customers to know their voice counts. Every interaction we have with our customers, not just those who regularly engage through our formal structures, is important to us and represents a learning opportunity to help improve our services.

We recognise the important role our customers play in scrutinising our services. Our engagement mechanisms provide them with opportunities to delve deeper into underperforming service areas, understand the issues facing tenants and the business, recommend improvements, and hold us to account by monitoring long-term progress. Furthermore, by involving our customers in the development of key policy and strategy, we ensure that we share the same aspirations and goals. We look forward to continuing to work closely with them to ensure these are achieved.

Political and charitable donations

During the year, we made no political donations (2024: £nil), though we supported £12k (2024: £10k) of community activities and events.

Likely future developments in the business of PCHA

Information on likely future developments has been included in the Strategic Report on pages 9 to 24.

Pine Court Housing Association
Report of the Board
for the year ended 31 March 2025 (continued)

Qualifying third party indemnity provisions

PCHA has third party indemnity provisions in place for the board and directors.

Going concern

PCHA's business activities and current financial position are set out in the Strategic Report and the Report of the Board. In preparing the financial statements on the going concern basis the current economic situation was considered with immediate potential for increased costs resulting from higher inflation, higher wage costs, higher interest costs, higher material costs and factored in the following possibilities and outcomes:

- That the current budget, short, medium and long-term financial forecasts, including pension obligations, demonstrate that PCHA have sufficient resources to meet all liabilities as they fall due, for the foreseeable future and at least for the 12 months following approval of these accounts.
- Flexing and stress testing of long-term financial forecasts has been completed by Board to demonstrate that appropriate and practical mitigations are available to in the case of wider economic uncertainty. The stress tests, which included but was not limited to factors such as increased inflation rates, increased interest rates, rent settlement, exceptional expenditure, development delays, and sales price fluctuation, aimed to determine their impact on the plan. Multiple stress scenarios were also applied, and circumstances identified under which the plan might be 'broken', meaning loan covenants have been breached. Mitigating actions were identified, quantified, and their timing determined.
- That loan covenants and funders' requirements have been met and are forecast to be met going forward.
- The continuing impact of the war in Ukraine, the Middle East unrest, and the unknown political landscape have all been considered within the forecasts and stress tests applied to assess the potential impact of various scenarios. PCHA continue to maintain sufficient liquid resources and committed funding to mitigate any immediate and foreseeable impact in the short, medium and long term, to ensure the potential impact of increased risks identified can be managed, including inflation, increased interest rates, and a significant decline in the housing market.

The cash position as at 31 March 2025 was £2.1m. Cashflow projections do not rely on Government support schemes. The primary reliance in respect of Government funding is attributable to rents and service charges settled through Universal Credit and Housing Benefits, and other customer focussed support. Appropriate stress testing, including a rent settlement variation, has been undertaken to ensure that a variation in Government policy on such payments can be accommodated within future cash flow forecasts and/or mitigation strategies.

The expected performance and commitments over the short and medium term have been reviewed and considered, and there is a reasonable expectation that PCHA has adequate resources to continue in operational existence for the foreseeable future, thus ensuring a period of at least 12 months after the date on which the report and financial statements are signed. For this reason, the Board continues to adopt the going concern basis in the financial statements.

Auditors

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

BDO LLP have expressed their willingness to continue. A resolution for the re-appointment of BDO LLP as auditors will be proposed at the forthcoming Annual General Meeting.

Approval

The Report of the Board was approved on 04 September 2025 and signed on its behalf by:



Stephen Gow (chair of the board)
04 September 2025



Michael Parkin (chair of RAC)
04 September 2025



Jennifer Cureton (company secretary)
04 September 2025

Pine Court Housing Association

Strategic Report for the year ended 31 March 2025

The board is pleased to present its Strategic Report and audited financial statements for the year ended 31 March 2025.

Business overview

PCHA is a leading provider of specialist housing services to customers from ethnic minority backgrounds, managing 543 homes across the Liverpool City Region.

As a charitable community benefit society, we reinvest our surpluses to improve our services and extend the provision of affordable and low cost home ownership housing for our customers.

We provide an extensive range of accessible (bi-lingual) housing and community-based services to our customers, which have helped to redress the disadvantages suffered by racial minority communities. Our presence in Merseyside has assisted to integrate and reduce the incidence of discrimination and exclusion previously experienced by our Chinese speaking customers.

We are proud to support and forge proactive relationships with a number of Merseyside-based community and third sector organisations including the work of Chinese Wellbeing, Pagoda Arts, the Wirral Multi-Cultural Centre (WMC) and the Florrie.

We currently operate solely within the Liverpool City Region. We acknowledge our corporate social responsibilities and are committed to making a positive contribution to a number of local and regional strategies aimed specifically at the environment, social and economic regeneration and sustainability in conjunction with the Liverpool City Region Combined Authority.

We recognise our obligations to maximise the use of our resources and to evidence compliance with the Value For Money (VFM) Standard. A copy of our VFM self assessment is available at: <http://www.pinecourt-housing.org.uk/about-us/our-performance/>. Further details of our VFM compliance can be found on pages 12 to 22 of this Strategic Report.

We also recognise our obligations to assist our partners to meet their objectives, which we believe will result in safer, more inclusive and healthier communities for our customers and wider residents.

Objective and strategy

The continuing acute shortage of affordable and low cost home ownership housing remains evident, as such, the requirement to generate financial and operational capacity has never been greater. We have responded strongly to these challenges by outperforming our budget and business plan targets, and generating additional surpluses, which we have used to build new homes. As a result, our stock has increased by 19.6% since we joined the Sovini group. We remain an ambitious organisation who aspire to have a sustainable development programme with a healthy pipeline of schemes. To support this vision we have completed a funding options review in conjunction with Savills our Independent Treasury Advisors, to understand our future headroom and funding options. Early indications from this work, is that we have the potential to secure a further £10m of funding. With grant assistance from Homes England, we aim to harness this funding and increase our offer to our customers to include a range of products.

Our strategic plan for 2025 to 2030 sets out how our vision "a better future" and mission "creating opportunities, changing lives" will be achieved through pursuance of the following key aims:

- Deliver specialist housing services;
- Deliver strong performance and financial viability;
- Continued development and growth; and
- Seek new and improved partnership opportunities.

Delivery of our strategic plan will achieve the following key priorities that have been informed by the results of our customer feedback.

- Provide the right resources and infrastructure to deliver business success;
- Understanding local demand issues;
- Maximise income and deliver strong financial performance;
- Retain all quality management standards and improve performance;
- Making intelligent investment decisions;
- Provide a gateway to wider community services;
- Make an active contribution to local cultural events; and
- Take an active role in strategic partnerships.

Pine Court Housing Association
Strategic Report
for the year ended 31 March 2025 (continued)

Strong, and accountable governance and scrutiny arrangements

We have reviewed our corporate governance framework and maintained our diverse board membership, at its current composition of six, including one vacant post, independent board members, and one executive board member. We have also retained the TPAS landlord accreditation and embedded our scrutiny processes via our dedicated customer panel to help us to improve and streamline service delivery.

We continue to face a period of unprecedented change and further uncertainty in the housing sector as a consequence of the ongoing impacts of the cost of living crisis, supply chain risks, and other non controllable macro economic factors, which bring future challenges to our operating environment. Our strategic plan considers and reflects this backdrop.

Review of the year

In light of the cost of living crisis, 2024/25 has been a challenging year for PCHA and our customers. However, in spite of this we were able to generate a surplus of £443k (2024: £428k) and collected over 100% of our rental income. Turnover for the year was made up of rent and service charge income and amortised grant of £3.9m (2024: £3.6m). Operating costs for the year were £3.1m (2024: £2.8m) with management costs at £530k (2024: £471k) as a result of active financial management, critical re-procurement of utilities contracts and despite sticky inflation.

Our operating costs reflect that during the period we invested £1.4m (2024: £1.2m) improving our existing homes and completing our fire safety and damp, mould and condensation priorities and this enabled 100% (2024: 100%) of our homes to continue to meet the Decent Homes Standard. We have also retained access to a £3.0m undrawn loan facility with NatWest which, we plan to utilise to fund our future development programme.

Our housing assets at 31 March 2025 had a net book value of £29.3m (2024: £29.9m), reflecting our continued drive to maintain and improve the standard of our housing stock.

Throughout the year we incurred £421k (2024: £382k) in net financing costs servicing our £4.2m drawn loans (2024: £4.6m), £3.5m intergroup loan (2024: £3.5m) and £3.0m undrawn loans (2024: £3.0m).

During the year we continued to support and service our customer needs and our bilingual speaking staff also continued to provide translation and interpretation services as required.

Our key achievements

- We continued to deliver outcomes against our community development targets, allocating £12k (2024: £10k) to support local groups, cultural projects and youth engagement activities;
- We continued to promote our brand and increased our presence at forums for customers from ethnic minority backgrounds, throughout the Liverpool City Region;
- We continued our fire safety programme, replacing fire doors and completing fire compartmentation works at our supported housing scheme Chung Hok House;
- Many of our KPIs achieved top quartile performance (performance indicator table as shown on page 19);
- Achieved a 100% staff attendance level for the year; and
- Progressed our Funding Options Review, which is aimed at assessing our future headroom and funding options, to further our Development aspirations and increase the availability of affordable and low cost home ownership housing for our customers.

Pine Court Housing Association

Strategic Report
for the year ended 31 March 2025 (continued)

How we performed

Financial performance in the year	2025	2024
	£'000	£'000
Turnover	3,921	3,561
Operating costs (including surplus on disposal of fixed assets)	(3,057)	(2,751)
Operating surplus	864	810
Net financing costs	(421)	(382)
Surplus for financial year (before tax)	443	428

Statement of financial position	2025	2024
	£'000	£'000
Property, Plant and Equipment	29,320	29,902
Other fixed assets	42	44
Total fixed assets	29,362	29,946
Net current assets	1,303	839
Creditors greater than one year	(17,290)	(17,808)
Pensions liability	(178)	(232)
Net assets/Total reserves	13,197	12,745

Margins and performance	2025	2024
Operating costs as a % of turnover	77.96%	77.25%
Gross margin	22.04%	22.75%
Net margin	11.30%	12.02%

Units in management	2025	2024
General needs housing	482	482
Supported housing	38	38
Intermediate housing	23	23
Total housing units	543	543

Key performance	2025	2025	2024
	Target	Actual	Actual
Rent collected as a percentage of rent available (excluding arrears b/fwd)	100.34%	100.58%	100.67%
Rent arrears of current customers as a proportion of the rent roll	0.50%	0.18%	0.40%
% rent lost due to empty homes	0.06%	0.07%	0.02%
Void re-let average days	5.0 days	4.7 days	1.2 days
% homes let to ethnic minority customers	50%	75%	82%
Average days to complete a repair	6.6 days	13.9 days	8.0 days
% of our homes with a valid gas safety certificate	100%	100%	100%
Sickness levels	2.00%	0.00%	0.00%
Customer satisfaction with our services	95.00%	99.29%	99.30%
% dwellings that meet the decent homes standard	100%	100%	100%

Pine Court Housing Association
Strategic Report
for the year ended 31 March 2025 (continued)

Value for money

Introduction from the Chair of the Board and Managing Director of Housing

At Pine Court Housing Association Limited (PCHA), Value for Money (VFM) sits very much at the heart of our activities, to ensure we continue to deliver quality and efficient services to the communities we serve. We are a leading provider of specialist housing services to customers from ethnic minority backgrounds and create value for our customers, primarily to the Chinese and South-East Asian communities across the Liverpool City Region.

Since joining the Sovini group we have developed and deployed a robust and challenging approach to the pursuit of VFM, with £7.3m in total of efficiency savings realised at 31 March 2025 (£6.9m during 2024/25). This is in addition to the broader society outcomes achieved through our financial inclusion, employment and community development activities.

During 2024/25 the annual rent increase was in line with government policy of CPI plus 1.0%. The current operating environment has placed an even greater focus on achieving efficiencies and savings generation, whilst ensuring no adverse impact to customers, services provided and achieving our objectives. The government policy of CPI plus 1.0% has been confirmed for the 2025/26 annual rent increase and the new rent settlement incorporated into our 30-year business plan.

Despite the pressures and challenges that we face as a housing provider, there are some areas that we will absolutely refuse to compromise on, including our approach to all aspects of building safety, compliance, retrofitting our homes to improve energy efficiency, net zero carbon improvements and continuing to provide new housing opportunities through our development programme, all whilst achieving VFM.

We ensure that, through our strategic approach to VFM planning and the reporting of VFM achievements, PCHA is compliant and will continue to be compliant with the Regulator of Social Housing's (RSH) VFM Standard.

What is VFM at Pine Court Housing Association?

PCHA endorses the Sovini group VFM Strategy, which incorporates seven objectives. Performance measures are aligned to these objectives and reviewed monthly.



Due to our clear strategic approach to VFM planning and transparency in reporting VFM to key internal and external stakeholders, we are assured that PCHA is compliant with the VFM standard.

The aims of PCHA provide clear strategic direction for the organisation to achieve its goals.

Pine Court Housing Association
Strategic Report
for the year ended 31 March 2025 (continued)

Value for money (continued)

What is our Vision, Mission and Values?

Our Vision: A better future

Our Mission: Creating opportunities, changing lives

Our Values:

- **Success** – we will be the best
- **Passion** – we love what we do
- **Authenticity** – we do what we say we will do
- **Courage** – we dare to be different
- **Enterprise** – we never stand still

The Sovini group's VFM objectives are linked to delivering PCHA's overall strategic aims:

- Delivering specialist housing services
- Delivering strong performance and financial viability
- Continued development and growth
- Seeking new and improved partnership opportunities

PCHA delivers services efficiently and effectively, and this is monitored through our Performance Management Framework which outlines how we review performance, costs and outcomes for our customers. We continue to regularly review our risk appetite and undertake single-variable, multi-variable, and destruction stress testing on our Business Plan and its underlying assumptions. We use our Risk Management Framework (RMF) to assess and, where possible mitigate any risks that arise or are anticipated.

Our Board

The board have a strong emphasis and understanding of VFM. Through the business planning process they establish a budget and through regular review and scrutiny throughout the year, they assess the quality of service and the performance against budget. The board consider and make business decisions with VFM in mind, with a full understanding of how this contributes to the achievement of the strategic aims of PCHA.

Our vision of 'a better future' is delivered through sustainable neighbourhoods, supported by quality services which meet the needs of our customers. The board regularly receive business intelligence and assurance, which allows them to understand and deliver these needs, ensuring that sustainability is maximised where possible and that they can respond (as necessary) to changes in a timely and effective way.

The 2024/25 base budget set more stretching financial performance targets than the approved business plan. This has been developed using zero-based budgeting to ensure that our core operating costs are affordable and to determine what additional resources are available for growth and service improvement priorities as identified in our service delivery plans.

The VFM Strategy (2025-30) was approved by the Sovini Board in July 2025. A six monthly update is provided to RAC detailing progress in achieving the Strategy.

VFM is integral to operations, and acts as the golden thread to ensure we achieve our Strategic Objectives.

VFM Objective One – Maximising Social Value

PCHA measures its impact on society and the social value (SV) it has generated via the Housing Association Charitable Trust (HACT social value calculator. This information is reported to board in detail and certified on an annual basis.

Pine Court Housing Association

Strategic Report
for the year ended 31 March 2025 (continued)

Value for money (continued)

VFM Objective One – Maximising Social Value (continued)

PCHA continues to collaborate closely with HACT to ensure that social value outcomes are accurately captured and reported in accordance with established HACT methodologies. In May 2024, HACT launched the new Built Environment Bank, which places greater emphasis on supply chain engagement and community development. As a result, the majority of PCHA's social value outputs are now recorded within this new framework, rather than under the UK Social Value Bank previously used.

In parallel, Social Value Champions across the Sovini group remain actively engaged in capturing and reporting social value contributions. During Quarter Four of 2024/25, internal reporting processes were further enhanced, embedded, and refined to maximise the effectiveness and visibility of social value outcomes.

The HACT certification confirms that in 2024/25 PCHA has generated Actual and Total Social Value Activity of £558,065 (Social Return on Investment (SROI): £1:14).

Actual Social Value Activity (based on calculations using the required evidence as outlined in the HACT methodologies):

Project name	Cost (£)	Total SV (£)	SROI
Chinese National Day Event	100	187	2
Chinese Seaman Blue Plaque	100	187	2
Liverpool Chinese Football Association Tournament	500	936	2
Chinese New Year Event Celebrations	1,300	2,433	2
Pagoda Arts Community Support	500	50,469	101
Chung Hok House Resident Activities	1,000	144,666	145
PCHA Clear Rent Accounts	16,500	151,107	9
PCHA Decoration Paint Packs	1,111	119,983	108
Apprentices	-	23,928	-
Employee Training (PCHA and Subsidiaries of PCHA)	250	28,453	114
Letting Properties To Those In Temporary Accommodation	4,611	15,996	3
Christmas Pallet - The Florence Institute	475	959	2
Customer Empowerment Panel	10,000	17,802	2
Christmas Pallet - Joseph Lappin Partnership	475	959	2
Total	39,922	558,065	14

VFM Objective Two – Best Use of Our Assets and Resources

PCHA has developed a sustainability index to inform future asset management priorities and decisions. This enables us to routinely assess the long-term viability of our assets, particularly where exceptional repair expenditure or emerging neighbourhood management issues may call the sustainability of the asset into question. An appraisal is carried out that combines both financial and non-financial information on a range of options including; retention, demolition and disposal.

The appraisal includes:

- A 30-year Net Present Value (NPV) and discounted payback period assessment;
- Performance information (e.g. void turnover, rent arrears); and
- Feedback from asset management and housing staff and other front-line officers.

PCHA has developed a Sustainability Index (SI) framework to provide clear strategic direction and a robust methodology for assessing the performance of its housing stock. This framework continues to be refined and enhanced to support the evaluation and monitoring of long-term asset viability, primarily through the calculation of 30-year net present value (NPV) projections for income and expenditure. The insights generated from this approach inform property options appraisals and guide future investment decisions. The framework now underpins the organisation's asset management strategy.

Pine Court Housing Association

Strategic Report
for the year ended 31 March 2025 (continued)

Value for money (continued)

VFM Objective Two – Best Use of Our Assets and Resources (continued)

The Asset Management Strategy, covering the period 2025–2030, was last reviewed and approved by the PCHA Board in March 2025. It outlines all aspects of asset management service delivery and governance, including stock condition, responsive repairs, maintenance, planned improvements, and property compliance/landlord health and safety.

The strategy sets out our approach to maximising the long-term sustainability of the housing stock, with a particular focus on the financial and social returns generated now and in the future. The Sustainability Index (SI), is fundamental to active asset management, as it enables financial evaluation of the housing stock at the individual property level. It allows us to monitor the long-term performance of each home by establishing a 30-year net present value (NPV) of income and expenditure.

This process of information based appraisal and review is key to understanding our stock base and making sure it is sustainable over the next 30 years. The sustainability index has been fully reviewed throughout 2024/25 by officers, and an independent audit has been completed by Savills. No significant deficiencies were identified, and all recommendations have been considered and where appropriate implemented. Ongoing analysis and assessment of the process will remain as standard practice, supported by a dedicated working party that feeds directly into our Asset Management Steering Group.

PCHA has sought to maximise stock occupancy during 2024/25, with void loss (routine and long term) recorded at 0.07% (£2,386). The reletting of void properties was completed in an average of 2.9 days (top quartile performance).

PCHA continues to maximise its income and manage its resources effectively through improved operational performance and proactive budget management throughout the year. A continued focus on income generation, supported by arrears prevention and tenancy sustainability, remains a key priority. Rent collection performance was 100.58% at March 2025 and this was 0.23% higher than the year-end target. This compares to 100.67% at March 2024. The business plan prudently assumed 98.75% (allowing for 1.25% bad debts). A rent collection target of 100% has been set by the Board for 2025/26, reinforcing the commitment to strong income management and reduced arrears.

Our Savings

An annual budget is approved within the context of a 30-year business plan. Performance is tracked and monitored throughout the year against both the budget and the business plan to quantify additional financial capacity and identify any adverse financial impacts.

At year-end, an Annual Efficiency Statement (AES) is produced to quantify the financial capacity created through the out-performance of key targets and assumptions. The table below summarises the service areas where improved performance occurred, the additional financial capacity created, and the methods by which it was achieved.

Performance indicator	How achieved	Cash releasing £'000	Non cash £'000	Total AES £'000
Rent and service charge income	Efficiencies are generated in relation to our year rent collection rate of 100.58% and our 0.07% void cost, which outperformed business plan capacity.	73	-	73
Management costs	Reflecting lower utility costs than forecast and other overhead management savings.	70	-	70
Asset management programme	Reflects lower volumes and lower job costs for responsive repairs alongside lower investment spend.	175	-	175
Other activities	Savings generated on release of funds held for customer support provisions through active tenancy management and increased interest receivable.	7	-	7
Total 2024/25 AES gains	All activities	325	-	325

Pine Court Housing Association
Strategic Report
for the year ended 31 March 2025 (continued)

Value for money (continued)

Our Savings (continued)

In 2024/25, £325k of additional financial capacity was generated by collecting more income, re-procuring major contracts to obtain better rates and minimise overhead/management cost increases in a time of economic uncertainty, lower net interest through active treasury management and hardship fund savings through active tenancy management and support. There were no grant receipts in the current year.

This additional financial capacity strengthens our ability to enhance service delivery and support the development of new homes. These resources are expected to contribute to improving the return on assets and may be utilised in alignment with our planned sustainable development programme.

The VFM Tracker records financial savings, non-financial savings (including efficiencies) and cost avoidances that are not projected and not included in the compliance statement. We continue to embed the culture for colleagues across the group to report back financial and non-financial savings that are not expected, including successful funding opportunities, negotiation savings, environmental upskilling of staff and other efficiency gains. In May 2025, the Risk and Audit Committee were advised a total of £278,355 spend saved and a total of £99,309 costs avoided across the group that will positively impact PCHA and other parts of the wider group as a whole.

VFM Objective Three – Customer Voice

PCHA is not required to carry out an annual TSM Survey as an RP with less than 1,000 units, however the survey is completed on a bi-annual basis. The next PCHA TSM Survey update will be reported in 2025/26. However PCHA Overall Satisfaction (Transactional Surveys) at year end report satisfaction of as 99.3% against a target of 95.0%. This is ahead of target and remains top quartile.

Question	2023/24	Target	Trend	TOP quartile
How satisfied are you with the service provided by Pine Court?	90.10%	85.00%	↓	85.00%
How satisfied are you with the overall repairs service from Pine Court over the last 12 months?	91.50%	84.90%	↑	91.50%
How satisfied are you with the time taken to complete your most recent repair after you reported it?	93.30%	80.20%	↑	87.00%
How satisfied are you that Pine Court provides a home that is maintained?	92.40%	76.60%	↓	92.40%
Thinking about the condition of the property or building you live in how satisfied are you that Pine Court provides a home that is safe?	91.60%	87.30%	↓	91.60%
How satisfied are you that Pine Court listens to your views and acts upon them?	81.90%	72.30%	↓	81.90%
How satisfied are you that Pine Court keeps you informed about things which matter to you?	87.60%	81.40%	↑	87.60%
To what extent do you agree or disagree with the following: Pine Court treats me fairly with respect?	91.60%	85.20%	↑	91.00%
How satisfied are you with Pine Court's approach to complaint handling?	62.50%	61.30%	↑	42.00%
How satisfied are you that Pine Court keeps communal areas clean and well maintained?	86.50%	75.30%	↓	83.30%
How satisfied are you that Pine Court makes a positive contribution to your neighbourhood?	87.80%	75.30%	↑	79.70%
How satisfied are you with Pine Court's approach to handling anti-social behaviour?	82.00%	64.80%	↑	82.00%

The Customer Empowerment Panel works closely with our involved customers to analyse performance across the measures and will put action plans in place, where possible, to address any areas they identify for improvement or where there are differentials in satisfaction for particular groups. This has required a concerted effort to ensure our large number of customers who do not speak English as a first language have been able to complete surveys when they have been randomly selected.

Our established team provides continuity of service to our customer base, including translation services in Mandarin, Cantonese, Shanghainese, Hakka and regional dialect Chichau, but we will continue to keep our staffing levels under review as our stock numbers grow and our housing offer diversifies.

In line with the ethos of the revised Consumer Standards and as part of our succession planning, we will review our Board membership and ensure we have a conduit of influence, accountability and transparency between the Board and our Customer Empowerment Panel.

Pine Court Housing Association

Strategic Report
for the year ended 31 March 2025 (continued)

Value for money (continued)

VFM Objective Four – Governance, Risk and Compliance

The Customer Empowerment Panel analyses our performance across the TSMs and monitors robust action plans to address any areas of improvement or where there are differentials in satisfaction for particular groups.

The Board have reviewed a self-assessment of compliance with the regulatory standards, ahead of certifying compliance in the 2024/25 financial statements. Evidence compiled during 2024/25 indicates that compliance with the regulatory standards (including with the 2018 VFM standard) is being maintained.

We have a strong and effective Board structure, our members are focussed on strategic objectives and risk management. Our Board regularly review our risk appetite and undertake single-variable, multi-variable and destruction stress testing on our Business Plan and its underlying assumptions to ensure we understand and quantify the impact of key risks on our business.

Ultimate accountability for the control and management of risk rests with the Board, who throughout 2024/25 have ensured that an appropriate, robust, and prudent business planning, risk and control framework is in place and operating effectively and will continue to do so. In addition to the Board, the Risk and Audit Committee have assisted the Board in matters relating to risk and audit.

We continue to work in partnership with our internal and external auditors to gain independent assurance on effective risk management, governance and internal control processes and implement recommendations should they arise.

VFM Objective Five – Maximising Opportunities Through Procurement

The below table details the procurement activity savings achieved by the Sovini group during 2024/25 which, although not directly attributable to PCHA, will have a positive impact. These have been generated from procurement exercises, Dynamic Purchasing System (DPS) and Framework Mini Competitions. This has resulted in £99,309 of savings.

Parent	Project Description	Overall Savings (£)
Sovini Limited	HR legal services	7,500
Sovini Limited	Hosted backups and disaster recovery services	76,986
Sovini Limited	Starbucks coffee machine	13,478
Sovini Limited	Samsung Knox E-Fota	1,345
Total savings		99,309

VFM Objective Six – Cooperation and Collaboration Through Self-Delivery

A Term Partnering Agreement (TPA) remains in place with contractor partners Sovini Property Services Limited, Amianto Services Limited, and Sovini Construction Limited. The agreement covers services and works including investments, repairs, planned maintenance, voids, and new build activity. The TPA supports collaborative working to maximise social value, added value, environmental, social and governance (ESG) targets, and VFM. This has supported the following outcomes:

- Greater visibility of performance and data (including interfacing systems and real time reporting).
- Increased flexibility (access to a wider supply chain network).
- Greater certainty leading to improved customer service & life cycle costs.
- Better emergency and demand planning (rapid mobilisation and response to change).
- Reduced risk through controlled measures in place.
- Standardisation of asset management specification considering whole life costing.
- Continuity of supply in the unstable operating environment (world affairs and macro economic factors).
- Added value through collaborative working, leading to innovative development and improvements, localised labour sourcing, reduced carbon footprint and social value pledges to local communities.

Performance under the TPA is monitored by officers through monthly meetings and the Core Group Meeting. The TPA contract is set to expire in 2033, following a review and approval by the Board in July 2023. This review confirmed that the agreement continues to meet long-term requirements and deliver value for money.

PCHA continue to benchmark performance through HouseMark, Vantage, HQN and Liverpool City Region Benchmarking group to ensure it continues to deliver VFM.

Pine Court Housing Association
Strategic Report
for the year ended 31 March 2025 (continued)

Value for money (continued)

VFM Objective Six – Cooperation and Collaboration Through Self-Delivery (continued)

The TPA also evidences VFM through the following:

- Major works have been approved on the basis that PCHA are achieving VFM;
- Greater certainty leading to improved customer service and life cycle costs;
- The contractors operate within the same VAT group; and
- The contractors have their own set of financial regulations to adhere to when sub-contracting works outlining VFM and transparency through the supply chain, with open information access available to the procurement team.

An independent benchmark was undertaken the second half of the financial year, which focused on the delivery, performance, added value and the service cost of Sovini Property Services Limited and Amianto Services Limited.

VFM Objective Seven – Excellent Performance and Customer Satisfaction

At year-end, six of the seven reported key performance indicators (KPIs) met or exceeded their targets. Five of these KPIs were benchmarked, with performance falling within the top quartile for four indicators. This demonstrates that, when compared with peer organisations, performance is among the strongest across all benchmarked KPIs. For those without formal benchmarking, confidence remains high that performance is strong in these areas as well.

Performance indicator	2024/25 Value	Target	Status	Housemark quartile	2023/24 value	Trend
Rent collected as a proportion of rent available (exc. arrears b/f)	100.47%	100.00%	✓	2	100.67%	↑
Average number of days to re-let a void property	4.7	5.0	✓	1	1.2	↓
Rent arrears of current customers as a proportion of the rent roll	0.18%	0.50%	✓	1	0.40%	↑
% of rent lost due to void properties	0.07%	0.06%	✗	1	0.02%	↓
Customer satisfaction with services (cumulative)	99.30%	95.00%	✓	No data	99.30%	—
% of dwellings NOT meeting the Decent Homes	0.00%	0.00%	✓	1	0.00%	—
% of lettings to ethnic minority customers	81.00%	50.00%	✓	No data	82.00%	↓

Key:

- ✓ Target achieved
- ✗ Target not achieved

Source: PCHA Performance Report (2024/25)

The board have approved the development of our VFM Metrics Scorecard. The submission of the scorecard outcomes and narrative to the Regulator for Social Housing (RSH) as part of the annual financial statements will ensure that PCHA continues to meet the requirements of the RSH VFM Standard published in April 2018.

Our 2024/25 VFM performance is summarised below. This compares current year performance against our initial forecast and also against our performance in 2023/24 (against the National Top Quartile) and our forecast performance during 2024/25.

Pine Court Housing Association

Strategic Report
for the year ended 31 March 2025 (continued)

Value for money (continued)

VFM Objective Seven – Excellent Performance and Customer Satisfaction (continued)

Indicator	Prior year actual 2023/24	National top quartile 2023/24	Current year forecast 2024/25	Current year actual 2024/25	Next year forecast 2025/26
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Regulator for Social Housing Value for Money Metrics

1	Reinvestment %	11.69%	11.00%	0.96%	0.43%	1.27%
2	Operating margin	22.89%	23.40%	17.37%	22.04%	16.41%
3	EBITDA MRI (as a percentage of interest)	265.17%	153.00%	205.00%	264.00%	180.00%
4	Units developed (as a percentage of units owed)	4.24%	2.20%	0.00%	0.00%	0.00%
5	Gearing	21.96%	54.30%	22.20%	19.80%	23.00%
6	Return on capital employed (ROCE)	2.60%	3.40%	2.27%	2.79%	1.91%
7	Headline social housing cost per unit	£4,045	£6,350	£5,054	£4,546	£5,109
8	Management cost per unit	£866	N/a	£1,087	£969	£1,611
9	Service charge cost per unit	£716	N/a	£796	£785	£718
10	Maintenance cost per unit	£1,145	N/a	£1,361	£1,126	£1,384
11	Major repairs cost per unit	£1,330	N/a	£1,794	£1,672	£1,380
12	Other cost per unit	(£11)	N/a	£17	(£6)	£17

Additional Value for Money Metrics

13	Operating margin (social housing lettings)	22.89%	25.80%	17.37%	22.14%	16.41%
14	Units developed (social housing units)	23	-	-	-	-
15	Customers satisfied that their rent provides value for money	90.80%	N/a	90.80%	90.80%	N/a
16	Ratio of responsive repairs to planned maintenance spend	0.29	N/a	0.30	0.25	0.38
17	Rent collected	100.67%	N/a	100.34%	100.58%	100.00%

Pine Court Housing Association
Strategic Report
for the year ended 31 March 2025 (continued)

Value for money (continued)

How We Perform and Compare (continued)

The following is an analysis of the 2024/25 outputs in relation to each of the metrics, with reference to last year's performance and our forecasts for 2025/26. This information was reported to the Risk and Audit Committee for scrutiny as part of the VFM update report in May 2025 and also to the board in July 2025.

- 1** Reinvestment reflects the improvements made to existing homes as part of the investment programme, as well as new homes built as part of the approved development programme. 0.51% of the 0.53% variance to forecast relates to the anticipated land purchase of £150k, which has been carried forward to 2025/26.
- 2 & 13** Operating surplus (excluding fixed asset sales) of 22.04% is £165k higher than forecast. This is made up of £70k management costs savings partly due to new utilities contract causing a decrease in costs, £185k underspend on routine and planned maintenance costs due to lower responsive repair volumes, lower DMC demand and revisions to the sustainability programme.
- 3** Performance targets for EBITDA MRI have been surpassed by 59% due to lower levels of net interest payable achieved through active treasury management and lower drawdown requirement for development activity, whilst generating operating efficiencies within the management costs and the assets programme.
- 4 & 14** No in year unit handovers as anticipated or completed.
- 5** We report a slightly lower gearing ratio than forecast due to a lower value of loans than expected by £120k with reduced development activity and a £528k higher cash holding from the improved operating margin. In contribution with a marginally by a lower asset value at £316k lower than forecast this reduced the gearing ration 2.4% below forecast.
- 6** 2.79% reflects £868k operating surplus over a capital employed of £31.1m. Increase against forecast is due to our higher operating surplus.
- 7** The headline CPU is reporting £508 per unit lower than forecast mainly due to lower management costs, planned maintenance and major repairs costs highlighted below.
- 8** Management CPU as highlighted above is slightly lower than anticipated due to £70k savings through an embedded culture of active budget management.
- 9** Service Charge CPU is showing in line with budget for the year.
- 10** Maintenance CPU is showing £235 lower than budget due to lower responsive repair costs and DMC volumes.
- 11** Major Repairs CPU is reporting £122 lower than forecast due to a £64k revision to the sustainability programme with elements carried forward to 2024/25.
- 12** Other CPU is a gain per unit in the current year due to a £3k reduction in bad debt provision in line with the high rent collection in year (100.58%).
- 15** The latest Customer Satisfaction Survey was carried in 2023/24. As Pine Court is a small organisation under 1000 units the requirement is to conduct a survey every two years. This ensures that we are not over surveying customers. Satisfaction with rent therefore remains at 90.8% as per the 2023/24 survey which is the latest figure.
- 16** Responsive repairs as a ratio of planned preventative maintenance spend reporting £31k lower for the year as a result of lower responsive repair costs and DMC volumes in the year, whilst improvement programme works are lower overall by £57k net capitalisation due to revisions to the sustainability aspect of the programme.
- 17** Rent collection performance at year end was 100.58% and this is 0.24% higher than the 100.34% year-end target. The void loss was £2,386 (0.07%), which is (£9k) lower than the year end forecast.

We continue to maximise VFM opportunities and work collaboratively with our Sovini group partners, Board members, the RSH, our funders, and integrated supply chain to achieve PCHA's VFM objectives and aims.

Pine Court Housing Association
Strategic Report
for the year ended 31 March 2025 (continued)

Value for money (continued)

How We Perform and Compare (Continued)

The Board will continue to prioritise the services that matter most to our customers, whilst ensuring that as an organisation we continue to manage our income and investment to ensure we remain a viable and a well governed organisation.

The content of this VFM self-assessment statement is aligned and assessed against the RSH VFM standard and the board have certified compliance with the VFM standard at the July 2025 board meeting.

Looking ahead

Treasury strategy and treasury management policy

We commissioned and approved our annual independent treasury strategy and treasury management policy in February 2025. We procure group treasury management functions from the Sovini group and received assurance during the year that our treasury activities are being managed effectively within our strategic policy directions. We continue to meet the regulator's liquidity requirements without the need to secure additional funding.

Financial instruments

Loan structure

At 31 March 2025, we had loans, including group balances, totalling £7.70m (2024: £8.13m) and £3.00m (2024: £3.00m) unutilised loan facilities. Fixed rate loans were £6.68m (87%) and variable rate loans were £1.08m (14%), with loan fees of (£0.06m). This is within the thresholds of our treasury management policy.

Funder	Type	Drawdown date	Maturity date	Amount £m	Interest rate %
Orchardbrook	Fixed	15/12/2009	30/09/2047	0.18	9.92%
RBS - C	Fixed	13/09/2024	03/06/2030	3.00	5.06%
One Vision Housing	Fixed	15/03/2019	17/09/2028	3.50	3.71%
RBS - B	Variable	31/10/2019	06/12/2031	1.08	4.78%
Loan fees				(0.06)	
Total				7.70	

Debt repayment profile

The value and duration of our loans (excluding loan fees) is summarised below. The weighted average cost of debt was 4.52% at 31 March 2025 and 55% of the debt relates to bank loan financing with 45% relating to intra-group financing.

Repayment Profile	RBS B £'000	RBS C £'000	Orchardbrook £'000	One Vision £'000	Total £'000
< 1 yr	128	-	2	-	130
1-2 yrs	136	-	3	-	139
2-5 yrs	464	-	9	3,500	3,973
> 5 yrs	357	3,000	159	-	3,516
Total	1,085	3,000	173	3,500	7,758

Credit risk

Credit risk is the risk of financial loss to PCHA if a customer or counterparty to a financial instrument fails to meet it's contractual obligations. PCHA is mainly exposed to credit risk from the non receipt of rent and service charge payments. Each new customer is risk assessed to ensure that they are able to sustain the tenancy. Rent and service charge arrears are monitored, and court pursuance actioned, in accordance with policy and procedures. In certain circumstances, customers will be evicted and former customer arrears recovered where possible.

Pine Court Housing Association
Strategic Report
for the year ended 31 March 2025 (continued)

Credit risk (continued)

Credit risk also arises from cash and cash equivalents, and deposits with banks and financial institutions. The following financial institutions were used and the credit ratings were acceptable to the board.

	Short-term rating at 31 March 2025	Balance at 31 March 2025 £'000	Short-term rating at 31 March 2024	Balance at 31 March 2024 £'000
RBS	P-1/A-1/F1	1,014	P-1/A-1/F1	690
Santander	P-1/A-1/F1	326	P-1/A-1/F1	316
Nationwide	P-1/A-1/F1	738	P-1/A-1/F1	722
Total		2,078		1,728

Cash flow and liquidity risk

Liquidity risk arises from the management of working capital and any finance charges and principal repayments on debt instruments. It is the risk that PCHA will encounter difficulty in meeting its financial obligations as they fall due.

Rolling cash flow projections are prepared, and cash balances are monitored regularly, together with the value of cash investments. At the end of the financial year, these projections indicated that PCHA expects to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and do not need additional financing having also reduced liquidity risk by fixing interest rates on 98% of its long-term borrowings.

Loan covenant compliance

Our primary loan covenants are: interest cover, gearing, and asset cover ratios, with the latter based on the value of our social housing assets. Each covenant is monitored monthly and reported to the management team and board via a key performance indicator. All covenants were comfortably met during the reporting period and are forecast to continue throughout the life of the business plan.

Future prospects

The operating environment across the sector remains challenging. Key risks continue to be reviewed and mitigated wherever possible through the implementation of effective strategies designed to minimise the impact on business operations and service users. Membership within the Sovini group provides a strong position from which to manage the adverse effects of national material shortages, price increases, and the limited availability of skilled operatives and subcontractors.

The Term Partnering Agreement with Sovini Commercial Limited offers access to a comprehensive supply chain solution. This includes direct material provision through Sovini Trade Supplies, repairs and maintenance services including specialist mechanical and engineering support via Sovini Property Services, and housebuilding capability through Sovini Construction Limited. These services are further supported by internal scaffolding, asbestos, and waste management functions. This integrated model provides additional assurance and continues to reduce the impact of macroeconomic and sector-wide risks, including the risk of construction failure.

Business plan assumptions have been reviewed, and proportional stress testing continues to be applied to assess the impact and significance of key risks and broader economic conditions on long-term viability. Income generation is being maximised through sustained performance monitoring and cost control. IT systems are currently undergoing replacement with modern, innovative, and automated solutions. Strong operating margins and a low cost base are expected to support continued investment in both existing and new housing stock, while enabling the release of additional financial capacity to support Net Zero Carbon (NZC) priorities, which are funded within the business plan through 2030.

The outcome of the full NZC baseline assessment is awaited before adjustments are made to cash flow projections and funding requirements are reviewed. This includes consideration of future housing decarbonisation grant funding, which is viewed as essential to the delivery of these obligations.

Despite considerable challenges, the organisation approaches the coming years with confidence and a strong operational foundation.

Pine Court Housing Association
Strategic Report
for the year ended 31 March 2025 (continued)

Future prospects

As a small housing association and member of the Sovini group, resilience and adaptability continue to be demonstrated in response to changes in housing policy, legislation, and macroeconomic instability. The primary objective remains to meet all commitments and contractual obligations as they fall due, while investing in existing homes and communities and delivering high-quality housing management and support services that are both valued and impactful.

Following the completion of the new developments in 2021 and 2024 PCHA has secured a further £6.0m of funding and committed this in the Business Plan to deliver circa 24 new homes over the period 2025 onwards (representing a further increase in stock size and increasing future revenue/borrowing capacity). A funding options review has also commenced to understand the future growth opportunities and financing opportunities.

Ongoing efforts are focused on identifying future development pipeline sites to expand the range of housing options available, including shared ownership. Following this, the strategic aim is to sustain organic growth within an established risk appetite. Operational delivery continues to be reviewed to identify efficiencies and secure value for money, creating capacity to support growth ambitions while maintaining prudent margins to manage the inherent risks and uncertainties of the operating environment.

Risk and uncertainty

The board regularly reviews the risks faced and monitors the top risks at each meeting. It is the board's opinion that the following corporate risks are the most likely to affect our future performance and ability to achieve our corporate objectives.

Future rent setting policy and collection performance

We have reflected prudent rent increases and void and bad debt allowances within our business plan and understand the significant impact on our financial viability that future government rent policy and non collection as a result of customer affordability could have on our business. We also understand that high levels of CPI, if reflected in future rent increases could be reputationally damaging for PCHA and wider housing sector. Being a member of the Sovini group affords us some protection to manage and mitigate this risk.

Supply chain risks (build cost increases, contractor failure and economic uncertainty)

Income forecasts have been reviewed to assess the potential impact of lower rent collection on financial headroom and liquidity. In addition, the extension of the Term Partnering Agreement with Sovini Commercial Limited to 2033 was approved to mitigate the risk of widespread construction failure and insolvency. This ensures a strong position from a business continuity and supply chain perspective, with the ability to maintain statutory compliance, repairs, and improvements to existing homes. The agreement also provides direct access to material supplies and procurement benefits through the National Buying Group.

Although high inflation and rising interest rates continue to present macroeconomic risks, government interventions, particularly by the Bank of England, aim to stimulate the economy and avoid recession. These risks remain outside direct control. However, a strong financial position and covenant headroom are expected to provide sufficient flexibility to manage potential future challenges.

Future funding (including zero carbon and development growth)

As at March 2025, we have £3.0m of undrawn loan facilities and significant unencumbered security to arrange future new loans to deliver a sustainable development programme, with grant support, and to fulfil our zero carbon responsibilities. We intensively manage our loan portfolio and invest any surplus cash in accordance with our treasury policy. We will continue to complete an annual independent treasury strategy review to ensure that we manage and mitigate our refinancing and treasury risks. The future availability of Government grant remains a key prerequisite to the delivery of these aims.

Pine Court Housing Association
Strategic Report
for the year ended 31 March 2025 (continued)

Accounting policies

We have reviewed our accounting policies and these are detailed in note 2 of the financial statements.

Statement of compliance

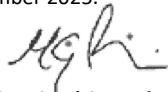
This Strategic Report has been prepared in accordance with the principles of the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018.

Approval

This Strategic Report was approved by the board on 04 September 2025.



Stephen Gow (chair of the board)
04 September 2025



Michael Parkin (chair of RAC)
04 September 2025



Jennifer Cureton (company secretary)
04 September 2025

Pine Court Housing Association

Independent Auditor's Report to the Members of Pine Court Housing Association for the year ended 31 March 2025

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2025 and of the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, 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 Pine Court Housing Association ("the Association") for the year ended 31 March 2025 which comprise the Association statement of comprehensive income, the Association statement of financial position, the Association statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the 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 Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The board are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Pine Court Housing Association

Independent Auditor's Report to the Members of Pine Court Housing Association for the year ended 31 March 2025

Matters on which we are required to report by exception

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

- the Association has not kept proper books of account;
- the Association has not maintained a satisfactory system of control over its transactions;
- the financial statements are not in agreement with the 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 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 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.

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Association and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Association's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Pine Court Housing Association (PCHA) includes the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Association 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 and registration with the Regulator of Social Housing.

Our procedures in respect of the above included:

- Review of minutes of meeting 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; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Pine Court Housing Association

Independent Auditor's Report to the Members of Pine Court Housing Association for the year ended 31 March 2025

Auditor's responsibilities for the audit of the financial statements (continued)

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 regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Association's policies and procedures relating to:
 - o Detecting and responding to the risks of fraud; and
 - o Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls including Unusual Revenue Journals.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>

This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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BDO LLP

**Statutory Auditor
Manchester, UK**

Date: 04 September 2025

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

Pine Court Housing Association

Statement of Comprehensive Income for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Turnover	4	3,921	3,561
Operating costs	4	(3,057)	(2,751)
Operating surplus	4, 7	864	810
Other interest receivable and similar income	11	39	41
Interest and financing costs	12	(460)	(423)
Surplus before taxation		443	428
Taxation on surplus	13	-	-
Surplus for the financial year		443	428
Actuarial gain/(loss) on defined benefit pension scheme	22	9	(47)
Other comprehensive income for the year		9	(47)
Total comprehensive income for year		452	381

The notes on pages 31 to 50 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 04 September 2025.



Stephen Gow (chair of the board)
04 September 2025



Michael Parkin (chair of RAC)
04 September 2025



Jennifer Cureton (company secretary)
04 September 2025

Pine Court Housing Association

Statement of Financial Position as at 31 March 2025

Company number: 25192R

	Note	2025 £'000	2024 £'000
Fixed assets			
Tangible fixed assets – housing properties	14	29,320	29,902
Tangible fixed assets – other	15	42	44
		29,362	29,946
Current assets			
Debtors – receivable within one year	17	247	275
Cash and cash equivalents		2,078	1,728
		2,325	2,003
Creditors: amounts falling due within one year	18	(1,022)	(1,164)
Net current assets		1,303	839
Total assets less current liabilities		30,665	30,785
Creditors: amounts falling due after more than one year	19	(17,290)	(17,808)
Pension liabilities	22	(178)	(232)
Net assets		13,197	12,745
Capital and reserves			
Non-equity share capital	24	-	-
Income and expenditure reserve		13,197	12,745
Total Reserves		13,197	12,745

The notes on pages 31 to 50 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 04 September 2025.



Stephen Gow (chair of the board)
04 September 2025



Michael Parkin (chair of RAC)
04 September 2025



Jennifer Cureton (company secretary)
04 September 2025

Pine Court Housing Association

Statement of Changes in Equity for the year ended 31 March 2025

	Share capital	Income and expenditure reserve	Total equity
	£'000	£'000	£'000
Balance at 1 April 2024	-	12,745	12,745
Surplus for the year	-	443	443
Other comprehensive income for the year			
Actuarial gain on defined benefit pension scheme (note 22)	-	9	9
Other comprehensive gain for the year	-	9	9
Balance at 31 March 2025	-	13,197	13,197

Statement of Changes in Equity for the year ended 31 March 2024

	Share capital	Income and expenditure reserve	Total equity
	£'000	£'000	£'000
Balance at 1 April 2023	-	12,364	12,364
Surplus for the year	-	428	428
Other comprehensive income for the year			
Actuarial loss on defined benefit pension scheme (note 22)	-	(47)	(47)
Other comprehensive loss for the year	-	(47)	(47)
Balance at 31 March 2024	-	12,745	12,745

The notes on pages 31 to 50 form part of these financial statements.

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025

INDEX OF NOTES

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Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

1 Legal status

Pine Court Housing Association is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is registered with the Regulator of Social Housing as a social housing provider with charitable objects.

2 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Pine Court Housing Association (PCHA) includes the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies. PCHA Limited is a Public Benefit Entity (PBE) and has applied the provisions of FRS 102 specifically applicable to PBEs.

Financial reporting standard 102 - reduced disclosure exemptions

PCHA has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows; and
- the requirements of Section 11 Basic Financial Instruments

This information is included in the consolidated financial statements of Sovini Limited as at 31 March 2025 and these financial statements may be obtained from their registered office at Unit 1, Heysham Road, Liverpool, L30 6UR.

The following principal accounting policies have been applied:

Going concern

PCHA's business activities and current financial position are set out in the Strategic Report and the Report of the Board. In preparing the financial statements on the going concern basis the current economic situation was considered with immediate potential for increased costs resulting from higher inflation, higher wage costs, higher interest costs, higher material costs and factored in the following possibilities and outcomes:

- That the current budget, short, medium and long-term financial forecasts, including pension obligations, demonstrate that PCHA have sufficient resources to meet all liabilities as they fall due, for the foreseeable future and at least for the 12 months following approval of these accounts.
- Flexing and stress testing of long-term financial forecasts has been completed by Board to demonstrate that appropriate and practical mitigations are available to in the case of wider economic uncertainty. The stress tests, which included but was not limited to factors such as increased inflation rates, increased interest rates, rent cap, exceptional expenditure, development delays, and sales price fluctuation, aimed to determine their impact on the plan. Multiple stress scenarios were also applied, and circumstances identified under which the plan might be 'broken', meaning bank covenants have been breached, mitigating actions were identified, quantified, and their timing determined.
- That banking covenants and funders' requirements have been met and are forecast to be met going forward.
- The continuing impact of the war in Ukraine, the Middle East unrest, and the unknown political landscape have all been considered within the forecasts and stress tests applied to assess the potential impact of various scenarios. PCHA continue to maintain sufficient liquid resources and committed funding to mitigate any immediate and foreseeable impact in the short, medium and long term, to ensure the potential impact of increased risks identified can be managed, including inflation, increased interest rates, and a significant decline in the housing market.

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

2 Accounting policies (continued)

Going concern (continued)

The cash position as at 31 March 2025 was £2.1m. Cashflow projections do not rely on Government support schemes. The primary reliance in respect of Government funding is attributable to rents and service charges settled through Universal Credit and Housing Benefits, and other customer focussed support. Appropriate stress testing, including a rent cap, has been undertaken to ensure that a variation in Government policy on such payments can be accommodated within future cash flow forecasts.

The expected performance and commitments over the short and medium term have been reviewed and considered, and there is a reasonable expectation that PCHA has adequate resources to continue in operational existence for the foreseeable future, thus ensuring a period of at least 12 months after the date on which the report and financial statements are signed. For this reason, the Board continues to adopt the going concern basis in the financial statements.

Income

Income will be recognised and measured in the financial statements at the fair value i.e. the point at which it is received or receivable. The material income streams are:

- Rental income receivable (after deducting lost rent from void properties available for letting);
- Service charges receivable;
- Revenue grants and proceeds from the sale of land and property; and
- Any other income generated in the period.

Rental income is recognised from the point when properties under development reach practical completion and are formally let.

Service charges

The variable method for calculating and charging service charges has been adopted. Expenditure is recorded when a service is provided and charged to the relevant service charge account. Income is recorded based on the estimated amounts chargeable.

Current and deferred taxation

PCHA is a registered provider and has charitable status for tax purposes and are therefore exempt from taxation of income and gains falling within Part 11 Corporation Tax Act 2010 or section 256 Taxation of Chargeable Gains Act 1992 to the extent these are applied to their charitable objects. PCHA may be liable for tax on surpluses generated from activities outside of the charitable objects.

Value added tax

Value Added Tax (VAT) is charged on certain income streams, and a proportion of the VAT incurred on expenditure is recoverable. The financial statements reflect VAT only to the extent that it is not recoverable from HM Revenue and Customs. VAT that is recoverable, arising from partially exempt activities, is credited to the Statement of Comprehensive Income.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pension costs

Contributions to the Sovini group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

Under defined benefit accounting the Scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. The current service cost and costs from settlements and curtailments are charged to operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

2 Accounting policies (continued)

Holiday pay accrual

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

Tangible fixed assets – Housing Properties

Housing properties constructed or acquired (including land) on the open market are stated at cost less depreciation and impairment (where applicable). The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

Directly attributable administration costs include capitalised interest calculated, on a proportional basis, using finance costs on borrowing which has been drawn in order to finance the relevant construction or acquisition. Where housing properties are in the course of construction, finance costs are only capitalised where construction is on-going and has not been interrupted or terminated.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

Mixed developments are held within Property, Plant and Equipment and accounted for at cost less depreciation. Housing properties in the course of construction are included in Property, Plant and Equipment and held at cost less any impairment, and are transferred to completed properties when ready for letting.

Depreciation of housing property

Housing land and property is split between land, structure and other major components that are expected to require replacement over time. Land is not depreciated on account of its indefinite useful economic life.

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

Description	Economic useful life (years)
Structure	60
Kitchen	25
Bathroom	35
Roofs	60
Boiler installations	20
Central heating	20
External windows	40
Communal	15 to 30
External cladding	50
Lifts	25
Sprinkler systems	7
Fire doors	7

Tangible fixed assets – Other

Other tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The carrying amount of an item of fixed assets includes the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

2 Accounting policies (continued)

Depreciation of other tangible fixed assets

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Description	Economic useful life (years)
Long leasehold land and buildings	50
Plant, machinery and vehicles	5 to 15
Fixtures, fittings, tools and equipment	4
Computer equipment	3

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted respectively as appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

Government grants

Grant received in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the Statement of Financial Position and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018 the useful economic life of the housing property structure has been selected (see table of useful economic lives above).

Where social housing grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met.

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

Impairment of fixed assets

The housing property portfolio is assessed for indicators of impairment at each Statement of Financial Position date. Where indicators are identified, then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and utilised to inform the available options.

The net realisable value is assessed under the available options when determining the recoverable amount for the purposes of impairment evaluation. The recoverable amount is defined as the higher of fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units, or the present value of future cash flows to be derived from them, appropriately adjusted to account for any restrictions on their use.

A cash generating unit is defined as a scheme, except where its schemes are not sufficiently large enough in size, or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value, an impairment is recorded through a charge to income and expenditure.

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

2 Accounting policies (continued)

Financial instruments

Debtors and creditors

Debtors and creditors with no stated interest rate, and which are receivable or payable within one year, are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

Recoverable amount of rental and other trade receivables

The recoverable value of rental and other receivables is estimated, and appropriate impairment adjustments are made to the debtor balance. The impairment assessment considers factors such as the age profile of the debt, historical collection rates, and the classification of the debt.

Rent and service charge agreements

Payment arrangements have been entered into with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Loans, investments and short term deposits

All loans, investments and short term deposits held by are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost), FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the difference between the historical cost and amortised cost basis has been calculated as not material, and so these financial instruments are stated on the Statement of Financial Position at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations rather than the financial instrument's legal form.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position consists of cash at bank, in hand, deposits and short term investments with an original maturity of three months or less.

Leased assets: lessee

Where assets are financed by leasing agreements that give rights approximately to ownership (finance leases), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of the estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease, and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

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

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

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

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

- Whether there are indicators of impairment of within tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on Existing Use Value – Social Housing (EUV-SH) or depreciated replacement cost. The board have also considered impairment based on their assumptions to define cash or asset generating units.
- Pension disclosures in these accounts are prepared by independent actuaries. In compiling these disclosures the actuaries apply judgements based on information provided by the Institute and Faculty of Actuaries.

Other key sources of estimation uncertainty

- Tangible fixed assets

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

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

Though these estimates are subject to fluctuations in the life of asset, sensitivity testing shown below indicates no material impact on the charge that would be recognised in the Statement of Comprehensive Income.

Statement of Comprehensive Income charge adjustment	Current useful expected life (years)	Sensitivity: 10% increase in UEL £'000	Sensitivity: 10% reduction in UEL £'000
Bathroom	35	3	(3)
Boilers / Heating	20	9	(9)
Kitchen	25	8	(8)
Lift	25	1	(1)
Roofs	60	3	(3)
Structure	60	34	(34)
Windows / External doors	40	5	(5)
Fire doors	7	5	(5)
		68	(68)
		<i>Charge</i>	<i>Credit</i>

- Rental and other trade receivables (debtors)

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

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

- Capitalised overhead on developments

Overheads are capitalised up to a target of 4% of works and acquisitions costs, and up to 100% of development salaries and related overheads.

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

4 Particulars of turnover, cost of sales, operating costs and operating surplus

	Turnover	Cost of sales	Operating costs	Operating surplus
	2025	2025	2025	2025
	£'000	£'000	£'000	£'000
Social housing lettings (note 5)	3,921	-	(3,057)	864
	3,921	-	(3,057)	864

	Turnover	Cost of sales	Operating costs	Operating surplus
	2024	2024	2024	2024
	£'000	£'000	£'000	£'000
Social housing lettings (note 5)	3,561	-	(2,751)	810
	3,561	-	(2,751)	810

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

5 Income and expenditure from social housing lettings

	General needs	Supported housing	Total	Total
	2025	2025	2025	2024
	£'000	£'000	£'000	£'000
Income				
Rents net of identifiable service charges	2,897	222	3,119	2,839
Service charge income	211	215	426	392
Amortised government grants	252	25	277	277
Net rental income	3,360	462	3,822	3,508
Other grants	95	-	95	53
Other income	4	-	4	-
Turnover from social housing lettings	3,459	462	3,921	3,561
Expenditure				
Management costs	(460)	(70)	(530)	(471)
Service charge costs	(211)	(215)	(426)	(392)
Routine maintenance and planned maintenance	(551)	(59)	(610)	(626)
Development programme	(1)	-	(1)	(3)
Major repairs expenditure	(607)	(176)	(783)	(579)
Bad debts	3	-	3	6
Depreciation of housing properties				
annual charge	(639)	(40)	(679)	(660)
accelerated on disposal of components	(29)	-	(29)	(23)
Depreciation of other tangible fixed assets	(2)	-	(2)	(3)
Operating expenditure on social housing lettings	(2,497)	(560)	(3,057)	(2,751)
Operating surplus/(deficit) on social housing lettings	962	(98)	864	810
Void losses	(2)	-	(2)	-

6 Units of housing stock

	2025	2024
	Number	Number
General needs social housing:		
social	415	415
affordable	67	67
Supported housing	38	38
Intermediate	23	23
Total social housing units	543	543
Total managed accommodation	543	543
Total owned and managed accommodation	543	543
Units under construction	-	-

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

6 Units of housing stock (continued)

Reconciliation of unit numbers:	Supported housing	General needs social rent	General needs affordable rent	Intermediate	Total
Opening unit numbers	38	415	67	23	543
New stock acquired/developed	-	-	-	-	-
Unit numbers as at 31 March 2025	38	415	67	23	543

7 Operating surplus

	2025 £'000	2024 £'000
--	---------------	---------------

This is arrived at after charging:

Depreciation of housing properties		
annual charge	679	660
accelerated depreciation on replaced components	29	23
Depreciation of other tangible fixed assets	2	3
Auditors' remuneration (excluding VAT)		
fees payable to the auditor for the audit of the company's annual	15	15
fees for audit related assurance	6	2

8 Employees

	2025 £'000	2024 £'000
Staff costs (including management team) consist of:		
Wages and salaries	295	241
Social security costs	27	23
Pension costs (note 23)	16	14
	338	278

The average number of employees (including management team) expressed as full time equivalents (calculated based on a standard working week of 36 hours) during the year was as follows:

	2025 No.	2024 No.
Customers and neighbourhoods	8	7

Pine Court Housing Association Limited employees have access to a defined contribution pension scheme, which is operated by the Sovini group on behalf of all group entities. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £16k (2024: £14k).

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

9 Directors' remuneration

The directors are defined as the non-executive directors (disclosed in note 10) and the executive directors. All directors are deemed to be the only key management personnel.

	2025 £'000	2024 £'000
Directors' emoluments	89	78
Amounts receivable under long-term incentive schemes	1	-
Company contributions to money purchase pension schemes	7	6
Total	97	84

The total amount payable to the highest paid director in respect of emoluments was £73k (2024: £63k). Pension contributions of £5k (2024: £6k) were made to a money purchase scheme on their behalf.

The remuneration paid to staff (including management team) earning over £60,000 upwards:

	2025 Number	2024 Number
£60,000 - £69,999	-	1
£70,000 - £79,999	1	-

10 Board members

Total remuneration paid to six (2024: seven) board members in the year was £21k (2024: £16k).

11 Interest receivable and income from investments

	2025 £'000	2024 £'000
Interest receivable and similar income	39	41

12 Interest payable and similar charges

	2025 £'000	2024 £'000
Bank loans	450	413
Net interest on net	10	10
Bank loans	460	423

13 Taxation

PCHA is a registered provider and has charitable status for tax purposes and are therefore exempt from taxation of income and gains falling within Part 11 Corporation Tax Act 2010 or section 256 Taxation of Chargeable Gains Act 1992 to the extent these are applied to their charitable objects. The Association may be liable for tax on surpluses generated from activities outside of the charitable objects.

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

14 Tangible fixed assets – housing properties

	Supported housing completed £'000	General needs completed £'000	Total £'000
Cost or valuation			
At 1 April 2024	2,065	37,600	39,665
Additions			
replaced components	25	100	125
Disposals			
replaced components	(7)	(63)	(70)
At 31 March 2025	2,083	37,637	39,720
Depreciation			
At 1 April 2024	(845)	(8,918)	(9,763)
Charge for the year	(40)	(639)	(679)
Eliminated on disposals			
replaced components	7	35	42
At 31 March 2025	(878)	(9,522)	(10,400)
Net book value at 31 March 2025	1,205	28,115	29,320
Net book value at 31 March 2024	1,220	28,682	29,902
		2025	2024
		£'000	£'000
Works to properties			
Improvements to existing properties capitalised		125	145
Major repairs expenditure to income and expenditure account		783	579
		908	724
Total social housing grant received or receivable to date is as follows:			
Capital grant – housing properties		17,438	17,438
		17,438	17,438

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

15 Other tangible fixed assets

	Long leasehold land and £'000	Other £'000	Total £'000
Cost or valuation			
At 1 April 2024 and as at 31 March 2025	96	8	104
Depreciation			
At 1 April 2024	(52)	(8)	(60)
Charge for year	(2)	-	(2)
At 31 March 2025	(54)	(8)	(62)
Net book value			
At 31 March 2025	42	-	42
At 31 March 2024	44	-	44

16 Fixed asset investments

Details of investments in group undertakings

The principal undertakings in which Pine Court Housing Association has an interest in are as follows:

Name	Country of incorporation or registration	Proportion of voting rights / ordinary share	Nature of business	Nature of entity
Sovini Environmental Limited	England	0.65% £1 Ord Share	Dormant company	Incorporated company
Sovini Developments Limited	England	0.65% £1 Ord Share	Provision of design and	Incorporated company

Investments are held at cost of £2 (2024: £2).

Gift aid of £nil for the year was received from Sovini Developments Limited (2024: £nil).

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

17 Debtors

	2025 £'000	2024 £'000
Due within one year		
Rent and service charge arrears	33	31
Less: Provision for doubtful debts	(22)	(22)
	11	9
Amounts owed by group undertakings	51	-
Trade receivables	111	144
Other debtors	62	57
Prepayments and accrued income	12	65
	247	275

All amounts shown under debtors fall due for payment within one year. All loans owed by group undertakings are charged at an interest rate of 1% above the Bank of England (BoE) base rate. Routine trade transactions do not have an interest rate charged.

18 Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Loans and borrowings (note 21)	119	308
Trade creditors	7	18
Rent and service charges received in advance	211	182
Amounts owed to group undertakings	269	151
Taxation and social security	17	15
Other creditors	37	37
Deferred capital grant (note 20)	277	277
Accruals and deferred income	85	176
	1,022	1,164

All amounts shown under creditors fall due for payment within one year. All loans owned to group undertakings are charged at an interest rate of 1% above the BoE base rate. Routine trade transactions do not have an interest rate charged.

19 Creditors: amounts falling due after more than one year

	2025 £'000	2024 £'000
Loans and borrowings (note 21)	4,082	4,323
Deferred capital grant (note 20)	9,708	9,985
Amounts owed to group undertakings	3,500	3,500
	17,290	17,808

Included within amounts owed to group undertakings is a £3.5m 10 year term loan (expiring September 2028) at 3.71%, from One Vision Housing Limited, a subsidiary of the Sovini Limited.

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

20 Deferred capital grant

	2025 £'000	2024 £'000
At 1 April	10,262	10,539
Released from income during the year	(277)	(277)
At 31 March	9,985	10,262

	2025 £'000	2024 £'000
Due in one year or less	277	277
Due in more than one year	9,708	9,985
	9,985	10,262

21 Loans and borrowings

Maturity of debt:

	Bank loans 2025 £'000	Bank loans 2024 £'000
In one year or less, or on demand	119	308
In more than one year but not more than two years	128	(8)
In more than two years but not more than five years	440	(24)
In more than five years	3,514	4,355
	4,201	4,631

Loans are secured by specific charges on the housing properties of PCHA.

At 31 March 2025 Pine Court Housing Association had £3.0m undrawn loan facilities (2024: £3.0m).

Funder	Type	Drawdown Date	Maturity Date	Amount £m	Interest Rate %
Orchardbrook	Fixed	15/12/2009	30/09/2047	0.18	9.92
NatWest C	Fixed	13/09/2024	03/06/2030	3.00	5.06
NatWest B	Variable	31/10/2019	06/12/2031	1.08	4.78
Loan fees				(0.06)	
Total				4.20	

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

22 Pension deficit liability

Present values of defined benefit obligation, fair value of assets and defined benefit liability	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Fair value of plan assets	977	984
Present value of defined benefit obligation	(1,155)	(1,216)
Net defined benefit liability to be recognised	(178)	(232)

Reconciliation of opening and closing balances of the fair value of defined benefit obligation	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Defined benefit obligation at start of period	1,216	1,216
Expenses	3	3
Interest expense	58	58
Actuarial losses due to scheme experience	54	8
Actuarial gains due to changes in demographic assumptions	-	(14)
Actuarial (gains)/losses due to changes in financial assumptions	(128)	1
Benefits paid and expenses	(48)	(56)
Defined benefit obligation at end of period	1,155	1,216

Reconciliation of opening and closing balances of the defined benefit assets	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Fair value of plan assets at start of period	984	989
Interest income	48	48
Experience on plan assets (excluding amounts included in interest income) - loss	(65)	(52)
Contributions by employer	58	55
Benefits paid and expenses	(48)	(56)
Fair value of plan assets at end of period	977	984

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was £17k.

Defined benefit costs recognised in statement of comprehensive income (SOCl)	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Expenses	3	3
Net interest expense	10	10
Defined benefit costs recognised in statement of comprehensive income (SOCl)	13	13

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

22 Pension deficit liability (continued)

Assets	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Global equity	110	98
Absolute return	-	38
Distressed opportunities	-	35
Credit relative value	-	32
Alternative risk premium	-	31
Liquid alternatives	181	-
Emerging market debt	-	13
Risk sharing	-	58
Insurance - linked securities	3	5
Property	49	40
Infrastructure	-	99
Private equity	1	1
Real assets	117	-
Private debt	-	39
Opportunistic illiquid credit	-	38
Private credit	120	-
Credit	37	-
Cash	13	19
Investment grade credit	30	-
Long lease property	-	6
Secure income	16	29
Liability driven investment	296	401
Currency hedging	2	-
Net current assets	2	2
Total assets	977	984

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

Defined benefit costs recognised in other comprehensive income	Year ended 31 March 2025	Year ended 31 March 2024
Experience on plan assets (excluding amounts included in interest income) - loss	(65)	(52)
Experience gains and losses arising on the plan liabilities - loss	(54)	(8)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	-	14
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	128	(1)
Total amount recognised in other comprehensive income - gain/(loss)	9	(47)

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

22 Pension deficit liability (continued)

<i>Key assumptions</i>	Year ended 31 March 2025 % per annum	Year ended 31 March 2024 % per annum
Discount rate	5.77%	4.89%
Inflation (RPI)	3.11%	3.17%
Inflation (CPI)	2.78%	2.77%
Salary growth	3.78%	3.77%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 (years)
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2044	21.7
Female retiring in 2044	24.5

Active Members	Number	Total earnings (£'000 p.a.)	Average age (unweighted) (years)
Males	2	98	58
Females	1	31	51
Total	3	129	55

Deferred members	Number	Total earnings (£'000 p.a.)	Average age (unweighted) (years)
Males	1	1	59
Females	5	10	52
Total	6	11	53

Pensioners	Number	Total earnings (£'000 p.a.)	Average age (unweighted) (years)
Males	5	35	69
Females	2	9	66
Total	7	44	69

23 Pensions

PCHA has two pension schemes within the Social Housing Pension Scheme (SHPS). A defined benefit pension scheme is operated for existing members of staff and contributions of £nil (2024: £nil) were paid in the year (scheme is closed to new staff). Also, a defined contributions scheme is in place for new staff and auto enrolment. In the year, contributions of £16k (2024: £14k) were made to this scheme.

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

23 Pensions (continued)

We have been notified by the Trustee of the Social Housing Pension Scheme that a Scheme Benefits Review has been completed and as a result there is some uncertainty around how these changes have been made and clarification is being sought via a court case. This process is ongoing and remains unlikely to be resolved before the end of 2025. It is recognised that this could potentially impact on the value of

24 Non-equity share capital

	2025 £	2024 £
At 1 April	15	15
Shares issued in the year	-	-
Shares cancelled in the year	-	-
At 31 March	15	15

Share capital consists of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. When a shareholder ceases to be a member, that share is cancelled and the amount paid thereon becomes the property of PCHA. Therefore, all shareholdings relate to non-equity interests.

25 Capital commitments

As at 31 March 2025 capital commitments were £nil (2024: £nil).

26 Related party disclosures

Related party transactions with subsidiaries

The ultimate controlling party of the Sovini group is Sovini Limited, a community benefit society. Control is held by being the parent shareholder with ultimate approval of PCHA business objectives, strategic planning and board membership.

• *Sovini Limited*

During the year PCHA had transactions with its parent entity Sovini Limited. PCHA incurred recharges of £121k (2024: £29k) and SLA charges of £203k (2024: £196k) which have been expensed to the statement of comprehensive income. The SLA charges incurred are shown below.

	2025 £'000	2024 £'000
Core service costs – finance, IT support, legal services etc.	179	171
Strategic management, governance and health and safety management	21	19
Additional services	3	6
	203	196

Included within creditors are amounts owed to Sovini Limited of £1k (2024: £0.3k) and within debtors are amounts owed from Sovini Limited of £51k (2024: £nil).

• *One Vision Housing*

During the year PCHA had transactions with One Vision Housing Limited, a fellow subsidiary in the Sovini group. PCHA incurred recharges of £59k (2024: £104k) and SLA charges of £71k (2024: £143k) which have been expensed to the income and expenditure statement.

Included within creditors are amounts owed to One Vision Housing Limited of £3,562k (2024: £3,584k), of which £3,500k relates to an intercompany loan (see note 19) and within creditors (see note 18) owed to PCHA of £62k (2024: £84k).

Pine Court Housing Association

Notes Forming Part of the Financial Statements for the year ended 31 March 2025 (continued)

26 Related party disclosures (continued)

- ***Sovini Property Services Limited***

During the year, PCHA had transactions with Sovini Property Services Limited, a fellow subsidiary in the Sovini group. PCHA made purchases of 928k (2024: £875k). £116k (2024: £188k) has been capitalised within tangible fixed assets and £812k (2024: £687k) has been expensed to the income and expenditure account as responsive, planned and cyclical repairs and investment programme expenses.

Included within creditors are amounts owed to Sovini Property Services Limited of £148k (2024: £13k) and within debtors are amounts owed from Sovini Property Services Limited of £nil (2024: £nil).

- ***Amianto Services Limited***

During the year, PCHA had transactions with Amianto Services Limited, a fellow subsidiary in the Sovini group. PCHA made purchases of £68k (2024: £256k), which has been expensed to the income and expenditure account as responsive, planned and cyclical repairs. Included within creditors are amounts owed to Amianto Services Limited of £58k (2024: £nil).

- ***Sovini Trade Supplies Limited***

During the year, PCHA had transactions with Sovini Trade Supplies Limited, a fellow subsidiary in the Sovini group. PCHA made purchases £1k (2024: £nil), which has been charged to the income and expenditure account within management costs.

- ***Sovini Developments Limited***

There have been no transactions between Sovini Development Limited, a fellow subsidiary of the Sovini Group, during the current year (2024: £6k).

Included within creditors are amounts owed to Sovini Developments Limited of £nil (2024: £nil).

Related party transactions with board members

Some PCHA Board members are also board members of Sovini Limited Board or Sovini Risk and Audit Committee (RAC).

None of the PCHA Board members are also customers of PCHA.