Co-operative and Community Benefit Society Number: 22545R
Housing Corporation Registration Number: LH2916

CHADD

Churches Housing Association of Dudley and District Limited

Board members' report and financial statements

For the year ended 31 March 2026

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Churches Housing Association of Dudley and District Limited

Association Information

Board members	Rt Rev M Gorick (Chair) Mrs J Armstrong (Vice Chair) Mr S Billingham (Treasurer) Mr P Weston Mrs L Chibuzor Mrs C Palmer-Fagan Mrs S Haywood Mr P Wade Mrs C Bayton Ms R Kanneh Ms W Stephens Mr G Carson
Secretary and Chief Executive Officer:	Mrs A Walsh
Housing Corporation Registration Number:	LH2916
Co-operative and Community Benefit Society Number:	22545R
Registered office	Brindley House 48-50 Hall Street Dudley DY2 7DT
Independent auditor	Dains Audit Limited 2 Chamberlain Square Birmingham B3 3AX
Bankers	Lloyds Bank Plc 162 Halesowen Road Blackheath Warley B64 5RS

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Board members' report
For the year ended 31 March 2026

The Board of Management presents their report and the financial statements for the year ended 31 March 2026.

Review of the Association

CHADD is a small and highly specialist organisation that provides housing and related care and support services to people within the borough of Dudley. More information about our services and activity can be found in our annual report. These services include:

- A foyer project with additional floating support services for young people aged between 16 and 25 enabling them to gain independent living skills and be supported into training, education and employment. This service is now delivered as part of the Alliance contract providing transitional support for young people in crisis.
  Supported housing for young parents in self-contained apartments in Dudley, supporting those new parents with parenting skills, housing support and independent living.
- Safe refuge accommodation for victims of domestic abuse and their children in a range of accommodation options as single-sex Refuge hubs. We also provide refuge homes for male victims, and people from the LGBTQ+ community who have suffered domestic abuse as part of our dispersed refuge provision.
- An outreach team providing one-to-one specialist IDVA and step-down support, and group support programmes to families in need as a result of domestic abuse and other complex issues. The team members are highly trained and skilled in a wide range of relevant areas and are therefore able to meet diverse client needs.
- CQC registered care services, supported living provision and a large community-based care and support service for adults living with learning disabilities, acquired brain injury and autism.
- Sheltered housing community options for older people in self-contained flats at various locations in the borough.
- Two registered supported living services to provide support and care for people living with enduring mental health conditions in their own homes and specifically at our St Marks House and Brook Street schemes.
- Partnership projects with specialist care and support providers to provide housing for people with mental ill health and people with learning disabilities.

The Association employs the services of local contractors to provide a comprehensive repairs and maintenance service for all properties with a planned maintenance and stock condition programme to ensure that they remain high quality homes.

Working with local statutory and voluntary organisations within the Dudley Metropolitan Borough area the association is able to help shape strategy to meet the future needs of the Dudley Community and through partnership working to support the delivery of those strategies. In addition, CHADD has regional and national influence with our CEO, and members of the senior team representing small housing associations with the National Housing Federation CEO group, West Midlands Combined Authority and other Black Country wide initiatives on housing, homelessness, poverty and domestic abuse.

CHADD is guided in all its operations by the vision and mission statement and business plan approved by the Board of Management.

CHADD Vision and Values

Our Vision - to support people to thrive so they can be the best they can be.

We take pride in:

- Investing in the people of Dudley.
- Being valued by the people we serve.
- Taking care of our team.
- Applying a clear Christian ethos.
- Being pro-active and positive in changing policies and how services work.
- Being a committed partner.

We:

- Believe that everyone deserves a safe home and a chance to thrive.
- Believe in the best of people and in their potential.
- Believe in the local voluntary sector.
- Are passionate about combating injustice and abuse.
- Are always learning.

Our Mission - to provide a safety net in times of crisis and a springboard to a better future that enables people to live their best life.

Activity review - Highlights of the Year

Over the course of this year, CHADD provided housing, help and support in various forms to 1,750 people throughout the borough of Dudley across our range of services. We continue to see our services develop and our income streams diversify to meet the needs and challenges faced by people in Dudley. Our ethos of providing a 'safety net' for people experiencing crisis or difficult life challenges and a 'springboard' to better life outcomes underpins all that we deliver, and is central to our Strategic Business Plan objectives.

Our new Strategic Plan 2025-2030 sets our priorities and intentions for the next 5 years and has provided the central focus in this last year of delivery. The Strategic Plan is set out across six strategic themes –

1. Trusted Landlord – as rated by our tenants & residents, to provide a quality housing service.
2. Quality Homes – improvements and investments to provide homes that people are proud to live in.
3. Thriving Communities – expanding our safety net and springboard initiatives for people, families and our teams.
4. A Greener CHADD – contributing to a healthier planet, homes that are energy efficient reducing the impact of climate change.
5. Employer of Choice – one team working together, developing people, sense of pride & belonging.
6. Resilient Organisation – well run and well governed, compliant, effective and efficient.

In the first year of the new strategy, we are investing in new homes, seeing new services develop and new partnerships to support our priorities and meet the needs of our community.

Our achievements against our annual targets are detailed in full within our Annual Report 2025-26 published on our website.

It has been another year of changes, growth and service development across our range of services.

Merger

The significant activity of this year took place on 31st March 2026 which saw the transfer of engagements with Wordsley Housing Society bringing 25 units of accommodation under our management and 39 new staff to our workforce. This merger also included the transferring of all assets which totalled over £700k. This followed a careful and considered process of due diligence and approval by both Boards in quarter 3 and 4 and builds on a long standing partnership between our organisations. Whilst this happened at the very end of the year, it has been an important development and expands our mental health provision, adding revenue income/contracts for care services and cash to our reserves.

We have delivered our third year of leading the **Dudley Young People's Alliance** as the lead provider working in partnership with sub- contractor charities:

- Black Country YMCA, Greensquare Accord, Top Church Training and Just Straight Talk.

Our 4th year achievements for the Alliance partnership:

- 36,000 hours of support delivered across the partnership
- 475 young people supported with housing & wrap-around support
- 210 young people accessed education, employment and training or volunteering
- 87% of young people moved on positively from the service in a planned way evidencing positive impact

Across all of our young people services, we have delivered our core services plus a range of specialist projects and co-production activities leading to the service successfully achieving Foyer Federation accreditation for the 4th year, assessed as being at the 'Leader Level'; the highest award under their new accreditation process, and a strategic partner for the national organisation.

The facilities at our main Foyer hub benefited from a new partnership with Derry Building Services who provided a volunteer team, supplies, equipment and funding to undertake works to refurbish and revitalize the gym space, as part of their social value commitment. The gym has become a very popular facility with really positive feedback from young people.

Merry Hill House, new homes

We developed a partnership with Everlast Homes signing a 15-year lease to bring 6 new studio flats in to our management to use as move-on accommodation for young people.

Young Parents Supported Housing

Westley Street remains a service in demand with health waiting lists and positive outcomes. We have continued to see the benefit of a peer mentor approach through a successful funding bid through public health and DCVS, enabling us to employ a young family 'peer mentor'; a former resident who is supporting other young parents with activities, child development and advice & guidance. This has been very effective with the mentor providing support to 15 other parents both at the scheme and for those living in the community. We have had 2 young families move on from the service to their own independent homes.

Domestic Abuse Services

We have seen a slight increase in funding through the Domestic Abuse Act allocation that has contributed to inflationary increases across the service. We continue to see high numbers of referrals and demand and the complexity of cases increasing too. The team are adapting and finding ways to flex the service to meet those needs.

Refuge Service

- We received 211 referrals in to our Refuge accommodation, with referrals from migrant women making up a third of those referrals.
- We provided 14,700 nights of safety and recovery for victims of domestic abuse and their children, housing 190 women and 67 children across our Refuge hubs and dispersed homes.
- 67 women moved on from our Refuge service with an 80% positive move-on rate.

Specialist roles within our refuge hubs that are focused on resettlement, complex needs, therapeutic wellbeing, counselling and support for children, have continued to provide support as part of trauma recovery helping victims become survivors that can rebuild and thrive.

Outreach Services

Our specialist and community-based outreach service continues to support more victims through group programmes and one-to-one work building on the new roles and specialisms developed over recent years. We provided support to 284 victims through this model of service with 225 of those being supported by our qualified IDVAs specialising in older people's abuse, homelessness and disabilities, LGBTQ and supporting those from minoritised communities. 308 children were supported as part of that specialist work, 47 survivors were supported in group settings and 120 survivors were supported through our Sanctuary service providing additional security measures in their home – an increase of 11%.

Last year we launched the Conforto service, utilising residual MHCLG funding, to support victims and survivors of sexual abuse.

- 8 women received support in total, with 11 referrals received, providing 60 sessions and 51 hours of one-to-one support.
- 16 Comfort Gifts have been provided to survivors in the community and £467 raised in donations along with practical gifts and items received from local businesses and benefactors.
- The service continues to grow in profile and reach with new partnerships with Brook Clinic and Russells Hall Hospital.

Care Services – 130,500 hours of care/support each year

Our community and supported living service now provides 108,000 hours of care and support, and at St Marks House, our mental health service, we provide 22,500 hours. In addition, now that we have new services following the merger with Wordsley Housing Society, our Brook & Sutton Street service deliver a further 30,000 hours of care and support.

As part of our wellbeing strategy, we have seen an increase in those engaging in our activities and wellbeing events with a focus on movement, arts & craft, giving back to the community, befriending and wellness. The service users in these services have also undertaken fundraising activity for Cancer Macmillan and Black Country Foodbank over the year as part of contributing to community life.

Sheltered Housing

We now have 97 units of sheltered accommodation for people aged 55 and above. We have continued to invest significantly in our sheltered housing homes for older people through our capital investment program. We have developed our wellbeing offer and social activities at each site to benefit our older tenants and the community ethos of the service. These services continue to be a solid income stream for CHADD with low void turnover and consistent rental income.

Improving our Homes
We continue to deliver our capital investment programme as a major objective of our strategic plan to ensure they are compliant and fit for purpose to provide homes people can thrive in. In 2025-26, we delivered our largest ever program of work that included:

- 226 x window installations
- 6 x kitchens replaced
- 5 x new boilers/heating systems
- 2 homes had full electrical rewiring

Other works for replacement doors and fascias were also part of this year's program.

Tenant Satisfaction Measures
In line with the new regulatory requirements, we have replaced our tenant's survey with the Tenant Satisfaction Measures and we aim to complete every 2-years. Our overall satisfaction rating was 85% with some very positive scores across the key elements – a snapshot provided below. These were reported to tenants through our monthly newsletter and in our Annual Report.

Overall satisfaction

- Resident Satisfaction – 85% were fairly or very satisfied
- Feel safe in your home – 87% were fairly or very satisfied
- Satisfied with repairs – 87% were fairly or very satisfied
- We treat residents with fairness & respect – 84% were fairly or very satisfied
- Landlord listens to view and acts – 77% were fairly or very satisfied

Detail on our performance against the Tenant Satisfaction Measures and our response is provided in our Annual Report 2025-26 published on our website, including how we compare and benchmark with similar organisations.

Partnerships in Action
We have continued to contribute to the local faith community and voluntary sector response to support those experiencing food poverty and holiday hunger, and social isolation and loneliness. We have been able to provide food parcels at Christmas and Easter, and free sanitary products for women and girls. We continue to provide our popular drop-in food bank provision for young people facing hardship and victims of domestic abuse living in our local community. In partnership with DMBC, WMCA and DCVS, we administer the Change in to Action Fund that utilised £6,086 for essential furniture and items for 12 people to aid recover and resettlement from homelessness.

CHADD continue to play a significant leadership role in the local voluntary sector and this has continued this year with our role as lead of the Dudley Young People's Alliance, our role on the Dudley Domestic Abuse Partnership Board, membership of the Combined Partnership LLP, chair of the Homelessness Forum, and our work to continue to strengthen and support other local smaller charities with their governance. We also sit as key members of the Housing & Health Forum locally and regionally and we sit on the Safeguarding Forum for Voluntary Sector Leaders.

We have also secured match funding with the West Midlands Combined Authority Retro Fit pilot fund and an ongoing partnership with them to deliver our Net Zero targets over the next 3-years as part of our 'Greener CHADD' priority.

Future developments and plans

- To progress with our development of the Glebelands site for a Foyer for young people with learning disabilities adding units of accommodation and rental income whilst meeting a strategic need for Foyer provision for this client group.
- To progress development and/or disposal of existing sites, and/or purchase of new homes in line with our business plan to upgrade, increase and improve our homes.
- To continue to deliver our ambitious capital investment programme.

Value for Money

Our Business Plan considers the operating environment, and the opportunities and challenges this presents for us, and seeks to balance the needs and aspirations of our service users with the sustainability of the organisation. As a small, charitable association we have always been acutely aware of the need to operate cost effectively and to use our resources wisely to generate benefits for the vulnerable people we accommodate and support. We recognise the importance of being true to our mission and ethos; value for money does not mean doing things as cheaply as possible, it means doing the right things in the right way to maximise the value of our assets.

In 2025 we launched our new 5-year strategic plan and annual targets were set out and progress monitored throughout the year with performance being measured.

Our approach to value for money is set out in our Value for Money and Social Value Strategy, which was updated and relaunched in November 2022. Our VfM achievements during the year are also detailed in our Annual Report, which is published on our website. The VfM Statement details our strategic approach to value for money and covers key areas such as Asset Management, Operations, Treasury, Surplus, Improvement Plans and Board Assurance and is themed on the three E's - economy, efficiency and effectiveness.

VfM Metrics

In accordance with the Regulators revised VfM standard, detailed below are a set of key metrics which are calculated directly from the financial statements and allow comparability across the sector.

Metric	2026	2025
Reinvestment	9.7%	6.6%
New supply delivered (social housing)	0.0%	0.8%
New supply delivered (non-social housing)	0.0%	0.0%
Gearing	-41.2%	-36.4%
Interest cover	117%	2,136%
Social housing cost per unit	£15,189	£13,786
Operating margin (social housing lettings)	9.9%	14.4%
Operating margin (overall)	5.9%	8.9%
Return on capital	2.6%	4.2%

Reinvestment figures have increased from 6.6% in 2025 to 9.7% in 2026 which highlights our continued commitment to invest in upgrades, improvements and repairs throughout our housing stock - as per our 30 year asset upgrade programme. This resulted in £781k being reinvested in day to day maintenance, major repairs and capital improvements. The above figure included £505k of capital improvements to properties with upgrades and replacements to Kitchens, Windows, Doors, Boilers, Roofs, Electrics and Design and Development costs included in the programme. This is further evidence of our intent to reinvest heavily in our current housing stock and make our homes more modern and fit for purpose. The new supply delivered metric was 0.0% as there was no additional units delivered. It was noted that the Association continues to operate 9 units of accommodation that are owned by Bromford Housing Association via a management agreement.

The negative gearing metric shows that there is very little (if any) reliance on external financing and how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. The metric takes in to consideration the cash and cash equivalents figure of over £3.53m against short and long term loans of just £206k and had cash balances not been considered then the comparative percentages would have been 2.7% for 2025 and 2.6% for 2026.

Interest cover has reduced significantly from the previous year due to a substantial decrease in operating surplus (£566k in 2025 compared to £381k in 2026). This is mainly due to the sale of a property (Grammar School Lane) and an additional rental week occurring in the previous year. Another reason for such a drop in interest cover is due to a large increase in capital expenditure which saw £226k spent in 2025 compared to £505k in 2026, and further evidences our commitment to improving our properties and services. The above costs are compared against interest payable and financing costs of just £23.1k which is historically very low within our sector. Interest cover of 117% suggests high levels of liquidity and investment capacity as well as low levels of interest compared to the surplus being generated.

Social housing cost per unit increased from £13,786 to £15,189 which is mainly due to a sharp increase in capital improvements, cost of living increases and a rise in repairs and maintenance costs. However, it should be noted that these costs per unit are considerably higher compared to the wider general needs sector due to the nature of the support that we offer and the fact that some of the costs are for providing services within the community and are not directly linked to any property.

Operating margins on social housing lettings have reduced from 14.4% to 9.9% which represents a decrease in surplus from social housing operations from £580k in 2025 to £386k in 2026. Last year was an exceptionally high year due to an additional rental week falling in 2025 as well as the sale of Grammar School Lane during the year.

Overall operating margins have reduced from 8.9% to 5.9% due to a surplus of £381k being achieved this year compared to £566k for the previous year – as mentioned previously. The return on capital employed metric has also decreased from 4.2% to 2.6% due to a downturn in operating surplus. However, total assets less current liabilities grew from £13.5m last year to £14.9m this year due to assets totaling over £700k being transferred in following the merger with Wordsley Housing Society and significant capital investment of over £505k. The value of our investments also rose considerably during the year due to higher than expected interest rates and general market confidence continuing globally.

Financial performance review

The Association's surplus for the year totalled £406k (2025: £599k) which highlights another year of significant growth and continued efficient financial management. Investments also increased in valuation by over £353k which evidences the sensible use of the associations finances to further grow our reserves.

The Association’s financial position remains very secure. Cash balances have increased to £3.53m (2025: £3.02m) and outstanding loans have reduced to £206k (2025: £208k).

Comparing the actual performance for the year against the updated annual targets set out in the business plan shows the achievements and continued progress made over the past 12 months. These include:

- Turnover was forecast to be £6.42m in the business plan but actual turnover for the year totalled over £6.46m. This was mainly due to improvement of void loss, identifying new income streams and more proactive arrears management.
- The budgeted surplus target for the year was set at £201k but the actual surplus achieved for 2025/26 was £406k.
- Increasing grant income and new funding streams was another target and £5k of Health and Housing (sheltered) and £2.5k Cake not Hate (foyer) funding was secured as well as the usual income from West Midlands Police and Sanctuary for new and continued DV projects.
- The capital asset improvement plan for the year was identified as £365k but the total cost was over £505k as design and development costs for the new refuge (£107k) and lease improvement costs associated with Merry Hill (£50k) were added to the annual programme – further evidence of our commitment to improving our housing stock.

Looking forward to the next financial year the budget has identified a surplus target of £242k. This factors in the impact of the merger with Wordsley Housing Society, relative increases to rental and care fee income and continued effective management of voids. Buffers and contingencies are built in to our budgets to address cost of living increases and it is hoped that the continued efficient management of our operations should result in us exceeding our surplus targets for 2026/27. Additional funding and new income streams will also be targeted during the year.

The budget also identified an annual capital repairs programme totaling £384k for the year ahead. This again shows the financial commitment that we are making to improve our housing stock to ensure that every home is fit for purpose, offers value for money and is sustainable. To realise the surplus that we aim to achieve during the year we will continually monitor costs to ensure that we are achieving value for money. Maintenance contractors and service contracts are reviewed annually by the Asset Manager to ensure competitive rates, materials and servicing costs are secured. Local brokers are used to compare energy rates from different providers in order to tie in competitive rates on bulk contracts across all of our properties in light of previous soaring energy prices. Providers of items such as stationery, medical supplies, training and agency staff are all reviewed by the central office team to ensure that our value for money principles extend to all items of expenditure.

Our surplus contributes to the organisation's reserves which allows us to reinvest in our homes, communities and services.

Following a process of self-assessment working in partnership with the Board Development Agency, the board of management is satisfied that CHADD is compliant with the Regulator's Value for Money Standard and the Governance and Financial Viability Standard, and has improvement plans in place for regular review.

Benchmarking

We are members of the Acuity Supported Housing Benchmarking Group, which has enabled us to compare our performance against similar associations. Some of the headlines are as follows:

- Repairs performance – percentage of repairs fixed on first visit of 99.7% compared to a group median of 97%.
- Void Loss/Lettings – 4th highest percentage for relets and more than triple the sector median, which was a better position than last year but we also noted that we are still being compared with services providing long-term housing with very little void turnover. Out of the 3 others who do provide short-term housing, we are the best performer in terms of percentage of stock, although this increased by 20 compared with the previous year – we think this is because we increased the Refuge spaces and have a 10-day nomination agreement with DMBC for those new units.
- Income management – our rent collected figure (98%), current tenant arrears (3.9%) and bad debt write off figures were all in line with group averages which shows efficient management of rent collection, arrears and voids.
- Cost per property – responsive repairs and void works £1,179 (median £938) and major and cyclical works £1,278 (median £1,246) shows the level of investment in our current housing stock to improve standards throughout.
- Overhead cost as a percentage of turnover – 13% (compared to a median of 18%) shows efficient management throughout.

Reserves

The surplus for the year is (in line with our strategic plan) being utilised to fund the significant capital investment works over the next five years to ensure that our homes are of good quality, are well maintained, compliant and provide a home to be proud of and that will enable people to thrive.

The Board believes that reserves are fundamental to the future of the Association in order to fund major repairs and improvements to housing properties as they become necessary and to provide property equity for future housing developments and to provide a buffer against future challenges.

Going concern

Under the governance requirements, the Board confirms that after making enquiries they have a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Principal risks and uncertainties

The Association's policy is not one of risk avoidance, rather we aim to identify and manage an acceptable level of risk and the Association Board has identified its risk appetite for each of the strategic risks identified.

The Association Board has overall responsibility for risk management but has delegated to the Finance & Risk Committee responsibility for reviewing the scope and effectiveness of the risk management framework, policies and procedures. The executive management team provides corporate leadership of risk management and all managers integrate risk appraisal into their decision making.

The Association maintains a close eye on various sources of risk including but not limited to: supply chain disruptions, increasing inflation and interest rates, ongoing shortages of materials and skills in respect of delivering essential services and investment in new housing stock, energy efficient improvements and catch-up repairs, fire safety assessments and weak operating margins from remedial safety works.

Treasury management and control

Treasury activities are managed by the Chief Executive and the Head of Finance in consultation with the Treasurer and are subject to polices approved by the Board. The major financial risks to which the Association is exposed relate to interest rates, investment risk and liquidity risk. No speculative use of derivatives or other instruments is undertaken. The policies to manage the risks have remained unchanged in the year and are summarised below.

Interest rate risk

The Association finances its operations through the management of its cash deposits, investments and bank deposits. Cash deposits are held in a short-term bank account, deposits are held in accounts with Lloyds Bank and Scottish Widows Bank and investments managed by Evelyn Partners Investment Management, St James's Place Investment Management and EFG Harris Allday. The Association deposits and invests funds which are surplus to the operational requirements of the Association in order to maximise the return on its investments and minimise risk.

Liquidity risk

The Association's policy is to ensure the continuity of funding by arranging short-term deposits and investments which are available when required.

Stock quality

The Association ensures an effective system for repairs and maintenance is in place to meet minimum standards and the needs of tenants. The Board seeks to ensure that robust data is available on the quality of the Association's stock and how this relates to evolving requirements from the review of the Decent Homes Standard and the government's decarbonisation agenda.

Health and safety and Environmental matters

The well-being of the Association's employees is safeguarded through strict adherence to health and safety standards. The Safety, Health and Welfare at Work Act 1989 imposes certain requirements on employers and the Association has taken the necessary action to ensure compliance with the Act. The Association has prepared detailed health and safety policies and provides staff training and education on health and safety matters.

The Association will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Association has complied with all applicable legislation and regulations.

Investments

The Board invested £100,000 many years ago in an account with EFG Harris Allday to whom they looked for investment advice. During the year ended 31 March 2008, £50,000 was withdrawn from the funds. During 2010 The Association changed investment brokers to Evelyn Partners (previously Smith & Williamson) depositing a further £261,000. The investments are held in a range of assets from building society bonds to shares quoted on the London Stock Exchange. The merger with St Marks House in 2016 resulted in the transfer of a St James's Place Investment Portfolio which was valued at £287,738 as at 31 March 2017. Following the merger with the Langstone Society in July 2020 an investment portfolio held with EFG Harris Allday was transferred over to CHADD and this was valued at £811,376 as at 30 June 2020. The total value of investments held by the Association are detailed in note 13.

Board of Management

The members set out below have held office during the period from 1 April 2025 to date unless otherwise stated.

Rt Rev M Gorick	(Chair)
Mrs J Armstrong	(Vice Chair)
Mr S Billingham	(Treasurer)
Mr P Weston	
Mrs L Chibuzor	
Mrs C Palmer-Fagan	
Mrs S Haywood	
Mr P Wade	
Mrs C Bayton	
Ms R Kanneh	
Ms W Stephens	
Mr G Carson	

There have been no new additions to the board during the year as we have reached the maximum level of board membership.

In 2020/21, the Board of Management adopted the Charity Code of Governance following a self-assessment process. Our improvement plan was reviewed in 2023 and all actions are now complete. We aim to periodically review this to ensure continued compliance. We remain compliant with the Governance and Financial Viability Standard as required by the Regulator of Social Housing.

In 2024, we commissioned the Board Development Agency (BDA) to assess CHADD's compliance with the Social Housing Regulator's new set of Consumer Standards. Following a thorough process of self-assessment led by BDA, the board of management is satisfied that CHADD is compliant with the new standards. We have progressed well with our improvement plan. The regulator of social housing has launched new regulatory requirements around dealing with complaints alongside the Housing Ombudsman. Again, we appointed BDA to work with us to self-assess our compliance and create improvement plans if needed. Our Annual Complaints Report was submitted to the ombudsman and available on our website along with our self-assessment. Updates on these improvement plans will be presented to the board of management throughout 2025/26.

A new Risk Map Framework was approved by the board of management in July 2021 to provide a detailed strategic and management level risk register that links to CHADD's governance structure and board committees and gives oversight of all the key risk areas. There was a minor review of this in 2023 with a more detailed review planned in 2026 as part of launching our new 5-Year Strategy.

CHADD is also unique in that the Bishop of Dudley has a traditional and historical role of Chair of the board of management. In reality, the role of Chair is shared between the Vice Chair and Chair. On rare occasions, we may have board members that have length of terms exceeding nine years. Given the nature of CHADD's specialist work, size and charitable purpose, and the benefits gained from the strategic role of the Bishop of Dudley, the board of management are satisfied for these arrangements to continue in the best interests of the charity and have a succession plan for phased retirements and new recruitment. These matters are regularly reviewed.

We are very grateful for the expertise and commitment provided by our diverse board of management who provide the essential skills needed, accountability, oversight and strategic challenge. Our governance structure utilises two sub-committees - Finance and Risk Committee and People and Standards Committee - providing detailed oversight, accountability and robust risk management reporting through to the main board. We have continued to attract talented professionals and we continue to review the board's effectiveness and succession planning. Further detail on the diversity of our board of management can be found within our Annual Report 2025-26 published on our website.

Safeguarding Compliance

Safeguarding is a priority for all at CHADD and our compliance is monitored and reviewed regularly as part of governance oversight of risks and operations. We have complied with the legal and regulatory requirements for safeguarding to the best of our knowledge. There were no safeguarding incidents reported to the Charity Commission in 2025-26.

Internal controls assurance

The Board acknowledges their ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the Association or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against financial misstatement or loss. Key elements include ensuring that:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict unauthorised use of the Association's assets.
- Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance.
- Forecasts and budgets are prepared which allow the Board to monitor the key business risks and financial objectives; management accounts are prepared providing financial and other information and significant variances from budgets are investigated as appropriate.
- All significant new initiatives, major commitments and investment projects are subject to formal board authorisation procedures.
- The Board reviews reports from management, from the internal auditors and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association.
- Formal procedures have been established for instituting the appropriate action to correct weaknesses identified from the above reports.

The Board has reviewed the effectiveness of the system of internal control in existence in the Association for the year ended 31 March 2026. No weaknesses were found in internal financial controls, which resulted in material losses, contingencies, or uncertainties that require disclosure in the financial statements or in the auditor's report on the financial statements.

Board members' responsibilities statement

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

The Co-operative and Community Benefit Societies Act 2014 and registered social landlord legislation require the Board to prepare financial statements for each financial year. Under that law the Board members have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under the Co-operative and Community Benefit Society legislation the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Association and of the income and expenditure of the Association for that period.

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

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

Board members' report (continued)
For the year ended 31 March 2026

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and to 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 the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Board members at the time when this report of the Board is approved has confirmed that:

- so far as the Board is aware, there is no relevant audit information of which the Association's auditor is unaware, and
- the Board has taken all the steps that ought to have been taken as a Board in order to be aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Auditor

The auditor, Dains Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

A Walsh
Chief Executive Officer

Date: 21 July 2026

Independent auditor's report to the members of Churches Housing Association of Dudley and District Limited

Opinion

We have audited the financial statements of Churches Housing Association of Dudley and District Limited (the 'Association') for the year ended 31 March 2026, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, 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).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent auditor's report to the members of Churches Housing Association of Dudley and District Limited (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The Board is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Board members' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Board' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board members' responsibilities statement set out on page 13, 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 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 is 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.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Association through discussions with the Board and other management, and from our commercial knowledge and experience of the housing sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the association, including the financial reporting legislation, the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Association’s financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Independent auditor's report to the members of Churches Housing Association of Dudley and District Limited (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the association's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with section 87 of 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 Association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Dains Audit Limited

Robert Jones BSc ACA DChA (Senior statutory auditor)

for and on behalf of
Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

21 July 2026

Statement of comprehensive income
For the year ended 31 March 2026

	Note	2026 £	2025 £
Turnover		**6,468,918**	6,395,314
Operating costs		**(6,087,534)**	(5,829,269)
Operating surplus	7	**381,384**	566,045
Donated assets	8	**700,471**	-
Interest receivable	9	**47,763**	56,555
Interest and financing costs	10	**(23,110)**	(23,289)
Surplus for the financial year		**1,106,508**	599,311
Other comprehensive income for the year			
Gain/(loss) on investments		**353,520**	78,205
Total comprehensive income for the year		**1,460,028**	677,516

The notes on pages 25 to 45 form part of these financial statements.

Churches Housing Association of Dudley and District Limited
Registered number: 22545R

Balance sheet
As at 31 March 2026

	Note		2026 £		2025 £
Fixed assets					
Tangible fixed assets - housing properties	12		**8,082,777**		7,749,232
Other tangible fixed assets	13		**761,397**		775,311
Fixed asset investments	14		**2,713,096**		2,170,251
			11,557,270		10,694,794
Current assets					
Trade and other debtors	15	**543,593**		508,212	
Cash and cash equivalents		**3,537,729**		3,029,402	
		4,081,322		3,537,614	
Creditors: amounts falling due within one year	16	**(726,294)**		(695,162)	
Net current assets			**3,355,028**		2,842,452
Total assets less current liabilities			**14,912,298**		13,537,246
Creditors: amounts falling due after more than one year	17		**(5,907,526)**		(5,992,502)
Net assets			**9,004,772**		7,544,744
Capital and reserves					
Called up share capital	21		**27**		27
Investment revaluation reserve	22		**801,981**		573,473
Designated reserve	22		**391,928**		372,656
Income and expenditure reserve	22		**7,810,836**		6,598,588
			9,004,772		7,544,744

Balance sheet (continued)
As at 31 March 2026

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Rt Rev M Gorick
Chair

Mrs A Walsh
Chief Executive Officer

Mr S Billingham
Treasurer

Date: 21 July 2026

The notes on pages 25 to 45 form part of these financial statements.

Statement of changes in equity
For the year ended 31 March 2026

	Called up share capital	Investment revaluation reserve	Designated reserve	Income and expenditure reserve	Total equity
	£	£	£	£	£
At 1 April 2024	27	465,693	377,768	6,023,740	6,867,228
Surplus for the year	-	-	-	599,311	599,311
Investment gains	-	78,205	-	-	78,205
Transfers between reserves	-	29,575	(5,112)	(24,463)	-
At 1 April 2025	27	573,473	372,656	6,598,588	7,544,744
Surplus for the year	-	-	-	1,106,508	1,106,508
Investment gains	-	353,520	-	-	353,520
Transfers between reserves	-	(125,012)	19,272	105,740	-
At 31 March 2026	27	801,981	391,928	7,810,836	9,004,772

The notes on pages 25 to 45 form part of these financial statements.

Statement of cash flows
For the year ended 31 March 2026

	2026 £	2025 £
Cash flows from operating activities		
Surplus for the financial year	**1,106,508**	599,311
Adjustments for:		
Depreciation of housing properties	**172,134**	163,531
Depreciation of other fixed assets	**13,914**	19,456
Donated assets - Wordsley Housing Society	**(700,471)**	-
Surplus on disposal of housing properties	**-**	(100,486)
Government grants utilised in the year	**(82,363)**	(81,538)
Interest paid	**23,110**	23,289
Interest and investment income	**(47,763)**	(56,555)
Increase in trade and other debtors	**(35,381)**	(67,861)
(Decrease)/Increase in trade and other creditors	**(158,885)**	254,914
Net cash generated from operating activities	**290,803**	754,061
Cash flows from investing activities		
Purchase of tangible fixed assets	**(505,683)**	(556,396)
Disposal of tangible fixed assets	**-**	120,992
Purchase of listed investments	**(166,292)**	(183,937)
Sale of listed investments	**266,692**	186,062
Interest received	**28,713**	37,048
Interest received	**19,050**	19,507
Donated assets - Wordsley Housing Society	**491,974**	-
Movement in cash held by investment manager	**107,968**	1,658
Net cash from investing activities	**242,422**	(375,066)

Statement of cash flows (continued)
For the year ended 31 March 2026

	2026	2025
	£	£
Cash flows from financing activities		
Repayment of housing loan	**(1,788)**	(1,608)
Interest paid	**(23,110)**	(23,289)
Net cash used in financing activities	**(24,898)**	(24,897)
Net increase in cash and cash equivalents	**508,327**	354,098
Cash and cash equivalents at beginning of year	**3,029,402**	2,675,304
Cash and cash equivalents at the end of year	**3,537,729**	3,029,402
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**3,537,729**	3,029,402

1. General information

Churches Housing Association of Dudley and District Limited ("CHADD") is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Homes and Communities Agency as a Registered Provider of Social Housing. It is a private registered provider of social housing in the United Kingdom. The address of the registered office is given in the Association information page of these financial statements. The nature of CHADD's operations and principal activities are to provide housing and related support services to vulnerable people within the borough of Dudley.

The Churches Housing Association of Dudley and District Limited constitutes a public benefit entity as defined by FRS 102.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008.

The financial statements are presented in the Association's functional currency of GBP (Sterling). They are prepared to the nearest £.

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 Association's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Board have considered the level of funds held and the expected level of income and expenditure for 12 months from the date of authorisation of these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Association to be able to continue as a going concern. The Board's assessment of going concern involves a number of subjective judgements including, but not limited to potential increased rent arrears, increased voids, increasing inflation and interest rates, a reduction in property prices and predicted cash outflows associated with fire and building safety and costs associated with achieving energy efficient housing properties.

On this basis the Board is confident that the Association has adequate resources to continue in operation and have adopted the going concern basis in preparing these financial statements.

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Association, the Association has entitlement to the income and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, and value added tax.

Turnover comprises rental income receivable in the year, donations and revenue grants and services receivable in respect of tenanted properties.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Service charge income is recognised when service charge expenditure is incurred as this is the point at which the services have been performed.

Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

Grants of a revenue nature are included in the Statement of Comprehensive Income on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Grants received from non-government sources are recognised using the performance model, where a grant imposes specified future performance-related conditions on the Association. The grant is recognised only when these conditions are met. A grant received before the recognition criteria are satisfied is recognised as deferred income.

Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Social Housing Grant (SHG) and Other government grants

Government grants, from the Local Authority are received in respect of providing support for domestic abuse victims, youth services, the elderly floating support and alarm maintenance for the elderly. These grants are recognised at the fair value of the asset received or receivable.

Government grants also include grants receivable from Homes England and other government organisations.

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. Grants received for housing properties are recognised in income over the useful economic life of the housing property structure and, where applicable, its individual components (excluding land). The deferred element of grants is included in creditors as deferred income.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the Balance Sheet in creditors. If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in the income and expenditure account. Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to the income and expenditure account.

Grants of a revenue nature are recognised in the Statement of comprehensive income over the same period as the related expenditure or on a systematic basis over the period in which the landlord recognises the related cost for which the grant is intended to compensate. Grants relating to revenue are only recognised once reasonable assurance has been gained that the Association will comply with the conditions.

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method. Interest income includes dividends received from investments.

2.6 Interest payable

Interest is capitalised on borrowings related to the development of qualifying assets, to the extent that it accrues in respect of the period of development if it represents interest on borrowings specifically financing the development programme after deduction of related grants received in advance. Interest is capitalised up to the date of practical completion and interest arising after that date is charged to the income and expenditure.

Other interest payable is charged to income and expenditure in the year.

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

The Association operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Association pays fixed contributions into a separate entity. Once the contributions have been paid the Association has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Association in independently administered funds.

2.8 Taxation

The Association is a Co-operative and Community Benefit society with charitable objectives and therefore, has no liability to Corporation Tax.

2.9 Operating leases: the Association as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive on a straight-line basis over the lease term.

2. Accounting policies (continued)

2.10 Tangible fixed assets - housing properties

Social housing properties are initially recognised at cost. After recognition, under the cost model, housing properties are measured at cost less any accumulated amortisation and any accumulated impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development and expenditure incurred in respect of improvements.

Improvements are works to existing properties which result in an increase in the net rental income, including a reduction in maintenance costs or result in a significant extension of the useful economic life of the property.

Expenditure on existing housing properties is only capitalised when it is either capable of generating increased future rents, extends their useful economic lives or significantly reduces future maintenance costs. All other expenditure in respect of general and cyclical repairs, and day to day maintenance is charged to the income and expenditure account as it is incurred.

Major components of housing properties are separately identified, such as kitchens and bathrooms, and are depreciated separately from the connected housing property, so as to write-down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

Housing properties are assessed annually for impairment indicators by reference to factors such as external valuation reports for housing stock, long term voids, and the results of fire safety and building regulations assessment exercises. Where indicators are identified, an assessment for impairment is undertaken comparing the housing property's carrying amount to its recoverable amount. Where the carrying amount of a housing property is deemed to exceed its recoverable amount, the property is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a housing property is currently deemed not to be providing service potential to the Association, its recoverable amount is its fair value less costs to sell.

The Association depreciates the major components of its housing properties to the estimated residual value on a straight-line basis over the remaining expected useful economic life as follows:

Structure	-	100	years
Roofs	-	60	years
Lifts	-	25	years
Windows/doors	-	30	years
Kitchens	-	15	years
Bathrooms	-	20	years
Mechanical systems (heating, plumbing, boilers), Electrical systems (wiring, door entry systems) & fire safety mechanisms	-	15-30	years

Freehold land is not depreciated.

2. Accounting policies (continued)

2.11 Other tangible fixed assets

Other tangible fixed assets under the cost model 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.

At each reporting date the Association assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Association adds to the carrying amount of an item of fixed assets 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 to the Association. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, either using the straight-line method or on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- on a straight-line basis by component category as in 2.10.
Fixtures, fittings and equipment	- 20% reducing balance or 10%-33.3% straight-line

No depreciation is provided on freehold land.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or 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 as part of the operating surplus/deficit for the year.

2.12 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2. Accounting policies (continued)

2.13 Investments

Fixed asset investments (investments in listed company shares) are a form of financial instrument and are initially recognised at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are remeasured to market (fair) value at each balance sheet date, unless the value cannot be measured reliably in which case they are measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and are recognised in the Statement of Comprehensive Income for the period.

2.14 Debtors

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

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Financial instruments

The Association only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and investments in ordinary shares.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank and other loans which are subsequently measured at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.18 Provisions for liabilities

Liabilities are recognised when there is an obligation (legal or constructive) at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Association anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Comprehensive Income as a finance cost.

2.19 Restricted reserves

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account. A transfer to or from restricted reserves is then made as appropriate.

2.20 Designated reserves

The Association has established designated reserves earmarked for particular purposes. Such designations may be reversed by future Board decisions. Expenditure cannot be directly set against designated reserves but is taken through the income and expenditure account. A transfer is then made to or from designated reserves as appropriate.

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

The process of preparing financial statements requires the use of accounting estimates, assumptions and judgements by the Association regarding the future that may have a significant risk of giving rise to a material adjustment to the carrying values of assets and liabilities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Association makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

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

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets including any components. Residual value and useful life assessments consider issues such as future market conditions, the remaining life of the asset and maintenance programmes. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment, changes to the Decent Homes Standards and changes to energy efficiency requirements which may require more frequent replacement of key components.

Impairment
Management assesses the impairment of property, plant and equipment subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that may trigger an impairment review include the following: significant underperformance relative to historical or projected future operating results; changes in the manner of the use of the acquired assets or the strategy for the overall business; and significant adverse industry or economic trends.

As part of the Association's continuous review of the performance of their assets, management identify any impairment triggers which may affect housing properties. Such triggers include increasing void losses, government policy changes (such as welfare reform changes or rent reductions), any significant damage or repairs are required to any homes, failure to meet energy efficiency standards, or where the decision has been made to dispose of the properties. These factors are considered to be an indication of impairment.

4. Turnover, operating costs and operating surplus

	Turnover 2026 £	Operating costs 2026 £	Operating surplus 2026 £	Operating surplus 2025 £
Social housing activity				
Social housing lettings (note 5)	**3,908,212**	**3,521,326**	386,886	580,212
Activities other than social housing				
Care fee income	**2,436,526**	**2,464,988**	(28,462)	(47,219)
Miscellaneous income	**124,180**	**101,220**	22,960	33,052
	6,468,918	**6,087,534**	381,384	566,045

5. Particulars of income and expenditure from social housing lettings

	2026 £	2025 £
Turnover		
Rents receivable net of identifiable service charges	**1,889,934**	1,889,458
Service charge income	**809,972**	809,768
Amortised government grants	**82,363**	81,538
Charges for support services	**1,287,578**	1,302,542
Void losses	**(161,635)**	(165,719)
Gain on disposal of housing properties	**-**	100,486
Turnover from social housing lettings	**3,908,212**	4,018,073
Operating expenditure		
Management	**1,684,387**	1,636,362
Service charge costs	**1,323,447**	1,285,711
Routine maintenance	**193,192**	214,873
Planned maintenance	**82,533**	73,076
Bad debts	**13,457**	7,259
Depreciation	**186,048**	182,977
Expenditure allocated to development	**38,262**	37,593
Operating expenditure on social housing lettings	**3,521,326**	3,437,851
Operating surplus on social housing lettings	**386,886**	580,212

6. Accomodation owned and in management

	2026 No of properties	2025 No of properties
Social housing		
Supported housing	**180**	155
Housing for older people	**97**	97
Total owned	**277**	252

7. Operating surplus

The operating surplus is stated after charging/(crediting):

	2026 £	2025 £
Depreciation of housing properties	**172,138**	163,531
Depreciation of other tangible fixed assets	**13,914**	19,456
Amortisation of government grants	**(82,363)**	(81,538)
Operating lease rentals - land and buildings	**187,472**	163,277
Other operating lease rentals	**1,012**	922
Auditor's remuneration	**16,500**	15,375

8. Donated assets

	2026 £	2025 £
Donated assets - Wordsley Housing Society	**700,471**	-

The entire surplus assets of Wordsley Housing Society (charity no. 1001178), including £491,974 of cash, were donated to the Association under a transfer agreement signed 31 March 2026.

9. Interest receivable

	2026	2025
	£	£
Investment income	**19,050**	19,507
Bank interest receivable	**28,713**	37,048
	47,763	56,555

10. Interest payable and similar expenses

	2026	2025
	£	£
Interest on housing loans	**23,110**	23,289

11. Employees

Staff costs in the year were as follows:

	2026	2025
	£	£
Wages and salaries	**3,386,313**	3,342,447
Social security costs	**406,231**	289,995
Pension contributions	**79,880**	77,699
	3,872,424	3,710,141

The average monthly number of employees during the year was as follows:

	2026	2025
	No.	No.
Office staff	**14**	14
Care staff	**122**	126
	136	140

The key management personnel of the Association are deemed to be the Board together with the Chief Executive, Head of Finance and Head of Supported Housing. Board members are not remunerated. The aggregate remuneration paid to key management personnel in the year was £222,729 (2025 - £209,726). The highest paid Executive received remuneration of £82,148 (2025 - £79,591).

The Chief Executive is a member of a fully funded defined contribution pension scheme. She is an ordinary member of the pension scheme and no enhanced or special terms apply. The Association does not make any further contribution to an individual pension arrangement for the Chief Executive.

12. Tangible fixed assets - housing properties

	Social housing properties £
Cost	
At 1 April 2025	**11,929,805**
Additions	**505,683**
At 31 March 2026	**12,435,488**
Amortisation	
At 1 April 2025	**4,180,573**
Charge for the year	**172,138**
At 31 March 2026	**4,352,711**
Net book value	
At 31 March 2026	**8,082,777**
At 31 March 2025	7,749,232

All properties are owned freehold.

The total value of freehold land included in the cost of social housing properties above is £278,941 (2025 - £278,941).

Expenditure on works to existing properties

	2026 **£**	2025 £
Improvement works capitalised	**157,737**	90,174
Components capitalised	**347,946**	466,222
Amounts charged to income and expenditure	**275,725**	287,949
	781,408	844,345

Social housing assistance

	2026	2025
	£	£
Total accumulated social housing grants		
Recognised in the Statement of Comprehensive Income	**82,363**	81,538
Held as deferred income	**5,783,276**	5,865,640
	5,865,639	5,947,178

13. Tangible fixed assets - Other

	Freehold property	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 April 2025	**795,505**	**392,034**	**1,187,539**
At 31 March 2026	**795,505**	**392,034**	**1,187,539**
Depreciation			
At 1 April 2025	**56,716**	**355,512**	**412,228**
Charge for the year	**10,113**	**3,801**	**13,914**
At 31 March 2026	**66,829**	**359,313**	**426,142**
Net book value			
At 31 March 2026	**728,676**	**32,721**	**761,397**
At 31 March 2025	738,789	36,522	775,311

The total value of freehold land included in the cost of freehold property above is £159,101 (2025 - £159,101).

14. Fixed asset investments

	Listed investments £	Cash trading account £	Total £
Market valuation			
At 1 April 2025	**2,144,576**	**25,675**	**2,170,251**
Additions	**166,292**	**(166,292)**	**-**
Disposals	**(141,680)**	**266,692**	**125,012**
On disposal of subsidiaries	**208,497**	**-**	**208,497**
Income net of fees	**-**	**26,618**	**26,618**
Withdrawals	**-**	**(19,050)**	**(19,050)**
Donated assets	**201,768**	**-**	**201,768**
At 31 March 2026	**2,579,453**	**133,643**	**2,713,096**

15. Debtors

	2026 £	2025 £
Rent, service charges and care fees receivable	**222,495**	221,936
Less: provision for bad and doubtful debts	**(8,575)**	(19,555)
	213,920	202,381
Prepayments and accrued income	**329,673**	305,831
	543,593	508,212

16. Creditors: Amounts falling due within one year

	2026	2025
	£	£
Housing loans	**950**	950
Trade creditors	**192,957**	167,445
Rents in advance	**95,392**	55,623
Recycled capital grant fund	**74,028**	72,577
Accruals and deferred income	**280,604**	317,029
Deferred grant income	**82,363**	81,538
	726,294	695,162

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

	2026	2025
	£	£
Housing loans	**206,613**	208,401
Deferred grant income	**5,700,913**	5,784,101
	5,907,526	5,992,502

Housing loans are secured by specific charges on the Association's housing properties and are repayable at rates of interest between 9% and 12%.

18. Deferred grant income

	2026	2025
	£	£
At 1 April	**5,865,640**	5,669,359
Donated fixed assets (5 & 6 Seagers Lane)	**-**	330,000
Grants recycled	**-**	(52,181)
Released to income in the year	**(82,363)**	(81,538)
At 31 March	**5,783,277**	5,865,640

19. Recycled capital grant fund

	2026	2025
	£	£
At 1 April	**72,577**	-
Grants recycled	**-**	71,481
Interest accrued	**1,451**	1,096
At 31 March	**74,028**	72,577

20. Loans

Analysis of the maturity of loans is given below:

	2026	2025
	£	£
Amounts falling due within one year		
Housing loans	**950**	950
Amounts falling due 1-2 years		
Housing loans	**950**	950
Amounts falling due 2-5 years		
Housing loans	**2,850**	2,850
Amounts falling due after more than 5 years		
Housing loans	**202,813**	204,601
	207,563	209,351

21. Share capital

	2026	2025
	£	£
Each member of the Committee of Management holds one £1 share in the Association		
27 (2025 - 27) shares of £1 each	**27**	27

22. Reserves

	Balance at 1 April 2025	Income	Expenses	Tranfers in/(out)	Gains/ (Losses)	Balance at 31 March 2026
	£	£	£	£	£	£
Investment revaluation reserve	**573,473**	**-**	**-**	**(125,012)**	**353,520**	**801,981**
Designated reserves						
Welfare fund - Younger People and domestic abuse	**64,694**	**2,937**	**(5,566)**	**-**	**-**	**62,065**
St Marks House	**300,000**	**-**	**-**	**-**	**-**	**300,000**
Communtiy Support Activities	**2,291**	**1,556**	**(1,242)**	**-**	**-**	**2,605**
Meg & Charlie Project	**696**	**462**	**-**	**-**	**-**	**1,158**
Change into Action	**4,975**	**1,540**	**(6,086)**	**-**	**-**	**429**
WHS - Fundraising	**-**	**671**	**-**	**-**	**-**	**671**
WHS - Tenants' Funds	**-**	**25,000**	**-**	**-**	**-**	**25,000**
	372,656	**32,166**	**(12,894)**	**-**	**-**	**391,928**
Income and expenditure reserve	**6,598,588**	**7,184,986**	**(6,097,750)**	**125,012**	**-**	**7,810,836**
Accumulated reserves	**7,544,717**	**7,217,152**	**(6,110,644)**	**-**	**353,520**	**9,004,745**

Purpose of reserves

Designated reserve

Welfare Fund Reserves are designated to be spent specifically on the service areas of Younger People, Domestic Abuse and Older People.

St Marks House funds are designated to be spent within the service area of Mental Health.

Community Support Activites fund represents proceeds from community support activities such as day care activities and trips. These funds are to be spent on activities within the care sector.

Meg & Charlie project funds are a provision for pets for women in refuge and days out for moms and children within refuge.

Change into Action represent funding adopted by Dudley Metropolitan Borough Council to enable local people to donate to charities to help people setting up home for the first time.

WHS - Fundraising represents monies which were raised by Wordsley Housing Society and are set aside for future projects.

WHS - Tenants' Funds represents monies set aside by Wordsley Housing Society for exclusive use by tenants.

Investment revaluation reserve

The difference on transition between the fair value of fixed asset investments (listed investments) and the historical cost carrying value is credited to the revaluation reserve.

23. Analysis of net debt

	At 1 April 2025 £	Cash flows £	WHS donation £	At 31 March 2026 £
Cash	3,029,402	16,353	491,974	3,537,729
Housing loans due after 1 year	(208,401)	1,788	-	(206,613)
Housing loans due within 1 year	(950)	-	-	(950)
	2,820,051	18,141	491,974	3,330,166

24. Pension commitments

The association operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £79,880 (2025 - £77,699). Contributions totalling £Nil (2025 - £Nil) were payable to the fund at the balance sheet date.

25. Commitments under operating leases

At 31 March 2026 the Association had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2026	2025
	£	£
Not later than 1 year	**133,155**	128,403
Later than 1 year and not later than 5 years	**532,226**	512,633
Later than 5 years	**2,162,056**	2,468,680
	2,827,437	3,109,716

26. Related party transactions

The Association considers the key management personnel to be the Board and Executive Team. Disclosures in relation to key management personnel are included in note 10.

There were no other related party transactions in either year.