

**Annual report and financial statements for the year ended
31 March 2026**

Central & Cecil Housing Trust

Co-operative and Community Benefit Societies Act 2014 number 27693R

Central & Cecil Housing Trust

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Central & Cecil Housing Trust

Legal and Administrative Details

Registered office:	Sarsen Court, Horton Avenue, Cannings Hill, Devizes, Wiltshire, SN10 2AZ																																														
Legal status:	Central & Cecil Housing Trust ('the association') is incorporated under the Co-operative and Community Benefit Societies Act 2014 number 27693R and is a wholly owned subsidiary of Aster Group Limited and a member of the Aster Group ('the group'). The association is registered with the Regulator for Social Housing.																																														
Members of the board:	The directors of the association who were in office during the year and up to the date of signing the financial statements, unless otherwise indicated, are set out below. <table><tr><td colspan="3">Non-executive directors</td></tr><tr><td>Clive Barnett</td><td></td><td>Resigned - 7 September 2025</td></tr><tr><td>Richard Hughes</td><td></td><td>Appointed - 8 September 2025</td></tr><tr><td>Mike McCullen</td><td></td><td>Senior Independent Director</td></tr><tr><td>Tracey Peters</td><td></td><td>Senior Independent Director - Resigned 30 September 2025</td></tr><tr><td>Caroline Wehrle</td><td></td><td>Resigned - 7 November 2025</td></tr><tr><td>Nicola Frayne</td><td></td><td>Appointed - 1 October 2025</td></tr><tr><td>Mat Cooling</td><td></td><td>Appointed - 8 November 2025</td></tr><tr><td>Claire Whitaker CBE</td><td></td><td>Resigned - 31 March 2026</td></tr><tr><td>Stephen Trusler</td><td></td><td>Chairman</td></tr><tr><td>Mehul Desai</td><td></td><td></td></tr><tr><td colspan="3">Executive directors</td></tr><tr><td>Bjorn Howard</td><td></td><td>Group Chief Executive Officer</td></tr><tr><td>Chris Benn</td><td></td><td>Chief Financial Officer</td></tr><tr><td>Amanda Williams</td><td></td><td>Chief Investment Officer</td></tr></table>		Non-executive directors			Clive Barnett		Resigned - 7 September 2025	Richard Hughes		Appointed - 8 September 2025	Mike McCullen		Senior Independent Director	Tracey Peters		Senior Independent Director - Resigned 30 September 2025	Caroline Wehrle		Resigned - 7 November 2025	Nicola Frayne		Appointed - 1 October 2025	Mat Cooling		Appointed - 8 November 2025	Claire Whitaker CBE		Resigned - 31 March 2026	Stephen Trusler		Chairman	Mehul Desai			Executive directors			Bjorn Howard		Group Chief Executive Officer	Chris Benn		Chief Financial Officer	Amanda Williams		Chief Investment Officer
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Independent Auditor:	KPMG LLP 15 Canada Square London E14 5GL																																														
Principal Banker:	Barclays Bank Plc 1 Churchill Place Canary Wharf London E14 5HP																																														
Principal Solicitor:	Trowers and Hamlins 3 Bunhill Row London EC1Y 8YZ																																														
Valuer:	Jones Lang LaSalle Limited 30 Warwick Street London W1B 5NH																																														
Financial Adviser:	Chatham Financial Europe Limited 12 St. James Square London SW1Y 4LB																																														

Central & Cecil Housing Trust

Report of the Board

The board presents its report and the audited financial statements for the year ended 31 March 2026.

Principal activities

The association's principal activity is to provide affordable homes and associated services as a Registered Provider.

The board does not anticipate any significant changes in the association's activities in the foreseeable future.

Results for the year

The profit for the year was £2.3 million (2025: £4.0 million loss).

The Board

The members of the board are listed on page 1. No members of the board held, at any time during the year, any beneficial interest in the shares of the association.

Directors' indemnities

The association is a member of the Aster Group which has made qualifying third party indemnity provisions for the benefits of its directors and officers (which extend to the performance of any duties as a director or officer of an associated company or subsidiary). The provisions have been in place throughout the year and remain in force at the date of this report.

Going concern

The directors, after reviewing the association's budgets for 2026/27 and the group's medium term financial position as detailed in the 30-year business plan, are of the opinion that, the association will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

Reduced reporting disclosures

Section 1.12 of FRS 102 allows subsidiaries to take advantage of certain disclosure exemptions in their financial statements. The following exemptions have been taken:

- a) A Statement of Cash Flows as outlined in section 7 of FRS 102;
- b) The detailed disclosures of financial instruments, carrying values, terms and conditions and hedging relationships outlined in paragraph 11.41, 11.42, 11.44, 11.45, 11.48, 12.27, 12.29 and 12.29A of FRS 102;
- c) The requirement to disclose key management personnel compensation outlined in paragraph 33.7 of FRS 102; and
- d) The requirement to disclose related party transactions outlined in paragraph 33.11 of FRS 102.

The association has taken advantage of some of these exemptions this year as set out in note 3. A full set of disclosures are included in the group's consolidated financial statements.

Paragraph 4.4 of the Housing SORP 2018 allows registered providers that are subsidiaries of a group to opt out of providing a Strategic Report. The association has taken this exemption and not produced a Strategic Report. The group's strategic report, including Central & Cecil Housing Trust Limited, is accordingly represented in the financial statements of Aster Group Limited.

Central & Cecil Housing Trust

Report of the Board (continued)

Review of the Association's business

The association owns approximately 2,000 affordable housing and residential care homes and beds.

Operational performance

Turnover increased by £2.8 million to £31.9 million. Lettings income increased by £1.8 million to £18.3 million and first tranche shared ownership sales generated income of £1.3 million. The association made a profit on disposal of housing property, plant and equipment of £4.8 million (2025: 1.8 million), driven by 7 SOAP sales (2025: 5).

Operating costs decreased by £1.1 million to £32.6 million. This was mainly due to a decrease of £1.7 million for maintenance works net of capitalisation write back carried out within our schemes; £0.3 million decrease in management costs which include employment costs and group overheads; £0.3 million decrease of costs relating to Properties Managed by Agents and £0.3 million decrease of costs relating to Care services. Other movements include a £1.2 million increase in first tranche shared ownership costs reflected the increase in revenue and £0.4 million increase in depreciation.

Operating profit increased by £5.4 million from an operating loss of £2.0 million to an operating profit of £3.4 million.

Housing services

The following table sets out the association's key performance indicators (KPIs) in relation to the lettings side of its business:

	2025/26 Target	2025/26 Actual	2024/25 Actual
% rent loss through vacant properties	1.50%	3.30%	2.28%
Average number of days to re-let	21	83	85
Current tenant arrears %	2.50%	3.38%	3.97%
New homes completed	51	62	0
Overall satisfaction %	80%	77%	71%

Social housing void performance at 3.33% was a decline in comparison to 2.28% in 2025 and above the target of 1.5%. The associations average re-let time of 83 days is greater than the target of 21 days.

The association's arrears percentage of 3.38% was greater than the target of 2.5% but lower than 3.97% in 2025.

A key priority of the group is customer focus; therefore, it is disappointing that overall customer satisfaction is below target at 77% satisfaction rate (2025: 71%). The group's customers are at the heart of the business and providing a safe and reliable service is a key priority for the group, one which the customer services directorate is charged with continuously improving.

Care Services - Performance Overview 2025-26

Occupancy across services remained strong in 2025–26, averaging 96%, compared with 95% in 2024–25 and 93.4% in 2023–24. This continued upward trend demonstrates sustained demand for services alongside effective capacity and placement management.

Residents consistently reported an excellent experience of care. The weighted average satisfaction score for the year was 96.3%, based on feedback from almost 500 people surveyed across the service. This reflects the commitment of care teams to delivering high quality, person centred support.

The referral pathway continued to perform well. During the year, the services received 268 new enquiries, resulting in 55 admissions. This represents an overall conversion rate of 20.5%, equating to approximately one in five enquiries progressing to admission.

All four Care Homes are currently rated "Good" overall by the Care Quality Commission (CQC) following their most recent inspections. In addition, the services achieved a Care Home UK rating of 9.4 out of 10 at year end. This represents a small improvement on the previous year and reflects high satisfaction levels among residents' families and loved ones.

Agency staff usage reduced significantly during 2025–26, supported by improved recruitment outcomes and a reduction in vacancies across services. The introduction of a new agency platform has further contributed to cost efficiencies, while ensuring that permanent and bank staff continue to be prioritised for available shifts.

Central & Cecil Housing Trust

Report of the Board (continued)

Value for Money (VfM) Statement - Aster Group

Central & Cecil Housing Trust is part of the wider Aster Group. The Board follows the approach laid out in the Group Value for Money Statement in our Group Financial Statements, and progress against our Strategic Priorities is monitored quarterly by our Executive and Overlap Boards. Value for Money forms a central part of our business and organisational culture. Our Value for Money metrics are also available in our Group Annual Report.

Principal risks

During 2025/26, the Board regularly reviewed the ten strategic risk themes which it believes could adversely impact on the achievement of objectives or impact on the delivery of good services to customers. The Board also focused on the uncertainties which could present opportunity to further deliver the Group's vision and purpose. The following list provides an overview of those principal risks to the Group at the end of March 2026.

Customer Satisfaction and wider perception - Our service delivery doesn't meet customers' needs and expectations, or significant events erode stakeholder trust

Our response:

Delivery against customer satisfaction and reputation continues to be a core focus through the Group's strategic priorities. Activity has remained centred on modernising and improving core services, investing in customers' homes and strengthening the customer contact experience through a consistent and modern omni-channel offer.

Customer insight is drawn from a range of sources, including Tenant Satisfaction Measures, operational performance data, transactional feedback and colleague and customer surveys. Benchmarking through membership of the Institute of Customer Service supports an objective assessment of performance and informs priority-setting within the programme.

Customer voice is embedded through consultation forums and involved customer groups, which have been refreshed and expanded during the year.

Learning from complaints has been deepened and used alongside service reviews and performance insight to shape improvements to operational delivery structures and service design, with a clear focus on improving outcomes for customers and the quality of homes.

Service delivery and performance are monitored through a defined framework of OPIs, dashboards and monthly KPI reporting. This information enables timely identification of emerging issues, supports accountability for delivery, and informs targeted improvement activity.

Delivery of new homes - External factors restrict the ability to deliver the planned developer led or land led new build programmes

Our response:

The Group takes a proactive and planned approach to the delivery of new homes, underpinned by strong stakeholder engagement with developers, contractors and local authorities. This supports effective management of external dependencies such as planning, supply chain capacity and market conditions.

Oversight of delivery performance and forecasted outputs is provided through the Group Investment and Asset Panel (GIAP), which regularly reviews progress against approved programmes. This is supported by a series of management controls, including development review meetings, KPI and OPI monitoring, programme forecasting and forward-looking risk assessment.

The Living Business Plan is updated to reflect changes to delivery assumptions, timescales and handover forecasts, ensuring that strategic planning and financial projections remain aligned to the evolving operating environment.

The Group's land-led development programme is delivered through a mini-framework agreement, helping to provide consistency and manage counterparty risk. All build contracts are subject to financial scrutiny, with additional contractual protections and security arrangements applied proportionately where risk levels are higher. During 2025/26, strong contract management and oversight helped mitigate contractor insolvency risk, enabling the Group to deliver its new home targets despite a challenging operating environment.

Investment in Homes and Sustainability - Investing in homes to meet current and future decent home and building fabric requirements, carbon reduction milestones

Our response:

The Group maintains assurance over the condition of customers' homes through comprehensive stock condition survey data, which provides a robust and evidence-based view of asset performance. This data is regularly refreshed and has continued to inform investment planning throughout the year.

Insights from stock condition surveys have been reflected within the Living Business Plan, supporting an increased and targeted programme of investment works over the coming years. This approach is complemented by the planned disposal of homes that perform least well for customers and would require disproportionate investment to meet required standards.

Planned investment programmes are designed to align related workstreams into coordinated delivery phases wherever possible. This maximises value for money while minimising disruption to customers by reducing repeat visits and improving delivery efficiency.

During 2025/26, survey coverage was maintained and investment delivery was achieved in line with agreed targets. In parallel, work commenced on the development of a new environmental sustainability strategy, providing a framework to support future building standards and the Group's longer-term carbon-reduction ambitions.

Central & Cecil Housing Trust

Report of the Board (continued)

Principal risks (continued)

Property Market - The property market experiences a slowdown and/or a reduction in property values

Our response:

The Group maintains active oversight of property market conditions through regular marketing and sales intelligence reporting to the Group Investment and Asset Panel (GIAP). While this reporting is primarily retrospective, it provides assurance over market conditions and acts as an early indicator of changes in risk profile.

Sales and market performance are monitored monthly by GIAP and the development leadership team. This includes analysis of key indicators such as levels of unsold stock, off-plan sales rates, average initial tranche share purchased, first-time buyer demand and market valuation trends. This monitoring informs timely decision-making on pricing, tenure mix and development phasing.

The Group undertakes regular stress testing across a range of scenarios, including a property market downturn. These scenarios are also modelled alongside other adverse factors, such as sustained higher borrowing costs, to understand compounded risk exposure and inform strategic and financial planning.

During 2025/26, the housing market remained challenging, with reduced buyer confidence, increased interest rates and wider economic uncertainty contributing to lower sales performance and reduced average first-time share purchases. Although sales targets were not achieved, the Group's risk management approach and stress testing provided continued assurance over financial resilience and supported informed management of development plans in a volatile environment.

Financial Performance and Resilience - Below acceptable operating and profit margins and /or challenges accessing viable funding and re-financing options

Our response:

The Group maintains a disciplined approach to financial management, supported by robust budgeting, forecasting and performance monitoring arrangements. Budgets are rigorously set and regularly re-forecast throughout the year, with outputs feeding into the Living Business Plan to ensure continued alignment between financial performance, strategic priorities and delivery plans.

Financial performance is monitored on an ongoing basis through a defined suite of KPIs and OPIs, with results regularly reviewed against budget and against the key metrics and financial parameters set out within the Group's Treasury Management Policy. This enables timely identification of emerging pressures and supports effective management action where required.

The Group undertakes regular stress testing using multi-variant scenarios, covering a range of potential economic conditions, including interest rate movements and wider market volatility. Additional scenarios are modelled as appropriate to assess resilience to emerging risks and inform strategic decision-making.

During 2025/26, operating margin performance was slightly ahead of target, and net profit was significantly better than budget. This reflected stronger-than-planned operating performance and interest costs that were lower than forecast, providing additional assurance over the Group's financial resilience in a challenging operating environment.

Regulatory Standing - Our governance, service delivery or an incident result in a decline in our relationship and reputation with a regulator

Our response:

The Group places a strong emphasis on preventing non-compliance through effective governance, robust controls and high standards of service delivery. Alongside this, the Group recognises the importance of maintaining open, transparent and constructive relationships with its regulators.

Oversight is provided through a comprehensive compliance framework covering all applicable legal and regulatory obligations. This framework supports regular review of services, controls and assurance arrangements against regulatory standards, enabling early identification of gaps and timely management action.

The Board and its Committees maintain rigorous oversight of regulatory and safety-related activity, supported by clear accountability and robust scrutiny arrangements. Continued focus is placed on the integrity, accuracy and timeliness of data used in regulatory returns, recognising the importance of data quality in maintaining regulatory confidence.

Strong governance, probity and assurance arrangements reduce the likelihood of regulatory non-compliance and minimise the potential for a significant corporate or regulatory incident. During the year, the Group continued to engage in regular and open dialogue with the regulator, supporting transparency and reinforcing trust.

Health and Safety - A health & safety issue leads to serious injury or ill health

Our response:

The Group's Health and Safety Policy, supporting arrangements and management system provide a clear and consistent framework for maintaining a strong safety culture across the organisation.

Property safety activity is managed through system-driven compliance programmes, covering cyclical inspection, servicing and remedial works. Delivery against these programmes is monitored through defined KPIs and OPIs, reported monthly, with clearly established tolerances reflecting the critical nature of the risks and potential consequences of non-compliance.

During the year, the Group strengthened its organisational structure and assurance model for property compliance, providing clear separation between operational delivery, oversight and independent assurance.

The evolving assurance regime will include enhanced data validation, exception reporting and anomaly analysis, third-party sampling across compliance workstreams, and physical verification of remedial action completion. These arrangements are being embedded progressively and will continue to develop as implementation progresses.

Central & Cecil Housing Trust

Report of the Board (continued)

Principal risks (continued)

Technology and change management - Our technology infrastructure is unable to support our current or future needs, and/or our change activity and investment is unsustainable, uncoordinated or misdirected

Our response:

Change initiatives are aligned to the Group's strategic priorities, key enabling activity and regulatory-driven requirements. This ensures that investment and organisational capacity are focused on the activity most critical to the delivery of core services and strategic objectives.

During the year, the Group undertook a significant re-set of its approach to strategy delivery, change management and technology. This included changes to leadership and the organisational structure supporting change delivery, alongside strengthening governance and oversight arrangements.

All change activity is now subject to a structured business planning process, aligned to budget setting and financial capacity. This approach supports clearer prioritisation, ensuring that the scale and pace of change remains manageable and focused on the highest-impact activity, with priority given to legally and regulatorily required change over discretionary initiatives.

Oversight of delivery has been provided through the Operational Scrutiny and Assurance Panel (OSAP), supported by targeted groups overseeing integration activity or sets of linked projects. This enables active monitoring of progress, dependencies and risk, and supports timely intervention where required to maintain delivery confidence.

People and culture - We don't have the culture, people, diversity of thought or skills we need to realise our potential into the future

Our response:

Colleague insight and engagement have shaped the Group's People and Culture Plan, which began delivery during 2025/26. The plan focuses on strengthening the employment offer, enabling colleagues to do their best work, and supporting the attraction and retention of a diverse range of talent aligned to the Group's long-term ambitions.

A strategic approach to workforce planning enables the Group to identify and develop the skills and capacity required to support both future needs and effective operational delivery. This supports resilience in key roles and helps ensure capability remains aligned to strategic and regulatory priorities.

The Group's apprenticeship programme and use of the apprenticeship levy continue to provide opportunities for colleagues to develop new skills and access professional qualifications. This supports internal progression, upskilling and reskilling, and the development of future talent, contributing to retention and succession planning.

During the first year of delivery of the People and Culture Plan, improvements were seen in colleague engagement and net promoter scores. In parallel, planning and preparation commenced for the implementation of a new talent management system in 2026, designed to further strengthen capability, performance and succession management across the Group.

Data Security, Quality and Integrity - A lack of quality data or a breakdown in data integrity control frameworks, or an IT security breach causing data loss and/or system compromise/failure

Our response:

During the year, the Group recognised that its approach to data management, governance and assurance needed to further mature to support effective decision-making, regulatory confidence and efficient delivery. In response, external expertise was commissioned to undertake a comprehensive data management maturity assessment, providing a clear and objective baseline.

A clear data improvement roadmap is being developed for implementation from 2026/27 over a 12–18 month period. This will focus on improving data quality, governance and assurance, strengthening the integrity of management information, and enabling better use of data insight and dashboards to support decision-making at all levels.

Together with the establishment of a revised data operating model and new leadership accountability, these changes represent the foundations of a strengthened and more coordinated approach to data across the Group. Previously separate data teams are being aligned to improve clarity of ownership, consistency of standards and efficiency of delivery.

In parallel, the Group maintains a strong focus on information security. Cyber Essentials accreditation is held, proactive security monitoring remains in place, and disaster recovery and cyber incident response plans are regularly tested to maintain preparedness and resilience against cyber threats.

Treasury policy

The group operates a centralised Treasury Management function whose primary purpose is to manage liquidity, funding, investment and the group's financial risk, including risk from volatility in interest rates and liquidity. The Group Treasury & Finance Committee reviews and approves the Group Treasury Policy before recommending it to the Group Board. Details of the policy are included in the Aster Group's Consolidated Financial Statements.

Central & Cecil Housing Trust

Report of the Board (continued)

Corporate and Social Responsibility

People & Culture

Our people are central to delivering safe, high-quality services. During 2025/26, we made good progress by strengthening leadership, improving culture, and enhancing colleague experience.

We launched a refreshed People and Culture Plan in response to financial pressures, regulatory change and rising expectations. Its aim is to create an environment where colleagues feel supported to do their best work.

The plan focuses on six key priorities: trust and flexibility; leadership support; belonging; reduced hassle; an enhanced offer; and future readiness. These priorities are informed by colleague feedback, including innovation cafés and a group-wide survey, ensuring we respond to the needs of different roles and career stages.

Alongside this, we supported our ongoing leadership development programmes by introducing a Leader Playbook, a Leadership Community, and events and initiatives including New World Leadership and reverse mentoring for the Executive Board.

Professional development has also continued, with 16 colleagues undertaking the Women in Leadership apprenticeship, and 28 studying for Chartered Institute of Housing (CIH) qualifications, helping to build future readiness across the organisation. There is a need for a large number of our colleagues to undertake the housing competence and conduct qualification, and we will be supporting them to do so.

We strengthened our culture through the relaunch of The Aster Way and Culture Handbook, aligned with the CIH Code of Conduct and Code of Ethics. This was supported by the launch of the CIH Club.

We also modernised our People systems by introducing a new People Information System. This has consolidated ten payrolls and is improving data quality, automation and consistency.

We invested in our entire workforce by awarding a 2.5% cost of living pay increase in April 2025.

Inclusion and wellbeing remain a priority. We expanded learning programmes and maintained external recognition, including being recognised as a HouseProud Pledge Pioneer, achieving a TIDE silver award, and retaining our Menopause Friendly accreditation.

Our Gender Pay Gap reduced to 11.6%, below the UK average of 12.8%, reflecting stronger governance and more consistent pay practices.

These improvements are reflected in colleague feedback. Engagement increased to 63% (the highest since 2021), and turnover reduced to 14.36%, below the national average. Flexibility and wellbeing continue to be strengths, supported by initiatives such as Employment Plus, which provides tailored support for colleagues with disabilities and health conditions.

While progress is positive, challenges remain. Sickness absence has increased in some areas, leadership consistency needs further development, and colleague experience is not yet consistent across all teams. We are addressing these through targeted wellbeing support, clearer expectations for leaders, and focused interventions.

Looking ahead to 2026/27, we will focus on:

- embedding consistent leadership behaviours
- strengthening wellbeing through The Way We Work programme
- introducing a new Talent Management approach
- modernising the colleague offer
- improving People data.

Together, these actions will help build a more connected, capable and resilient workforce.

Environmental and Social - Energy efficiency action

As part of the group, Central & Cecil Housing Trust, is acutely aware of the responsibility we have, to work in a conscious way to reduce the impact on our natural environment.

We have continued to develop our Sustainability Strategy, which we plan to finalise in 2026/27. This will include plans to better understand where to focus efforts to reduce our energy consumption and carbon emissions in the coming years, and to better understand our vulnerability to a changing climate.

We have made significant reductions on the environmental impact of our operations in recent years. This includes making better use of office space, using leased accommodation where appropriate, and supporting hybrid working. These changes help improve efficiency and maintain flexibility.

Central & Cecil Housing Trust

Report of the Board (continued)

Corporate and Social Responsibility (continued)

Environmental and Social - Energy efficiency action (continued)

We remain committed to delivering energy-efficient homes while balancing affordability.

- 100% of new homes achieved an EPC rating of B or above
- over 450 new homes included low-carbon technologies such as air source heat pumps and solar panels.

Environmental technologies are a key feature of our new developments, with 175 air source heat pumps and 203 solar arrays installed in 2025-26. In addition, 495 of our new homes completed last year have electric vehicle (EV) charging available, either from dedicated individual or communal charging units.

During 2025/26, we also began a three-year retrofit programme supported by the Warm Homes: Social Housing Fund initiative. This programme is helping to reduce energy use and emissions, improve comfort and affordability, and support more sustainable communities.

At two of our housing schemes, the large non-condensing commercial boilers were replaced with more efficient condensing boilers, reducing gas consumption by over 20%. At a third, thermostatic radiator valves were installed in customers' homes, giving occupants greater control over indoor temperatures and reducing fuel consumption, whilst at a fourth the hot water system was upgraded, resulting in reduced plant running times and therefore gas use.

In 2026-27 we are planning to deliver over 900 new affordable homes, although the actual number delivered will depend on planning and programme constraints. We anticipate that all homes will be at least EPC B-rated and that a large number of them will incorporate technologies such as air source heat pumps, solar PV and EV charging.

Delivery of the retrofit programme will continue, and through our planned maintenance programme we plan to upgrade the loft insulation on over 500 homes and eleven blocks, add cavity wall insulation to 60 homes and 30 blocks, and replace the windows of more than 1,200 homes. We also plan to upgrade the heating systems in approximately 2,500 homes.

In addition, we plan to upgrade five of our large commercial boilers, which is predicted to improve energy efficiency by approximately 10% on average, and we will also be updating the heating controls at three schemes. This will enable the heating systems to respond better to fluctuating external temperatures to help prevent flats overheating and is also predicted to reduce heating energy consumption by approximately 20% at these sites.

Through our Strategic Partnership with Homes England, we secured additional funding to deliver 39 homes using Modern Methods of Construction (MMC) Category 2a. This supports lower carbon construction and helps build capability for the future. We have significantly exceeded this target, with 248 homes completed to date meeting Category 2a standards with a further 125 compliant homes in construction.

We have also taken steps to prepare for new Heat Network regulations. These changes will strengthen customer protections, improve transparency, provide access to the Energy Ombudsman and support more efficient shared heating systems.

At Enham Resource Centre, we installed an 84-panel solar PV system, predicted to generate around 40MWh of green energy per year and expected to save around £6,000 per year in energy costs. We also began planning biodiversity and community initiatives to support the village and further afield.

Our vehicle fleet is also being modernised. In 2026/27, we will introduce 65 Euro 6e vehicles, with a further 60–80 older vehicles to be replaced.

Our successful salary sacrifice scheme for staff enables them to purchase low emissions vehicles, and in 2025-26 eight employees acquired fully electric cars and a further two purchased hybrid vehicles. A further seventeen colleagues joined the cycle2work scheme covering bicycles and associated safety equipment.

Central & Cecil Housing Trust

Report of the Board (continued)

Corporate and Social Responsibility (continued)

Environmental and Social - Energy efficiency action (continued)

Streamlined Energy and Carbon Reporting (SECR) for period 1 April 2025 to 31 March 2026

Energy Use and Carbon Emissions

	2025/26	2024/25	2023/24
Energy consumption			
1 Mains gas (MWh)	27,545	28,862	28,570
2 Transport fuel – company fleet (MWh)	7,497	6,195	7,093
3 Transport fuel – business travel in employee-owned vehicles (MWh)	2,245	2,131	2,094
4 Fuel used in plant and equipment) (MWh)	582	583	577
5 Purchased electricity (MWh)	8,413	8,760	8,857
6 Electricity provided by landlord at corporate sites (MWh)	536	682	392
7 Energy consumed by staff working from home (MWh)	2,251	2,916	2,800
8 Total energy consumption (items 1-7) (MWh)	49,069	50,129	50,385
Greenhouse gas emissions - mandatory (SECR) reporting			
9 Combustion of gas (Scope 1) (tCO _{2e})	5,040	5,279	5,143
10 Combustion of fuel for transport (Scopes 1 - owned fleet & Scope 3 - leased fleet) (tCO _{2e})	1,830	1,481	1,693
11 Combustion of fuel for transport (Scope 3 – business travel in employee-owned vehicles) (tCO _{2e})	545	510	511
12 Purchased electricity (Scope 2, location-based) (tCO _{2e})	1,489	1,814	1,834
13 Total gross emissions for which SECR reporting required (items 9-12) (tCO _{2e})	8,904	9,084	9,180
Intensity ratio – mandatory (SECR) reporting			
14 Total gross emissions per property managed (tCO _{2e} /property)	0.245	0.252	0.259
Methodology			
15 Greenhouse Gas Reporting Protocol – Corporate Standard			
Other emissions - non-mandatory reporting			
16 Emissions from combustion of fuel for transport (Outside of Scopes - owned & leased fleet)	100	94	Not reported
17 Emissions from fuel used in plant & equipment (Scopes 1&3 + Outside of Scopes) (tCO _{2e})	155	155	148
18 Emissions from electricity used in rented offices & yards (Scope 3, location-based) (tCO _{2e})	95	141	81
19 Emissions from electricity (purchased and landlord-provided) (Scopes 2&3, market-based) (tCO _{2e})	1,107	1,467	1,215
20 Emissions from electricity consumed in transmission & distribution (Scope 3) (tCO _{2e})	166	173	166
21 Emissions from staff home working (Scope 3) (tCO _{2e})	412	541	502
22 Emissions from business travel - hotel stays (Scope 3) (tCO _{2e})	6	5	5
23 Fugitive emissions (Scope 1)	0	82	5
Total gross emissions – SECR-mandatory plus non-mandatory reporting			
24 Total of all emissions (location-based electricity) (tCO _{2e}) (sum of items 13, 16, 17, 18, 20, 21, 22, 23)	9,839	10,276	10,088
25 Total of all emissions (market-based electricity) (tCO _{2e}) (sum of items 9, 10, 11, 16, 17, 19, 20, 21, 22, 23)	9,363	9,788	9,388
Intensity ratios – SECR-mandatory plus non-mandatory reporting			
26 Total gross emissions (item 24) per property owned & managed (location-based electricity) (tCO _{2e} /property)	0.271	0.285	0.284
27 Total gross emissions (item 25) per property owned & managed (market-based electricity) (tCO _{2e} /property)	0.258	0.272	0.265

Explanatory notes

1. All entities are covered although for 2023-24 & 2024-25 data is not complete. This was due to the incomplete integration of all entities into the Group at the end of those reporting years, which meant that full data was not available
 2. Mains electricity and gas consumption data derive from invoices and have been provided by energy brokers engaged by the Group
 3. Fleet fuel consumption has been derived from fuel card data
 4. The energy consumption associated with business travel in employee-owned vehicles is not directly measured and has therefore been estimated from the mileage driven, which is captured by the company's expense handling software
 5. The consumption of fuel used in plant and equipment has been obtained from a combination of fuel card data (for petrol and diesel purchased from garage forecourts & electric vehicles) and purchase invoices (other fuels)
 6. The energy consumed by staff working from home has been calculated using the methodology set out in the EcoAct Homeworking Emissions Whitepaper 2020
- Emissions have been calculated using the 2025 UK Government Greenhouse Gas Conversion Factors for Company Reporting

Central & Cecil Housing Trust

Report of the Board (continued)

Corporate and Social Responsibility (continued)

Viability Statement

In accordance with principle C and provision one of the 2018 Corporate Governance Code, the Directors have assessed the viability of the Group and have selected a period of seven years for the assessment. The Group has a property development programme that runs for a rolling seven-year period. This programme forms the basis of the Group's financial plan that covers the seven-year period and is then extrapolated over a further 23 years, resulting in a 30-year plan. For these reasons the Group uses a seven-year strategic planning cycle and the Directors have determined that seven years is also an appropriate period over which to provide its viability statement.

The financial plan considers the Group's future financial stability, property development and investment strategies and the viability of future expense reduction programmes by measuring a broad range of financial metrics and other key metrics such as exposure to the property market. In addition, the Group closely monitors its financial covenants being primarily asset cover, interest cover and net worth over the seven-year period together forming the Group's financial plan tolerances.

The interest cover and net worth covenants are the prominent covenants the Group has in its loan agreements. These covenants, coupled with the Group's other financial plan standards, are used as the basis for a full suite of multi-variate stress testing over the life of the plan on several severe but plausible, market relevant scenarios.

The stress testing considers the principal risks assessed to have the greatest impact. The Group's focus for stress testing in its 2026 financial plan is on the continued risks and disruption as a result of the wider macro-economic environment, particularly around the collection of rent, higher borrowing costs, delays and increases to major repair and maintenance spend, property market downturn, inflations and disruption from geopolitical volatility.

These scenarios are designed to stress and, in some cases, breach the Group's covenants. The Group applies mitigating items from its established mitigations toolbox to recover these scenarios back to a compliant level. These mitigations include reducing investment in the development programme, issuing emergency liquidity, deferring maintenance expenditure and several other operating cost mitigations.

Based on the results of this analysis, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next seven years.

Central & Cecil Housing Trust

Report of the Board (continued)

Statement of Board's responsibilities in respect of the Board's report and the financial statements

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations. Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of its income and expenditure for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its 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. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

Attendance at board meetings

Non-executive directors

Clive Barnett
Mike McCullen
Tracey Peters
Caroline Wehrle
Claire Whitaker CBE
Stephen Trusler
Mehul Desai
Richard Hughes
Mat Cooling
Nicola Frayne

Aster Group Limited		
Total	Possible*	%
3	3	100%
8	8	100%
3	4	75%
4	4	100%
7	8	88%
8	8	100%
8	8	100%
5	5	100%
4	4	100%
4	4	100%

Executive directors

Bjorn Howard
Chris Benn
Amanda Williams

8	8	100%
8	8	100%
7	8	88%

*Possible attendance may be lower than the total number of meetings held due to the director only holding office for part of the year.

Disclosure of information to auditor

So far as the board is aware, there is no relevant information of which the association's auditor is unaware. The board has taken all reasonable steps that ought to have been taken to make itself aware of any relevant audit information, and to establish that the association's auditor is aware of that information.



Dawn Fowler-Stevens
Company Secretary
8 September 2026

Independent Auditor's report to the members of Central & Cecil Housing Trust

Opinion

We have audited the financial statements of Central & Cecil Housing Trust ("the Association") for the year ended 31 March 2026 which comprise the Association's the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves and related notes, including the accounting policies in notes 2,3 and 4.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Association as at 31 March 2026 and of its income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the Association or to cease its operations, and as they have concluded that the Association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board's conclusions, we considered the inherent risks to the Association's business model and analysed how those risks might affect the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management and internal audit as to the Association's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Association's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Group Risk & Audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition due to limited scope for manual interventions and the homogeneous nature of the majority of the revenue streams. We have also specifically considered revenue from property sales, including first tranche shared ownership. As revenue from these sales is recognised upon legal completion, there is limited opportunity for management to fraudulently manipulate the timing of revenue recognition. We have therefore rebutted the presumed fraud risk in relation to revenue recognition across the Association's material revenue streams.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation of the Association wide fraud risk management controls.

Independent Auditor's report to the members of Central & Cecil Housing Trust (continued)

We also performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries and other adjustments posted during the final days of the reporting period.
- assessing whether the judgements made in the accounting estimates are indicative of potential bias including assessing the assumptions used in the value of properties developed for sale held in current assets and in the valuation of the defined benefit obligation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Board (as required by auditing standards), and from inspection of the Association's regulatory and legal correspondence and discussed with the Board the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Association is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative & community benefit society legislation), pensions legislation, specific disclosures required by housing legislation, and requirements imposed by the Regulator for Social Housing and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Association is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: health and safety (including related fire safety and building standards), anti-bribery and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Association's Board is responsible for the other information, which comprises the Board's Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Independent Auditor's report to the members of Central & Cecil Housing Trust (continued)

Board's responsibilities

As explained more fully in their statement set out on page 11, the Association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 it either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

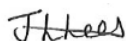
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it 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, for our audit work, for this report, or for the opinions we have formed.



Joanne Lees
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

11 September 2026

Central & Cecil Housing Trust

Statement of Comprehensive Income

for the year ended 31 March 2026

	Note	2026 £000	2025 £000
Turnover	5a	31,853	29,037
Operating expenditure	5a	(32,603)	(34,642)
Impairment on intercompany loan	5a	(244)	(264)
Impairment of housing stock held for sale	5a	(254)	-
Profit on disposal of housing property, plant and equipment	6	4,831	1,789
(Decrease) / increase in fair value of investment property	5a	(390)	1,075
Operating profit / (loss)		3,193	(3,005)
Loss on disposal of other property, plant and equipment	10	(65)	(29)
Charitable donations received	11	659	-
Profit / (loss) before interest and taxation		3,787	(3,034)
Interest receivable and similar income	12	255	439
Interest payable and similar charges	12	(1,788)	(1,430)
Interest on net pension liability	12	-	2
Net finance expense		(1,533)	(989)
Profit / (loss) before taxation		2,254	(4,023)
Tax on profit / loss		-	-
Profit / (loss) for the year		2,254	(4,023)
Other comprehensive income			
Actuarial gains in respect of pension schemes	26	-	1,013
Total comprehensive income / (expense)		2,254	(3,010)

The accompanying notes form part of these financial statements.

Central & Cecil Housing Trust

Statement of Financial Position

as at 31 March 2026

	Note	2026 £000	2025 £000
Fixed assets			
Intangible assets	14	468	679
Property, plant and equipment (social housing)	15	182,241	166,847
Property, plant and equipment (other assets)	16	7,353	7,269
Investment properties	17	8,950	9,340
Investments in subsidiaries	18	-	-
		<u>199,012</u>	<u>184,135</u>
Current assets			
Debtors: amounts falling due within one year	19	6,066	6,988
Shared ownership properties held for sale	20	6,271	7,410
Cash and cash equivalents	21	1,877	2,921
		<u>14,214</u>	<u>17,319</u>
Creditors: amounts falling due within one year	22	<u>(12,621)</u>	<u>(11,540)</u>
Net current assets		<u>1,593</u>	<u>5,779</u>
Total assets less current liabilities		<u>200,605</u>	<u>189,914</u>
Non current liabilities			
Creditors: amounts falling due after more than one year	23	(105,245)	(96,808)
Net assets		<u>95,360</u>	<u>93,106</u>
Capital and reserves			
Called up share capital	27	-	-
Profit and loss reserve		95,043	92,789
Restricted reserve	30	317	317
Total capital and reserves		<u>95,360</u>	<u>93,106</u>

The accompanying notes form part of these financial statements.

The financial statements on pages 15 to 39 were approved and authorised for issue by the board on 8 September 2026 and were signed on its behalf by:



Stephen Trusler
Chair



Bjorn Howard
Group Chief Executive Officer



Dawn Fowler-Stevens
Company Secretary

Central & Cecil Housing Trust

Statement of Changes in Reserves

for the year ended 31 March 2026

	2026		
	Profit and loss reserve £000	Restricted reserve £000	Total reserves £000
Balance at 1 April 2025	92,789	317	93,106
Profit for the year	2,254	-	2,254
Balance at 31 March 2026	<u>95,043</u>	<u>317</u>	<u>95,360</u>

	2025		
	Profit and loss reserve £000	Restricted reserve £000	Total reserves £000
Balance at 1 April 2024	95,799	317	96,116
Loss for the year	(4,023)	-	(4,023)
Actuarial gains in respect of pension schemes	1,013	-	1,013
Balance at 31 March 2025	<u>92,789</u>	<u>317</u>	<u>93,106</u>

The accompanying notes form part of these financial statements.

Central & Cecil Housing Trust

Notes to the Financial Statements

1 Legal status

Central & Cecil Housing Trust is registered under the Cooperative and Community Benefit Societies Act 2014, and is registered with the Regulator for Social Housing ('RSH') as a Registered Provider as defined by the Housing Act 2004.

2 Basis of preparation

The financial statements of the association have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102), 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 association is classified as a Public Benefit Entity under FRS 102.

The financial statements are presented in Sterling (£).

Application of accounting policies

The association's accounting policies have been applied consistently throughout the year.

Going Concern

The directors, after reviewing the association's budgets for 2026/27 and the group's medium term financial position as detailed in the 30-year business plan, taking account of severe but plausible downsides, are of the opinion that, the association will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

Presentation

The association has elected not to produce a strategic report, statement of cash flows and disclosure relating to key management compensation within the individual subsidiary financial statements in line with exemptions available within FRS 102 and the Housing SORP 2018.

These disclosures are included in the group's consolidated financial statements.

The association has not prepared consolidated financial statements as it is a wholly owned subsidiary of Aster Group Limited and its results are included within the consolidated financial statements of the group.

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

3 Accounting policies

Turnover

Turnover represents:

Rental, service charge income and garage lettings - recognised from the point at which the properties under development reach practical completion or otherwise become available for letting.

Service charge income - an amalgamation of the budgeted charge for the year and the under or over recovery from the pre-previous year.

Revenue fees and grants from local authorities and the RSH - recognised over the period the related costs are incurred.

Asset related fees and grants from local authorities and the RSH - recognised over the life of the related asset. For grants relating to completed properties the grant is amortised through turnover over the effective useful life of the property's structure.

Income from first tranche sales of New Build HomeBuy and housing properties developed for sale - recognised at the legal completion of the sale.

Other income, such as domiciliary care and sewerage services - recognised when the performance of a service is completed, or when the requirements of an agreement with a third party or other group subsidiary are met.

Operating Profit

The association has chosen to show operating profit on the face of the Statement of Income and Retained Earnings. This figure represents income, less the costs and expenses incurred to generate it, from the association's principal activities that are not investing or financing activities.

Property managed by agents

The association has a small number of properties that it owns but are managed by agents on its behalf. Where the association carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Income and Retained Earnings for the year. Where the agency carries the financial risk, the profit or loss for the year includes only that income and expenditure which relates solely to the group.

Value added tax (VAT)

The association is registered for VAT and, while turnover is stated excluding VAT, a large portion of its income, including its rents, is exempt for VAT purposes. The majority of its expenditure is subject to VAT which cannot be reclaimed and therefore expenditure is shown inclusive of irrecoverable VAT. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

New build shared ownership properties

The cost of developing new build shared ownership properties is split between current assets for that part of the property which is expected to be sold by way of a first tranche sale and property, plant and equipment for the remaining part of the property which is expected to be retained.

First tranche sales on new build shared ownership properties are recognised in turnover, with an appropriate proportion of development build costs being expensed through cost of sales.

Subsequent tranches sold (staircasing) are reflected in the Statement of Income and Retained Earnings on sale of property, plant and equipment. Such staircasing sales may result in social housing grant being deferred or abated until it can be recycled or repaid. Cost includes the acquisition of land and buildings, the cost of developing properties, plus expenditure incurred in respect of improvements.

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

3 Accounting policies (continued)

Social housing properties and depreciation

Properties rented for social benefit are classified as property, plant and equipment and referred to as social housing. These properties are rented at below market rate to people put forward by the relevant local authorities from their housing lists. Social housing properties under construction are stated at cost and are not depreciated. These are reclassified as social housing properties on practical completion of construction with cost apportioned by key components.

Freehold land is not depreciated. Freehold properties are depreciated by component on a straight line basis over the estimated useful economic lives of the component categories.

Social housing properties are split between the structure and those major components which require periodic replacement. Capitalised major components are depreciated over the following UEL:

Component	UEL (years)
Structure (see below)	100
Roof	45
Heating Distribution Systems	15
Boiler	15
Bathroom	25
Windows/Doors	35
Kitchen	20
Electrical wiring	20

Impairment reviews are carried out at each reporting date. If an impairment trigger is present the asset's carrying value is reduced to its depreciated replacement cost, as outlined in the impairment policy, unless it is being demolished or remodelled when the carrying value is reduced to that of the remaining components.

Social housing properties held on long leases are depreciated in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

New build shared ownership properties are split proportionately between property, plant and equipment and current assets based on the proportion of the share of equity sold in the first tranche. The element of a property anticipated to be sold as a first tranche sale is recognised as a current asset, whereas the element relating to second and subsequent tranche sales is treated as property, plant and equipment. If the profit on sale of the first tranche is expected to exceed the total overall profit on sale of all tranches of that property the proportionate value of the first tranche current asset is increased to limit the profit earned to the overall profit

Depreciation on freehold properties and long leasehold social housing properties is provided to write off the cost less the estimated residual value of social housing properties by equal instalments over their remaining estimated UEL. Any additions and improvements are depreciated over the remaining life of the premises. The UEL used are:

Structure	UEL (years)
Freehold	100
Leasehold	Lease term

Freehold land is not depreciated.

It was elected to take the transitional exemption laid out in paragraph 35.10(d) of FRS 102 and use the 31 March 2014 valuation as the deemed cost of social housing properties at that date. All social housing properties completed after that date are recognised at cost.

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

3 Accounting policies (continued)

Property, plant and equipment and depreciation, non-social housing

Property, plant and equipment, is stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Subsequent expenditure is capitalised where it increases the value of the asset or extends its life. Completed social housing properties are covered by a separate policy. Depreciation is charged on a straight line basis over the expected remaining UEL of the assets as follows:

Asset	UEL (years)
Freehold offices	35-50
Leasehold offices	Lease term
Motor vehicles	4
Office, estate equipment and furniture	3-10

Freehold premises (non-social housing properties) depreciation is provided to write off the cost less estimated residual value over the UEL of the property. Any additions and improvements are depreciated over the remaining life of the premises.

Assets under construction are stated at cost (as defined above). They are presented separately in the note to the financial statements and not depreciated until they are completed and brought into use. The UEL of all property, plant and equipment is reviewed annually.

Capitalisation of internal staff costs

a) Housing development schemes

Internal staff costs that are directly related to the development of housing assets are capitalised to the schemes under construction where the outcome of the scheme is certain. Where the outcome of the scheme is uncertain or aborted, the direct development administration costs are charged to the Statement of Income and Retained Earnings for the year.

b) Development of internally created assets

Internal staffing costs relating to internally created other tangible or intangible assets are capitalised to the extent that they are additional costs incurred due to the development of the asset.

An internally generated intangible asset is only recognised if all the following conditions are met:

- The asset created can be identified (such as software or a website);
- It is expected that the asset created will generate future economic benefits; and
- The development cost of the asset can be measured reliably.

Capitalisation of internal staff costs (continued)

Internally generated intangible assets are recognised at cost and amortised on a straight-line basis over the useful lives from the date the asset becomes usable.

Capitalisation of interest costs

Interest costs relating to the construction and acquisition of housing assets are charged to the cost of the development scheme, over the period of its development. The amount capitalised represents either:

- Interest costs incurred specifically for financing the development programme after the deduction of social housing grant in advance; or
- Interest costs of the group as a whole after the deduction of interest on social housing grant in advance to the extent that they are funding the development programme.

Other interest costs are recognised in the Statement of Income and Retained Earnings for the period to which they relate.

Interest receivable and payable

Interest is recognised on an accruals basis, using the effective interest rate method recognised in the Statement of Income and Retained Earnings over the life of the financial instrument.

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

3 Accounting policies (continued)

Leased assets

Where assets are financed by leasing agreements that transfers substantially all the risks and rewards of ownership, they are treated as if they had been purchased outright. The amount capitalised is the lower of the present value of the minimum lease payments payable during the lease term or the fair value of the leased asset. The corresponding leasing commitments are shown as the present value of the obligations to the lessor. Lease payments are treated as consisting of a finance charge and a reduction in the liability. The finance charge is charged to the Statement of Income and Retained Earnings for the period using the effective interest method.

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings for the period on a straight line basis over the period of the lease.

Investment properties

Investment properties are properties held for capital appreciation, rented at a market rate where there are no restrictions on who can be a tenant, or both.

Investment properties are re-valued each year to their fair or market value. Any changes in value are recognised in the Statement of Comprehensive Income in the year they occur.

Impairment

a) Other tangible and intangible assets

Other tangible and intangible assets are reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, the affected assets are written down to the recoverable amount. Any such write down is charged to the Statement of Income and Retained Earnings for the year.

b) Social housing

Social housing properties are subject to impairment trigger reviews on completion and then annually thereafter. If there is a trigger and evidence of impairment is found the carrying value of the property is compared to its depreciated replacement cost. This represents the amount it would cost the group to replace the property. For properties built or acquired prior to 1 April 2014 this replacement cost is depreciated from 1 April 2014. For properties built or acquired after 1 April 2014 depreciation starts from the build or acquisition date. If the property's carrying value is higher than its depreciated replacement cost the carrying value must be reduced to the depreciated replacement cost, the write down is charged to the Statement of Income and Retained Earnings for the year.

In the portfolio there are some pre-fabricated reinforced concrete construction properties and bedsits. Where an impairment review indicates that their useful economic life is likely to be less than the standard policy they have been re-life to 10 years.

c) Unsold first tranche current assets

On practical completion shared ownership property assets are split between current assets for the unsold first tranche portion and property, plant and equipment for the rental portion.

First tranche current assets are reviewed for impairment if there are indications that the market value of the property has dropped below that included in the investment appraisal. If any current assets are found to be impaired the carrying value is reduced to the selling price less costs to complete and sell.

The rental portion is treated as social housing for impairment purposes.

Accrued income

When, as a result of performing a service or otherwise meeting the requirements of an agreement with a third party, income falls due but has not been invoiced in the period, an accrual is made for this income.

Deferred income

Where payment has been received for goods or services not yet delivered, the amount is initially recorded as a liability in the Statement of Financial Position and recognised as turnover once the delivery has been made.

Service charge sinking funds

The association owns a number of schemes which require it to manage sinking funds in order to maintain the upkeep of the properties. These funds are held separately by the association, and may only be used for the benefit of the relevant schemes. These funds are held in creditors on the Statement of Financial Position.

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

3 Accounting policies (continued)

Financial instruments

Section 11 Basic Financial Instruments of FRS 102 permits an accounting policy choice for financial instruments. The group has chosen to adopt sections 11 and 12 of FRS 102 as permitted by this section.

a) Rent arrears and other debts

Rent arrears, other amounts due from tenants and other miscellaneous debts are recognised and carried at original amount of the charge, less provision for impairment. A provision is made and charged to the Statement of Income and Retained Earnings for the year when there is objective evidence that the group will not be able to collect all amounts due in accordance to the original terms.

Any tenants or miscellaneous debtors who have a payment arrangement to pay their debts over a period of longer than the normal terms of business are treated as having a financing transaction. These transactions are recognised at their present value rather than transaction value. The discount rate used for the present value calculation is based upon an estimate of the rate the debtor could obtain in their own right.

b) Cash and cash equivalents

Cash and cash equivalents includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of twelve months or less.

c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

d) Trade creditors

Trade creditors are not interest-bearing and are stated at their transaction value.

e) Committed borrowings and bank overdrafts

Interest-bearing loans and overdrafts are recorded at the amounts received, net of direct issue costs, using the effective interest method. Direct issue costs are amortised over the period of the loans and overdrafts to which they relate. Finance charges, including premiums payable on settlement or redemption, are charged to the profit or loss for the period as incurred using the effective interest rate method and are added to the carrying value of the borrowings or overdraft to the extent they are not settled in the period in which they arise.

When a loan facility agreement is entered into, any associated costs are capitalised, discounted at the prevailing market rate of interest amortised over the life of the related loans.

Social housing and other grants

Social housing grant (SHG) is receivable from the Regulator for Social Housing (RSH). It is accounted for under section 24 of FRS 102 'Government grants' using the accrual model. Once properties have been completed the grant is classified as a long-term creditor and amortised to the Statement of Comprehensive Income for the year over the life of the properties' structure. Where grants are paid in advance, they are included in creditors until performance is completed.

If a property which received a grant is subsequently sold, or another relevant event takes place the SHG appears as a creditor due in less than one year. It can be recycled for use in a project approved by the RSH or repaid to the RSH if it is not used within the agreed timescale.

Prior to transition to FRS 102 the association held its social housing properties at valuation. On transition this became the deemed cost. All SHG received prior to transition on 1 April 2014 was transferred to the profit and loss reserve. It is recycled from this reserve if a relevant event occurs.

Government grants received after 1 April 2014 are recognised in income over periods in which the related costs are recognised for which the grant is intended to compensate, over the useful economic life of the property's structure.

Other Government grants received are also accounted for under section 24 of FRS 102 using the accrual model.

When part of the government grant is deferred, it is recognised as deferred income within creditors and allocated between due within one year and due after more than one year as appropriate.

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

3 Accounting policies (continued)

Pension Costs

The association also operates a defined benefit pension scheme which is closed to new members. The pension scheme liability shown in the financial statements relates to the association's own defined benefit scheme. The difference between the fair value of the assets held in the association's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the association's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the association is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

In 2021/22, the pension scheme was "bought in" which means assets were used to purchase an insurance policy that will meet all future benefits payable from the Scheme. The carrying value of the resulting surplus remains restricted on the basis that this will primarily be used to meet expenses needed for the eventual wind-up of the pension scheme. There are ongoing discussions about the use of any remaining surplus, and so any surplus refund to the employer remains uncertain and unrecognised.

Provisions

a) General provisions

A provision is recognised in the Statement of Financial Position where the association has an obligation as a result of a past event, and it is probable that economic benefits will be required to settle the obligation. The amount of provision is re-assessed each year in the light of estimated future income and costs as appropriate.

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

4 Critical accounting judgements and estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates, which are shown below.

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.

Critical judgements in applying the association's accounting policies

Fair value

The directors have made the following judgements regarding fair value:

- If land is donated at below market cost it is recognised at its fair value. The directors judge this to be its market value at the time of the donation.

Cash generating units

When reviewing social housing properties for impairment the directors are required to consider the level of cash generating unit. For impairment purposes, the directors consider that each individual property constitutes a cash generating unit as it generates cash flows that are largely independent of the cash flows generated by other assets.

Impairment triggers for housing properties

On completion each development scheme is reviewed for impairment triggers using the group's property impairment flow chart. If it is judged that there is evidence that the scheme has activated one of the triggers in the flow chart an impairment review is undertaken. Where impairment is found the carrying value of the properties in the scheme is reduced to their depreciated replacement cost. This process is also applied to completed properties annually.

Useful lives of social housing property assets

Social housing property assets are split into their component parts, with each component being depreciated over a separate estimated useful economic life. The annual depreciation charge for social housing property assets in total is sensitive to changes in these estimated useful economic lives. The useful economic lives of individual components are re-assessed as part of a rolling stock condition survey, examining 20% of the stock annually, and amended where necessary. See note 3 for the useful economic lives for each class of component.

Critical accounting estimates and assumptions

The association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Rebalancing surpluses from first tranche shared ownership sales

Where social housing development schemes consist of social rental and shared ownership properties the cost of development is split between the individual properties by property classification. As these costs cannot be accurately assigned to individual properties management assumes that they are evenly spread by floor area.

The shared ownership property costs are then further split between the percentage of the property to remain as property, plant and equipment and the current asset based on the percentage to be sold as the first tranche sale.

The exception to this treatment is where the overall surplus on first tranche shared ownership sales on mixed tenure developments is restricted to the net present value of future cash flows on shared ownership properties.

Pensions

The discount rate used in the calculation of the pension scheme liability and insurance policy asset has been derived from an AAA rated corporate bond yield curve whereas prior to 1 April 2016 a AA rated corporate bond 15-year index yield was used to measure the pension scheme liability. Whilst the use of an AAA rated bond is unusual, the accounting guidance in FRS 102 section 28 states that pension obligations should be discounted by reference to market yields of a high quality corporate bond but is not prescriptive as to the rating of those bonds. The application of the discount rate derived from the AAA rated corporate bond is within the accounting guidance and is a matter of management judgement. Management have used their judgement in this matter, as a valuation based on AAA corporate bonds gives a more realistic view of the pension scheme liability with the scheme buy out and eventual wind-up in mind. This was discussed and agreed with the pension scheme actuaries prior to the change in approach post 1 April 2016 and a consistent approach has been adopted at subsequent year-ends.

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

5 Turnover, operating expenditure and profit

5a

	Note	2026		
		Turnover	Operating expenditure/ cost of sales	Operating profit /(loss)
		£000	£000	£000
Income and expenditure from lettings				
Housing accommodation	5b	18,260	(19,065)	(805)
Other income and expenditure				
Social housing				
Residential Care Homes		9,826	(8,290)	1,536
Properties managed by agents		1,411	(3,048)	(1,637)
Supporting people		60	(60)	-
Community involvement		-	(66)	(66)
Development costs not capitalised		-	(261)	(261)
		<u>11,297</u>	<u>(11,725)</u>	<u>(428)</u>
Non social housing				
Other lettings		1,032	(175)	857
Other - commercial		-	(397)	(397)
		<u>1,032</u>	<u>(572)</u>	<u>460</u>
Total income and expenditure		<u>30,589</u>	<u>(31,362)</u>	<u>(773)</u>
Other income and cost of sales				
Social housing				
First tranche shared ownership		1,264	(1,241)	23
		<u>1,264</u>	<u>(1,241)</u>	<u>23</u>
Total other income and cost of sales		<u>1,264</u>	<u>(1,241)</u>	<u>23</u>
Total		<u>31,853</u>	<u>(32,603)</u>	<u>(750)</u>
Surplus on sale of housing property, plant and equipment	6	8,098	(3,267)	4,831
Impairment of intercompany loan				(244)
Impairment of housing stock held for sale	20			(254)
Decrease in fair value of investment properties	17			(390)
Operating Profit				<u>3,193</u>
	Note	2025		
		Turnover	Operating expenditure/ cost of sales	Operating profit /(loss)
		£000	£000	£000
Income and expenditure from lettings				
Housing accommodation	5b	16,420	(20,769)	(4,349)
Other income and expenditure				
Social housing				
Residential Care Homes		9,475	(8,546)	929
Properties managed by agents		1,220	(2,426)	(1,206)
Supporting people		61	(61)	-
Community involvement		-	(82)	(82)
Development costs not capitalised		-	(318)	(318)
		<u>10,756</u>	<u>(11,433)</u>	<u>(677)</u>
Non social housing				
Other lettings		1,861	(1,425)	436
Other - commercial		-	(1,015)	(1,015)
		<u>1,861</u>	<u>(2,440)</u>	<u>(579)</u>
Total income and expenditure		<u>29,037</u>	<u>(34,642)</u>	<u>(5,605)</u>
Surplus on sale of housing property, plant and equipment	6	3,239	(1,450)	1,789
Impairment of intercompany loan				(264)
Increase in fair value of investment properties	17			1,075
Operating profit				<u>(3,005)</u>

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

5 Income and expenditure from lettings

5b

	2026				
	General needs housing £000	Supported housing £000	Sheltered Housing £000	Shared Ownership £000	Total £000
Income					
Rents	2,223	324	9,050	69	11,666
Service charges	444	228	5,182	132	5,986
Amortisation of government grants	145	11	217	1	374
Other revenue grants	1	227	6	-	234
Total net rents from lettings	2,813	790	14,455	202	18,260
Expenditure					
Management	(210)	(79)	(2,686)	(54)	(3,029)
Services	(1,165)	(349)	(5,532)	(135)	(7,181)
Routine maintenance	(505)	(119)	(1,783)	(45)	(2,452)
Planned maintenance	(134)	(46)	(773)	(3)	(956)
Major improvements and repairs	(1,107)	(82)	(1,134)	(44)	(2,367)
Bad debts	(28)	(9)	(49)	(1)	(87)
Depreciation of housing properties	(449)	(86)	(1,905)	(12)	(2,452)
Loss on component disposals	(184)	(11)	(346)	-	(541)
Operating costs on lettings	(3,782)	(781)	(14,208)	(294)	(19,065)
Operating (loss) / profit on lettings activities	(969)	9	247	(92)	(805)

Rental income is stated net of void losses as set out below:

Void losses	122	49	259	-	430
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	2025				
	General needs housing £000	Supported housing £000	Sheltered Housing £000	Shared Ownership £000	Total £000
Income					
Rents	2,045	436	8,443	42	10,966
Service charges	52	333	4,220	249	4,854
Amortisation of government grants	139	11	217	-	367
Other revenue grants	4	225	4	-	233
Total net rents from lettings	2,240	1,005	12,884	291	16,420
Expenditure					
Management	(692)	(17)	(3,010)	(41)	(3,760)
Services	(849)	(513)	(4,960)	(191)	(6,513)
Routine maintenance	(688)	(201)	(1,622)	(46)	(2,557)
Planned maintenance	(143)	(32)	(699)	(1)	(875)
Major improvements and repairs	(1,205)	(140)	(3,120)	(11)	(4,476)
Bad debts	(60)	112	(79)	9	(18)
Depreciation of housing properties	(403)	(79)	(1,790)	(4)	(2,276)
Loss on component disposals	(113)	(1)	(180)	-	(294)
Operating costs on lettings	(4,153)	(871)	(15,460)	(285)	(20,769)
Operating profit / (loss) on lettings activities	(1,913)	134	(2,576)	6	(4,349)

Rental income is stated net of void losses as set out below:

Void losses	80	50	188	-	318
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Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

6 Profit on disposal of housing property, plant and equipment

	Proceeds £000	2026 Cost of disposal £000	Profit £000	Proceeds £000	2025 Cost of disposal £000	Profit £000
Void property disposals	8,098	(3,267)	4,831	3,239	(1,450)	1,789
	<u>8,098</u>	<u>(3,267)</u>	<u>4,831</u>	<u>3,239</u>	<u>(1,450)</u>	<u>1,789</u>

7 Operating profit / (loss)

	Note	2026 £000	2025 £000
Operating loss is stated after charging:			
Auditor's remuneration (excluding irrecoverable VAT)			
In their capacity as auditor's:			
Financial statements audit		88	85
Depreciation:			
Property, plant and equipment - (social housing)	15	2,710	2,532
Loss on component disposals	15	564	381
Property, plant and equipment - (other assets)	16	722	604
Amortisation of intangible assets	14	211	305
Impairment:			
Intercompany loan		244	264
Impairment of housing stock held for sale	20	254	-
Operating lease payments:			
Land and buildings		152	152

8 Directors' emoluments

Members of the executive board and executive management team

The association did not directly employ any members of the Executive Board or the executive management team during the year. A charge for their services was made via the group overheads recharge to the association. This recharge included £47,000 (2025: £57,000) for executive directors' services and £30,000 (2025: £40,000) for the executive management team's services. These amounts are included in the association's profit for the year.

Non-executive directors

The association operates as part of the group Overlap Boards. The non-executive directors are paid by Aster Group Limited. A charge of £19,000 (2025: £28,000) was made for their services via the group overheads recharge to the association.

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

9 Employee information

	2026 No.	2025 No.
The average number of persons employed during the year (full time equivalents 'FTE') based on 37 hours per week	<u>118</u>	<u>123</u>

FTE by salary bands:

Salary includes salary, car allowance, any acting up allowances, bonuses and pension contributions made by the group.

	2026 No.	2026 No.
£59,999 or less	116	121
£60,000 to £69,999	1	1
£120,000 to £129,999	1	1
	<u>118</u>	<u>123</u>

None of the above employees received any enhanced pension payments during the year (2025: nil).

	Note	2026 £000	2025 £000
Staff costs:			
Wages and salaries		3,976	5,995
Social security costs		464	538
Other pension costs	26	134	651
		<u>4,574</u>	<u>7,184</u>

10 Loss on disposal of other property, plant and equipment

	Proceeds £000	2026 Cost of disposal £000	Loss £000	Proceeds £000	2025 Cost of disposal £000	Loss £000
Office equipment	-	(65)	(65)	-	(29)	(29)
	<u>-</u>	<u>(65)</u>	<u>(65)</u>	<u>-</u>	<u>(29)</u>	<u>(29)</u>

11 Charitable donations received

	2026 £000	2025 £000
Central & Cecil Construction Services Limited	130	-
Central & Cecil Construction Innovations Limited	1	-
55 London	528	-
	<u>659</u>	<u>-</u>

12 Finance income and expense

	Note	2026 £000	2025 £000
Interest receivable and similar income			
Bank interest receivable		75	71
Interest receivable from other group companies		174	367
Unwinding of trade debtor discounting		6	1
		<u>255</u>	<u>439</u>
Interest payable and similar charges			
Bank loans and overdrafts		(62)	(27)
Debtor discounting adjustment		(7)	(23)
Loans with other group companies		(3,260)	(2,425)
Recycled capital grant fund		(91)	(87)
		<u>(3,420)</u>	<u>(2,562)</u>
Interest capitalised		1,632	1,132
Total interest payable on financial liabilities not measured at fair value through profit or loss		<u>(1,788)</u>	<u>(1,430)</u>
Interest on net pension liability			
CCHT pension fund	26	-	2
Net finance expense		<u>(1,533)</u>	<u>(989)</u>

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

13 Tax on profit / (loss) on ordinary activities

	2026 £000	2025 £000
(a) Tax expense included in profit or loss		
The tax charge on the profit on ordinary activities was as follows:		
Current tax		
UK corporation tax expense	-	-
Under provision in prior year	-	-
Total current tax	-	-
Deferred tax		
Deferred tax for the year	-	-
Total deferred tax	-	-
Tax on profit/(loss) on ordinary activities	-	-

	2026 £000	2025 £000
(b) Factors affecting tax charge for the year		
Profit / (loss) on ordinary activities before taxation	2,254	(4,023)
Loss on ordinary activities multiplied by standard rate of Corporation Tax in the UK of 25% (2025: 25%)	564	(1,006)
Effects of:		
Profit / (loss) from charitable activities	(564)	1,006
	-	-

(c) Deferred tax

The tax charge on ordinary activities for the year is £nil (2025: £nil). There is no deferred tax asset or liability arising during the year (2025: £nil). There are no factors expected to affect future tax charges.

14 Intangible assets

	Computer software £000
Cost	
At 1 April 2025	1,598
Additions	-
At 31 March 2026	1,598
Accumulated amortisation	
At 1 April 2025	919
Charge for year	211
At 31 March 2026	1,130
Net book value as at 31 March 2026	468
Net book value as at 31 March 2025	679

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

15 Property, plant and equipment (social housing)

	Housing properties under construction £000	Completed housing properties £000	Shared ownership under construction £000	Shared ownership completed £000	Total £000
Cost					
At 1 April 2025	17,703	163,298	11,103	502	192,606
Additions	8,798	-	10,034	-	18,832
Components	-	2,235	-	-	2,235
Disposal of components	-	(905)	-	-	(905)
Completions	(5,065)	5,065	(8,872)	8,872	-
Reclassification	(14)	-	14	-	-
Disposals	-	(2,996)	-	-	(2,996)
At 31 March 2026	21,422	166,697	12,279	9,374	209,772
Accumulated depreciation					
At 1 April 2025	-	25,741	-	18	25,759
Charge for year	-	2,696	-	14	2,710
Disposal of components	-	(341)	-	-	(341)
Disposals	-	(597)	-	-	(597)
At 31 March 2026	-	27,499	-	32	27,531
Net book value at 31 March 2026	21,422	139,198	12,279	9,342	182,241
Net book value at 31 March 2025	17,703	137,557	11,103	484	166,847

The cost of completed properties during the year includes £1.5 million (2025: £1.1 million) of capitalised borrowing costs at an average cost of borrowing of 4.6% (2025: 3.1%).

Net book value of property, plant and equipment - social housing by tenure

	2026 £000	2025 £000
Freehold	168,919	154,166
Long leasehold	8,303	8,207
Short leasehold	5,019	4,474
Net book value	182,241	166,847

Current value of completed social housing properties

The below valuation was carried out by Jones Lang LaSalle Limited Chartered Surveyors on 31 March 2026, on the basis of Existing Use Value - Social Housing. The valuations were carried out in accordance with RICS Appraisal and Valuation Manual effective from 1 January 1996 (as amended).

	Housing properties under construction £000	Completed housing properties £000	Shared ownership under construction £000	Shared ownership completed £000	Total £000
Existing Use Valuation - Social Housing					
Valuation at 31 March 2026	-	246,800	-	4,560	251,360

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

16 Property, plant and equipment (other assets)

	Office Equipment £000	Computer Equipment £000	Total £000
Cost			
At 1 April 2025	11,257	346	11,603
Additions	871	-	871
Disposals	(158)	-	(158)
At 31 March 2026	11,970	346	12,316
Accumulated depreciation			
At 1 April 2025	4,080	254	4,334
Charge for year	661	61	722
Disposals	(93)	-	(93)
At 31 March 2026	4,648	315	4,963
Net book value at 31 March 2026	7,322	31	7,353
Net book value at 31 March 2025	7,177	92	7,269

17 Investment properties

	Market rented properties £000
Fair value	
At 1 April	9,340
Fair value adjustment	(390)
At 31 March	8,950

The above valuation was carried out by Jones Lang LaSalle Limited Chartered Surveyors on the basis of Market Value using the comparison method at 31 March 2026.

Market value is defined by the Royal Institution of Chartered Surveyors (RICS) as 'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'. The valuations were carried out in accordance with RICS Appraisal and Valuation Manual effective from 1 January 1996 (as amended).

18 Investments in subsidiaries

	2026 £	2025 £
Central & Cecil Innovations Ltd - 1 £1 share	-	1
Central & Cecil Construction Services Ltd - 1 £1 share	-	1
55 London - 1 £1 share	1	1
	1	3

19 Debtors: amounts falling due within one year

	2026 £000	2025 £000
Trade debtors	52	993
Rent arrears	2,088	1,510
Service charge under-recovery	2,686	2,763
Less discounting of debts payable over more than 12 months	(26)	(26)
Less provision for bad debts - rent arrears and service charges	(723)	(583)
	4,077	4,657
Amounts owing by group undertakings	1,473	5,574
Less provision for bad debt	-	(3,729)
Other debtors	11	-
Prepayments and accrued income	505	486
	6,066	6,988

Units held for re-sale by a subsidiary company were valued as at 31 March 2026. The projected proceeds from these sales have been compared to the intercompany loan facility balance and a provision for £nil million (2025: £3.7 million) recognised.

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

20 Shared ownership properties held for sale

	Under construction £000	Completed £000	Total £000
1 April 2025	7,410	-	7,410
Additions	305	-	305
Completions	(3,623)	3,623	-
Impairment	-	(254)	(254)
Disposals	-	(1,190)	(1,190)
31 March 2026	4,092	2,179	6,271

21 Cash and cash equivalents

	2026 £000	2025 £000
Short term deposits	100	-
Cash at bank and in hand	1,777	2,921
	1,877	2,921

22 Creditors: amounts falling due within one year

	Note	2026 £000	2025 £000
Trade creditors		-	125
Social Housing Grant		4,330	2,772
Recycled capital grant	25	905	846
Taxation and social security		-	83
Rent paid in advance		1,315	1,018
Service charge over-recovery		124	1,245
Amounts owed to group undertakings		1,666	2,806
Other creditors		260	212
Pension contributions		-	17
Capital grant received in advance		39	35
VAT payable		11	27
Accruals and deferred income		3,971	2,354
		12,621	11,540

23 Creditors: amounts falling due after more than one year

	Note	2026 £000	2025 £000
Amounts owed to other group undertakings		66,500	60,000
Social housing grant	24	36,001	35,337
Recycled capital grand fund	25	2,744	1,471
		105,245	96,808

Amounts owed to other group undertakings represent credit facilities with Aster Group Limited. £20 million (2025: £20 million) of the amounts owed are fixed at an interest rate of 4.5% (2025: 4.5%) and £46.5 million (2025: £40 million) are fixed at an interest rate of 5.41% (2025: 5.41%). Under the terms of an arrangement with Aster Treasury Plc, Central & Cecil Housing Trust has guaranteed the repayment of all amounts due by Aster Communities, Synergy Housing Limited, Aster 3 Limited and East Boro Housing Trust to Aster Treasury plc. In the case of Aster Communities, Synergy Housing Limited, Aster 3 Limited or East Boro Housing Trust not making any repayments of the loan, Central & Cecil Housing Trust will become liable to settle the amount due. The total amount payable by Central & Cecil Housing Trust as at 31 March 2026 is £nil (2025: £nil).

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

24 Deferred capital grant

	Note	2026 £000	2025 £000
At 1 April 2025		38,109	39,204
Additions		4,050	-
Disposals		(1,360)	(633)
Amortised within Statement of Comprehensive Income		(468)	(462)
At 31 March 2026		40,331	38,109
Recognised in:			
Creditors: Amount falling within one year	22	4,330	2,772
Creditors: Amount falling due after more than one year		36,001	35,337
		40,331	38,109

SHG is receivable from the RSH. Grant received for properties under construction is classified as a creditor due in less than one year as the grant would be repayable should the delivery of properties not be completed. Once properties have been completed the grant is classified as a long-term creditor and amortised to the profit or loss for the period over the life structure of the property.

Cumulative government grants received

	2026 £000	2025 £000
Social housing grant	53,011	48,961
Recognised in:		
Profit and loss reserve	12,680	10,852
Creditors: amounts falling due within one year	4,330	2,772
Creditors: amounts falling due after more than one year	36,001	35,337
	53,011	48,961

25 Recycled capital grant

	Note	2026 £000	2025 £000
Balance as at 1 April		2,317	1,805
Additions:			
Grants recycled		1,802	763
Interest		91	87
Transfer from group company			
Withdrawals:			
Repayment		(561)	(338)
Balance as at 31 March		3,649	2,317
Analysis of maturity:			
In less than one year	22	905	846
In one to two years		851	621
In more than two years		1,893	850
		3,649	2,317

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

26 Pension

Central & Cecil Housing Trust pension schemes

The cost of providing retirement pensions and related benefits is accounted for in accordance with FRS 102 section 28 – ‘Employee Benefits’. Central & Cecil Housing Trust participates in three pension schemes.

There is one defined benefit scheme:

- CCHT Pension Fund (closed to new members),

and two defined contribution (‘stakeholder’) schemes:

- L&G defined contribution scheme (closed on 30 November 2024), and

- Aegon defined contribution scheme (from 1 April 2022).

The accounting treatments for each of the schemes are described below.

The pension cost to the company for the year ended 31 March 2026 was £134,000 (2025: £651,000) in respect of 129 (2025: 270) employees.

Summary of movements and balances in funding

	Note	2026			
		Total cost by scheme £000	Total interest on net pension liability by scheme £000	Actuarial gains / (losses) in pension scheme £000	Pension deficit £000
Defined benefit schemes					
CCHT Pension Fund		-	-	-	-
CCHT pension fund asset ceiling		-	-	-	-
Defined contribution scheme					
L&G		-	-	-	-
Aegon		134	-	-	-
		<u>134</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Note	2025			
		Total cost by scheme £000	Total interest on net pension liability by scheme £000	Actuarial gains / (losses) in pension scheme £000	Pension deficit £000
Defined benefit schemes					
CCHT Pension Fund		531	(2)	74	(939)
CCHT pension fund asset ceiling		-	-	939	939
Defined contribution scheme					
L&G		73	-	-	-
Aegon		47	-	-	-
		<u>651</u>	<u>(2)</u>	<u>1,013</u>	<u>-</u>

26a L&G Defined contribution scheme

A defined contribution pension scheme was operated by Central & Cecil Housing Trust. On 30 November 2024 the scheme was closed and members were transferred to the Aegon defined contribution scheme. The assets of the scheme are held separately from those of the association in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £nil (2025: £73,000).

26b Aegon defined contribution scheme

The scheme is administered by Aegon UK and is open to all employees of Central and Cecil Housing Trust. The assets of the scheme are held separately from those of the association in an independently administered fund. The company paid contributions between 4% and 10% (2025: 4% and 10%) and employees paid contributions from 3% (2025: from 3%). At 31 March 2026 there were 116 (2025: 124) active members of the scheme. The pension charge represents contributions payable by the group to the fund and amounted to £134,000 (2025: £47,000).

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

26 Pension obligations (continued)

26c Defined benefit pension scheme

Central and Cecil Housing Trust operated a defined benefit pension scheme ('CCHT Pension Fund'). The CCHT Pension Fund was a registered defined benefit (final salary) scheme. The Fund closed to new entrants and all future accrual from 31 May 2014. Pension benefits depend upon age, length of service and salary level. The Fund transferred its liabilities to an insurer and formally wound up on 28 November 2024.

The Fund was established under trust and is governed by the Fund's definitive trust deed and rules dated 30 January 2004.

The scheme funding valuation as at 31 March 2020 revealed a funding surplus of £188,000. In accordance with the Schedule of Contributions dated 29 March 2021 the Association is expected to pay no contributions over future accounting periods. With the effect from 1 September 2020, except to the extent agreed otherwise in writing, the Association is not expected to meet any expense payments in relation to administering the Fund. These will instead be met out of the Fund's surplus assets. Over the period to 31 March 2022 the Fund disinvested the majority of its invested assets and purchased a buy-in insurance policy with Legal and General to meet all future Fund benefit payments. As at 31 March 2024 the Fund held the value of that insurance policy and surplus funds held as cash. On 26 April 2024 the Fund secured additional benefits for members and converted its buy-in insurance policy to a buy-out insurance policy and surplus funds were returned to the Association before the Fund formally wound up. There was therefore no pension liability on the balance sheet as at 31 March 2025 and 31 March 2026.

As measured at the start of the year, the liabilities of the Fund are based on the current value of expected benefit payment cashflows to members approximately over the next 60 years. The average duration of the liabilities is approximately 14 years.

A full actuarial valuation of the Fund was carried out as at 31 March 2020 and has been updated to 31 March 2024 by a qualified independent actuary.

None of the assets of the Fund are invested in the Association's own financial instruments and none of the assets are properties or other assets used by the Association.

The major assumptions used by the actuary were (in nominal terms) as follows:

Financial assumptions	2026 %p.a.	2025 %p.a.
Price increases - RPI	N/A	3.5
Price increases - CPI	N/A	3.0
Salary increases	N/A	3.5
Discount rate	N/A	5.0
Mortality	2026 years	2025 years
Current pensioners		
Females	N/A	24.1
Males	N/A	22.1
Future pensioners		
Females	N/A	25.8
Males	N/A	24.1
Cost recognised as an expense	2026 £000	2025 £000
Interest costs	-	(2)
Administration expenses	-	43
Service cost - inc. current & past service costs, settlements	-	488
	<u>-</u>	<u>529</u>
Return on plan assets	<u>-</u>	<u>(436)</u>

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

26 Pension obligations (continued)

26c Defined benefit pension scheme (continued)

Reconciliation of defined benefit obligation

	2026	2025
	£000	£000
Opening defined benefit obligation	-	8,926
Past service cost	-	482
Interest expense	-	28
Actuarial losses/(gains)	-	(540)
Benefits paid and expenses	-	(127)
Settlements	-	(8,769)
Closing defined benefit obligation	-	-

Reconciliation of fair value of scheme assets

	2026	2025
	£000	£000
Opening fair value of scheme assets	-	8,926
Interest income	-	30
Actuarial gains	-	(466)
Scheme administration costs	-	(43)
Benefits paid and expenses	-	(127)
Repaid to employer	-	(484)
Settlements	-	(8,775)
Closing fair value of scheme assets	-	(939)

Asset ceiling adjustment

-	939
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Closing fair value of scheme assets recognised in financial statements

-	-
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Net Pension deficit

-	-
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Net defined benefit liability / (asset) to be shown in OCI:

	2026	2025
	£000	£000
Return on assets, excluding interest income	-	466
Changes in assumptions underlying the present value of the Fund liabilities	-	(540)
Change in the amount of surplus that is not recoverable (excluding interest income)	-	(939)
	-	(1,013)

27 Share capital

	2026	2025
	£	£
At 1 April	13	14
Shares issued in the year	3	-
Shares cancelled in the year	(5)	(1)
At 31 March	11	13

The share capital of the association 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 the association. Therefore, all shareholdings relate to non-equity interest.

28 Operating leases

The group and the association had minimum lease payments under non-cancellable operating leases as set out below:

	2026	2025
	£000	£000
Not later than one year	152	152
Later than one but not later than five years	468	607
Later than five years	-	12
	620	771

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

29 Capital commitments

	2026 £000	2025 £000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	11,291	27,825
	<u>11,291</u>	<u>27,825</u>

Capital commitments contracted but not provided for represents the amount committed to develop sites for which the association has proceeds from sales of property in an escrow account and undrawn loan facilities to meet contractual obligations.

30 Other reserves

	Restricted reserve £000
Balance at 1 April / 31 March	<u>317</u>

Restricted reserve

Restricted reserves comprise a legacy of £317,000 (2025: £317,000) that was received in 2012 from a deceased resident at Cecil Court. These funds have been left for the specific benefit of the Cecil Court care home.

31 Homes and bed spaces in management and in development

	2026 No.	2025 No.
Under development at end of year:		
Housing accommodation	94	126
Shared ownership	58	88
	<u>152</u>	<u>214</u>
Under management at end of year:		
Owned and managed by Central & Cecil Housing Trust:		
Care homes (bed spaces)	117	-
	<u>117</u>	<u>-</u>
Owned but managed by others at the end of the year:		
Housing accommodation		
Social rent	286	305
Affordable Rent	127	96
Supported housing		
Social rent	1,145	1,057
Affordable Rent	227	210
Shared Ownership	34	7
Market rented	17	17
Care homes (bed spaces)	38	135
Sub-market rented	-	90
Long leaseholders	26	21
	<u>1,900</u>	<u>1,938</u>
	<u>2,017</u>	<u>1,938</u>

All of Central & Cecil Housing Trust's units are now managed by Aster Communities. The risk and rewards remain unchanged and still lie with the ownership of the relevant Registered Provider, hence there is no impact on the income or expense recognition of the Registered Providers.

Central & Cecil Housing Trust

Notes to the Financial Statements (continued)

32 Related party transactions

The association receives management and other services from its holding company, Aster Group Limited, and fellow group companies, Aster Communities and Synergy Housing Limited.

The association has taken advantage of the exemption allowed under FRS 102 Section 33 'Related Party Disclosures' not to disclose related party transactions within the group. This exemption is available providing the transactions are entered into between two or more members of a group, so long as any subsidiary which is party to the transaction is wholly owned.

The Accounting Direction for Private Registered Providers of Social Housing requires disclosure of the material recharges for services between non-regulated and regulated entities during the year and the balance outstanding as at the year end. The recharges for services in the year are:

From non-regulated entity	Nature of supply	Annual recharges		Balance as at 31 March	
		2026 £000	2025 £000	2026 £000	2025 £000
Aster Property Limited	Property maintenance services	13,963	18,243	1,434	1,582
Aster Homes Limited	Property development services	12,131	11,243	1,397	30
CCIL	Management services and loan facility	-	-	-	(217)
CCCS	Property development services	-	1	-	(2)
To non-regulated entity	Nature of supply	Annual recharges		Balance as at 31 March	
		2026 £000	2025 £000	2026 £000	2025 £000
55 London	Management services	581	1,198	-	11

Construction services from CCCS to its parent CCHT include a 2% mark up on cost. All other services are at cost.

33 Ultimate parent company

Central & Cecil Housing Trust is a wholly owned subsidiary of Aster Group Limited, the ultimate parent entity and controlling party, and whose consolidated financial statements may be obtained from the following address:

The Company Secretary, Sarsen Court, Horton Avenue, Cannings Hill, Devizes, Wiltshire, SN10 2AZ.

Aster Group Limited is the only group entity to consolidate the association's financial statements.