

Annual Accounts

2025/26



Charity Number: 1118644

Company Number: 3333405

Regulator of Social Housing Number: L4167



Contents

This Annual Report and Financial Statements is structured to help readers understand EPIC's purpose, performance, governance, financial position and future priorities. The front sections explain who EPIC is and how it is governed; the Strategic Report then describes performance during 2025-26, including tenant engagement, homes, repairs, sustainability, people, value for money and financial resilience; the financial statements and notes provide the detailed statutory information.

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Chair and Chief Executive's Foreword

The social housing sector continues to operate in a challenging environment, with rising expectations around home quality, service transparency and relationships with tenants. Economic pressures continue to affect organisations and households, making our role as a community-based housing association as important as ever.

During 2025-26, EPIC has continued to build on the strong foundations established in recent years. Following the Regulator of Social Housing's judgement in July 2025, in which we were awarded a Consumer C1 rating, increased to a Governance G1 rating and retained our Viability V2 rating, we have remained focused on sustaining those achievements and using them as a platform for further improvement. These outcomes reflect the commitment of colleagues, the oversight, challenge and support of the Board, and the important contribution of tenants who continue to help shape what we do.

We have continued to invest in tenants' homes, with safety, quality and long-term sustainability at the heart of our approach. Improving the information we hold about tenants and their homes remains central to delivering services that are responsive, inclusive and based on need. Our proactive approach to damp and mould enabled us to manage the introduction of Awaab's Law in a structured and effective way, building on established processes to respond quickly, assess risk and take appropriate action. Alongside repairs, compliance and building safety, this reflects our commitment to ensuring tenants live in homes that are safe, warm and well maintained.

The EPIC Connection is helping us strengthen how we work with tenants, colleagues, partners and stakeholders. It supports behaviours that are open, respectful, collaborative and focused on making a positive difference. By embedding the EPIC Connection across the organisation, we will build stronger relationships, make better decisions and improve outcomes.

The new Corporate Plan (2027-2030) will focus on further improving outcomes for tenants and the communities we serve, balancing good governance and financial resilience with innovation, investment and ambition, while ensuring that tenants' voices and influence remain central.

We are proud of the progress EPIC has made in strengthening how we do business. Continued investment in our people, systems, data and governance has improved our capacity and capability, enabling us to deliver services more effectively and manage risk responsibly. We recognise, however, that improvement is an ongoing journey and that we must remain ambitious, reflective and focused on the needs of tenants.

We are grateful to our tenants, colleagues, Board members, partners and stakeholders for their continued support. Together, we will build on the progress made, continue to listen and learn, and work hard to deliver even better homes, services and outcomes for the communities we serve.



Simon Wilson
Chair of the Board
16 September 2026



Tracey Johnson
Chief Executive
16 September 2026



Board of Trustees, Executive Officers, Company Information

Board Trustee	Position Held	Date Joined/ Resigned	Other Committee Membership	Meeting Attendance		
				Actual meetings attended	Maximum attendance	% Attendance
Simon Wilson	B Chair	Apr 23	GRC	5(B)/3(G)	9	89%
Rob Emery	MRC	May 20/May 26	n/a	5(B)	6	83%
Nick Leggett		Mar 20/Dec 25	ARAC/GRC	3(B)/2(A) /2(G)	9	78%
Rachel Challinor		Oct 21	GRC	5(B)/3(G)	9	89%
Amandeep Jhawar		Nov 21	ARAC	5(B)/2(A)	9	78%
Dave Newmarch		Oct 21	n/a	6(B)/1(A)	7	100%
Margaret Dodwell	A Chair	Apr 23	ARAC	6(B)/3(A)	9	100%
Alun Bragg	MRC	Apr 23	ARAC	6(B)/3(A)	9	100%
Jonathan Moore	G Chair	Apr 23	GRC	5(B)/3(G)	9	89%
Rob Morton		Feb 24	ARAC	5(B)/2(A)	9	78%
Jemma Richards		April 26		N/A	N/A	N/A
Chris Elliot		April 26		N/A	N/A	N/A
Danny Wyer		April 26	ARAC	N/A	N/A	N/A

Three additional trustees were appointed from April 2026 and therefore are shown for completeness but were not members of the Board on 31 March 2026

Key:

<i>B</i>	<i>Board Meeting</i>
<i>B Chair</i>	<i>Board of Trustee Chair</i>
<i>ARAC</i>	<i>Audit and Risk Assurance Committee</i>
<i>A Chair</i>	<i>Audit and Risk Assurance Committee (ARAC) Chair</i>
<i>A</i>	<i>Audit and Risk Assurance Committee Meeting</i>
<i>GRC</i>	<i>Governance and Remuneration Committee</i>
<i>G Chair</i>	<i>Governance and Remuneration Committee (GRC) Chair</i>
<i>G</i>	<i>Governance and Remuneration Committee Meeting</i>
<i>MRC</i>	<i>Member responsible for Complaints</i>

Board of Trustees, Executive Officers, Company Information

Executive Officers		
Chief Executive	Tracey Johnson	
Director of Resources and Company Secretary	Sharon Shaw	
Director of Housing	Cindy Gleghorn	
Director of Asset Management and Building Compliance	Jon Parkes	

Company Information	
Registered Office	131-141 Ubberley Road, Bentilee, Stoke on Trent, Staffordshire, ST2 0EF
Company Secretary	Sharon Shaw
Company No.	3333405
Charity No.	1118644
Regulator of Social Housing Registration No.	L4167
Auditor	Menzies LLP The Beehive Lions Drive, Shadsworth Business Park, Blackburn, BB1 2QS
Bank	The Co-operative Bank plc, Birmingham Commercial Banking Centre, 118-120 Colmore Row, Birmingham, B3 3BA
Key lender	Triodos Bank, Deanery Road, Bristol, BS1 5AS

Report of the Board

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

Principal activities

Empowering People Inspiring Communities (EPIC) is a charitable registered provider of social housing governed by a Board of Trustees. As at 31 March 2026, the Board comprised 10 trustees, with a further three trustees appointed 1 April 2026.

EPIC is a community-based housing association that owns and manages 1,399 homes across the Bentilee, Hanley and Meir areas of Stoke on Trent. This includes 1,372 rented homes and 27 leasehold properties. Most of our homes provided are for social rented, with a small number of leasehold homes owned by residents. Further details of homes and tenure are shown in Notes 3 and 4 to these financial statements.

Public Benefit

The Board has considered the Charity Commission's guidance on public benefit when planning and reviewing EPIC's activities and future objectives.

EPIC exists to provide affordable, safe and good-quality homes alongside services that help people sustain their tenancies and improve their wellbeing. Through the provision of social housing, investment in existing homes, support for vulnerable residents, tenant engagement activities and partnerships with local agencies, EPIC delivers direct public benefit to tenants and the wider communities it serves.

During 2025-26 EPIC continued to invest significantly in tenants' homes, improve building safety and energy efficiency, support residents experiencing financial hardship and strengthen opportunities for tenants to influence decisions and service delivery. The Board is satisfied that the activities undertaken during the year furthered EPIC's charitable objectives and delivered demonstrable public benefit in accordance with its charitable purpose.

Board and governance

The Board of Trustees are remunerated for their service. Board remuneration was introduced in April 2023, and a nominal increase was approved from April 2026 as part of a three-year review cycle. Details of the payments made to the trustees can be found in note 7. The Board comprises a minimum of five and a maximum of 12 trustees, including any co-optees that may be in place from time to time. The Chair of the Board is appointed by the Board. The Board trustees who served during the period are shown on page 4.

Our Executive Officers are listed on page 5; they are not trustees of the Board. They act as an Executive within the authority delegated to them by the Board, as set out in EPIC's Control Framework. The remuneration of the Executive team, along with details of the highest-paid officer, is detailed in Notes 7 and 8 of these financial statements.

Report of the Board

The Board has ultimate responsibility for the governance of the Company. The Board's central role is to direct the organisation's work; that is to determine strategic direction. The Board agrees frameworks, strategies and policies and makes decisions on all matters that might create significant financial or other risk to the Company; or which raise material issues of principle. Operational delivery, leadership and management is delegated to the Executive Team.

Committee structure

The main Board is supported by two committees - the Audit and Risk Assurance Committee (ARAC) and the Governance and Remuneration Committee (GRC).

Scheduled Meetings during the year ended 31 March 2026	
Board	6
Audit Risk and Assurance Committee	3
Governance and Remuneration Committee	3

Incorporated into the number of Board meetings above was a full day of dedicated time for strategic and generative discussions (December 2025). The topics discussed included a review of progress against the corporate plan, EPIC's approach to risk management, including the sector risk profile and risk appetite and a focus on the budget and Long-Term Financial Plan.

Board effectiveness and learning and development are central to ensuring that trustees understand their responsibilities and have the appropriate knowledge to discharge them. Over the last 12 months, the following activities have taken place:

- Board Member attendance at the following events:
 - NHF National Board Members Network (July/December 2025 and April 2026).
 - NHF Chairs Network (June 2025 and June 2026)
 - Housing Governance (June 2026)
 - Housing Summit (September 2025)
 - Audit and Risk Conference (November 2025)
 - National Smaller Housing Associations' Conference (December 2025).
 - New Board Member Induction Briefing (National Housing Federation) for new trustees (May 2026)
- Third-party facilitated session on the Role of a Charity Trustee (August 2025).
- In-house session on Understanding Artificial Intelligence and the Role of Board (August 2025).
- In-house session on Understanding Housing Finance (March 2026).
- Board observation (February 2025 and June 2026).
- Individual Board of Trustee appraisals took place in Q4 of 2024-25 and are on a biennial basis and supported by a third party every three years. A collective appraisal took place in April 2026.

In line with the established policy, Board individual appraisals are due to be completed by Q3 2026-27, and a review of the outcomes will be presented in Q4 2026-27.

Report of the Board

The draft Board annual learning and development plan for 2026-27 was presented to and approved by the GRC in January 2026. In addition to the usual training, conferences and appraisal review process, the coming year will include cyber governance training and an update on the role of a Board trustee.

Appointment of Board Trustees

Trustees are appointed for three-year terms. The standard period of service is six years, with annual extensions permissible to a maximum of nine years' service. Service agreements are in place for all trustees. During the year we ran a trustee recruitment campaign as part of our pro-active succession planning, three new members took up office in April 2026.

Board of Trustees skills, quality and experience

Trustees collectively possess the qualities and skills to make decisions and monitor performance. Collectively the Board brings experience and understanding across a broad range of areas, including, finance, tenants' issues and local housing need. An annual process of collective appraisal is in place, alongside a biennial cycle of individual Board appraisals and a skills matrix to ensure that the collective experience and behaviours are considered and aligned to succession planning. The recent recruitment exercise was successful in terms of the skills and knowledge of the applicants. As well as securing additional IT and asset management experience for the Board, we attracted a trustee with lived experience as an EPIC tenant, which will strengthen the Board's knowledge and bring an alternative perspective.

Board of Trustees Code of Conduct

Trustees have an obligation to ensure that their private or personal interests do not influence their decisions or compromise their ability to always act in the best interests of EPIC and those whom it seeks to serve. They must not use their position to obtain personal gain of any sort.

Employees

EPIC is committed to ensuring that an effective framework for colleague engagement and communication is in place, and that information on matters that concern colleagues is managed and communicated through regular briefings and an established Staff Focus Group. The organisation does not recognise trade unions.

EPIC is committed to Equality, Diversity and Inclusion and full and fair consideration is given to applications for employment made by all people, having regard to their aptitudes and abilities. From the recent staff survey 100% of staff would recommend EPIC as a great place to work and 100% were happy with their role.

Health and Safety

The Board is aware of and takes seriously its responsibilities on all matters relating to health and safety. EPIC has prepared detailed health and safety policies and provides training both to colleagues and to the Board on health and safety matters, including safeguarding.

Report of the Board

Internal controls assurance

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal controls at EPIC and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the business objectives, and to provide reasonable assurance against material misstatement or loss.

EPIC is proud of the G1 and C1 status it achieved in 2025 and is committed to making incremental improvements to its Control Framework and further embedding policies and practices introduced as part of its strive for continuous improvement.

EPIC's control framework comprehensively details the following areas:

- Overview and orientation, including legal and regulatory context and key stakeholders.
- Composition of the Board and Committees, with detailed Terms of Reference constituting a formal scheme of delegation.
- The Board retains responsibility for matters such as EPIC's strategic direction, risk appetite, long-term business planning, stress testing and mitigation modelling.
- Governance framework, including articles of association, mission, control framework and financial regulations, risk management, and other policies and procedures such as Equality and Diversity and policies, and procedures.
- Operational structure, information management, health and safety, safeguarding, staff ethics and culture and remuneration of Board and Executives.
- Financial regulations including delegations, budgeting, financial planning, payments, payroll and pensions and insurance and all other relevant areas.

The Audit and Risk Assurance Committee (ARAC) and the Governance and Remuneration Committee (GRC) have met regularly throughout the year and have supported the Board effectively through the discharge of their responsibilities as documented in their approved Terms of Reference.

Further improvements have been made to the Strategic Risk Register and to evidencing the operational risk management processes occurring throughout the organisation.

The Board has received regular reports on progress against the Corporate Plan, financial and operational outcomes, health and safety compliance and complaints monitoring. A robust strategic and business planning process is in place with approved assumptions, stress testing and forecast outturns all receiving Board approval and potential mitigations have been identified for deployment should issues materialise.

A series of self-assessments has taken place in year; including reviews against Consumer and Economic Standards, and against the NHF Code of Governance 2020.

Report of the Board

EPIC's out-sourced internal audit provider has continued to deliver on the plan agreed with the ARAC which focuses on key areas of control specific to EPIC, together with those identified in the Sector Risk Profile.

ARAC receives and reviews reports from officers, the internal audit team, and from the statutory auditors; and reports regularly to Board on the extent to which internal controls continue to take account of the nature of risks facing EPIC. A formal process exists for the reporting and implementation of significant control weaknesses and outstanding actions.

The outsourced internal audit programme and the processes and report resulting from the statutory audit of its financial statements are important sources of assurance to ARAC that internal controls are in place and operating effectively. Risk based audit plans for both services are developed, with our input, at the start of each financial year.

The Board has received ARAC's annual report and has conducted an annual review of the effectiveness of internal controls. No weaknesses were found in the internal controls sufficient to cause material misstatement or loss and the system of internal controls operated throughout the year and to the date of signing of the financial statements.

EPIC has high standards of openness and honesty and has in place procedures to minimise the risk of fraud and measures for responding should it occur.

This is further evidenced in the internal audit annual report for 2025-26 from the Head of Internal Audit, TIAA, which states: "TIAA is satisfied that, for the areas reviewed during the year, EPIC has reasonable and effective risk management, control, and governance processes in place."

A core focus for 2026-27 will be the establishment of a refreshed Corporate Plan from 2027 to build on the gains that we have realised in recent years, along with working with the Board, stakeholders and staff to enhance and improve on service delivery and improvements to the quality of tenants' homes in line with the established corporate plan.

During the financial year ending 31 March 2026, no significant internal control failings or weaknesses were identified by the Board, the Audit and Risk Assurance Committee or EPIC's internal or external auditors. The Board considers that a suitable framework of internal control was in place and operating effectively throughout the year.

Donations

No donations were made during the year – £Nil (2025: £Nil).

Directors' and Officers' Insurance

EPIC's trustees and officers have personal liability insurance through the organisation's company insurance. Cover was in place throughout the year, and no claims were made. The Audit and Risk Assurance Committee have reviewed the level of cover and consider that the level remains appropriate.

Report of the Board

Provision of information to the Auditor

The trustees of the Board, in attendance at the meeting on the date of approval of these financial statements, have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees of the Board have confirmed that they have taken all the steps that they ought to have taken as trustees of the Board to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent Auditor

Menzies, formerly Beever and Struthers, were re-appointed as auditor at the Board meeting in September 2025, retaining the same audit partner and manager. They have confirmed their willingness to continue in office until 2027-28, subject to annual independence reviews.

Approval

The report of the Board was approved by the Board on 16 September 2026 and signed on its behalf by:



Simon Wilson
Chair

Strategic Report

Introduction

The Board presents its Strategic Reporting, containing the Operating and Financial Review and value for money statement, for the year ended 31 March 2026.

Overview and background

EPIC owns and manages 1,372 homes for tenants across North Staffordshire with properties in Stoke on Trent, Newcastle-under-Lyme and the Staffordshire Moorlands. In July 2025, following a regulatory inspection by the Regulator of Social Housing our Governance rating was upgraded to G1, we received our first grading against the Consumer Standards, C1 and maintained our Viability rating of V2. These gradings represent the dedicated continuous improvement journey that EPIC has been on since 2021 and activities are underway to co-create and launch the next three-year Corporate Plan for 2027 onwards.

During 2025-26 EPIC has built on the strong foundation that years one and two of the Corporate Plan have provided, enabling more engagement activities with tenants, further improvement of both processes and systems and the use of data along with heavily investing in tenants' homes and providing practical support to sustain tenancies.

Like others in the sector, EPIC faces challenging decisions and continually seeks to achieve value for money, prioritising our activities to bring about positive outcomes for tenants. The cost-of-living crisis continues to impact tenants and the wider communities; and the services and the work that we do in collaboration with our partners is focussed on support and mitigation wherever possible to help alleviate some of the pressure.

Our financial resilience is strengthening, and our organisational culture is positive with tenants at the heart of what we do. We are moving into the final year of our 2024-27 Corporate Plan with continued focus on tenants', their homes and the wider communities. We are positive that with the continued focus and controls in place, our aim to remain as a strong and independent organisation is achievable. This is underpinned by the July 2025 Regulatory Judgement from the Regulator of Social Housing, details here: [Empowering People Inspiring Communities Limited \(L4167\) - Regulatory Judgement: 30 July 2025 - GOV.UK](#)

Tenants' homes

EPIC owns and manages 1,372 rented homes and has a further 27 leaseholders who have exercised their Right to Acquire or Right to Buy (RTA / RTB) to own their own flat. Over a quarter of the rented homes are family-sized homes, and we offer a mix of houses, flats and bungalows for rent.

Strategic Report

Our property profile, including 19 supported housing homes and 27 leasehold properties, is made up as follows:

Type of Property	Number of homes
1 Bed Bungalow	4
1 Bed Flat	261
1 Bed House	5
2 Bed Bungalow	29
2 Bed Flat	748
2 Bed House	173
3 Bed House	174
4 Bed House	5
Total	1,399

There is a continued demand for our homes, and affordability remains positive in comparison with local housing allowance, other local registered providers and the private rented sector.

Allocations

Historically, EPIC turns over around 8% of its stock annually. In 2025-26, 73 empty homes were returned, compared with 100 in 2024-25 and 98 in 2023-24. During 2024-25, we suspended the waiting list to new applicants due to the high volume of active applications. During 2025-26, EPIC undertook a comprehensive review of the Allocations Policy, and a new policy went live in April 2026 to focus on those in greatest need. Approximately 50% of homes allocated have been via Stoke-on-Trent City Council as part of EPIC's nominations agreement.

In 2025-26, the time taken to prepare an empty home for a new tenant was 30.29 days, compared with 25 days in 2024-25. During the year, the cost and level of refurbishment required varied significantly depending on property condition, which affected individual turnaround times. Maintaining an overall turnaround of 30 days was achieved through close collaboration between the Housing and Asset Management teams and the dedicated void repairs contractor. Rent loss for 2025-26 was broadly in line with 2024-25.

Tenant engagement and influence activity

Tenant engagement activity expanded significantly throughout 2025/26 through a more structured and inclusive programme of engagement opportunities. EPIC's engagement with tenants continues to have a positive impact, strengthening relationships, improving trust and increasing opportunities for tenant influence.

Engagement methods included:

- Community Voice meetings.
- Tenant Ambassador meetings.
- Estate Walks.
- Themed engagement campaigns.
- Community events.
- Targeted communication activity.

Strategic Report

Key Outcomes

- More than 50 engagement activities delivered.
- Over 30,000 communications issued encouraging participation and access to support.
- Approximately 2,000 tenants and community members engaged.
- Around 600 attendees at Community Fayres.
- Estate Walks reintroduced across Meir, Bentilee and Hanley.
- Two new Tenant Ambassadors recruited.

Feedback gathered throughout the year directly influenced:

- Repairs communication.
- Estate safety improvements.
- Communal cleaning arrangements.
- Grounds maintenance reviews.
- Planned works specifications.
- Anti-social behaviour communication.
- Complaints accessibility.

The concept of a Tenant Insight Group (TIG) has been developed in year around the key principles of:

- Co-regulation.
- Transparency.
- Accountability.
- Meaningful tenant insight and influence.

The increase in engagement activity shows growing tenant trust and confidence that engagement with EPIC results in meaningful action. Tenant engagement is increasingly moving beyond consultation toward co-design and operational influence, enabling local concerns to be identified earlier and addressed more proactively.

Impact of tenant engagement

The Tenant Insight Group will officially launch in 2026/27 and will provide a more formal route through which tenants can influence:

- Service design.
- Performance improvement.
- Strategic decision-making.
- Consumer Standards assurance.

Over time the group is expected to strengthen:

- Board assurance.
- Tenant insight.
- Organisational accountability.
- Visibility of tenant voice.
- Service challenge and continuous improvement.

Strategic Report

This represents an important step toward embedding tenant influence within EPIC's wider governance and assurance framework, with a direct link to the Board through the Group's membership, including two EPIC trustees, one of whom is the Chair of the new group.

Tenant Satisfaction Measures (TSMs)

2025-2026 marked the third year of the Regulator of Housing's (RSH) Tenant Satisfaction Measures. Once again EPIC used the services of Acuity Benchmarking to conduct the Annual Tenant Engagement survey to gather tenant perception measures and took the opportunity to ask tenants whether they believed their homes were suffering from damp and mould. Everyone who had raised concerns with us, and had provided their contact details, were contacted by staff and subsequent visits were carried out to investigate and rectify the issues raised.

EPIC received 516 responses to the survey, exceeding the minimum required for statistically reliable results. Overall satisfaction with EPIC was 83%, up from 81% in the previous year, while satisfaction that tenants were treated fairly and with respect remained at 85%. The lowest score was satisfaction with EPIC's handling of complaints, at 46%, an improvement on the 42% in the prior year. We continue to learn from complaints and have a dedicated Member Responsible for Complaints, a trustee who scrutinises complaints, responses, outcomes and lessons learned.

Working with others

We have continued our engagement and partnership working with other organisations. We recognise that as a small landlord EPIC does not have capacity and resources to fully support all of our tenants across the wide variety of their needs, but we recognise that there are other partners who we work with and together we can help tenants to sustain their tenancy and also to provide the additional support they may need to thrive.

Bentilee and Ubbertley are one of 250 neighbourhoods selected for the Government's £1.5bn Pride in Place programme. EPIC will be working closely with other organisations and the community to deliver on this putting neighbourhoods before services.

Social Housing (Regulation) Act 2023

The Social Housing (Regulation) Act 2023 became law on 25 July 2023, providing the Regulator with additional powers needed to deliver an enhanced consumer regulation role.

From April 2024 the Housing Ombudsman made several significant changes to its Complaint Handling Code. EPIC completed and submitted its annual self-assessment against the code in September 2025, demonstrating compliance and consequently modified its policy and procedure. Plans are in place for EPIC staff to meet with the trustee who is the Member Responsible for Complaints to complete this year's assessment before it goes to the wider Board in July 2026, for submission by September 2026.

Strategic Report

Asset Management

During 2025-26 the Asset Management function has continued to mature to a more proactive and intelligence-led asset management model, strengthened assurance over stock condition, informed by the tenant voice, significantly increased investment activity, and sustained high tenant satisfaction. As intended there has been a shift from reactive to preventative maintenance which has translated into a different profile of responsive repairs.

Some key policies were refreshed, including the damp, mould and condensation policy and the tenant home improvement policy. In addition, we introduced updated processes and ensured that all relevant staff and contractors had appropriate training so that we were prepared for all aspects of Awaab's Law prior to its official launch in October 2025.

Fire Safety

Fire safety compliance remains effective. Residual risk is being managed through ongoing communication, access controls and early engagement with Fire Risk Assessors. All high recommendations have been completed, and at the end of March 2026 there were three advisory recommendations outstanding, none of which represent statutory non-compliance.

Investment in tenants' homes

Proactive capital investment in tenants' homes increased significantly during the year, with the number of jobs rising by 92.3% from 274 in 2024-25 to 527 in 2025-26. Overall expenditure increased by £206k.

EPIC's capital investment 2024-25 v 2025-26:

Category of Component	2024-25 Quantity Replaced	2025-26 Quantity Replaced	Year on year change Quantity (%)
Kitchens	81	106	25 (30.9%)
Bathrooms	36	59	23 (63.9%)
Doors	82	246	164 (200%)
Windows	9	14	5 (55.6%)
Boilers	52	93	41 (78.8%)
Roof	14	9	-5 (-35.7%)
Total	274	527	253 (92.3%)

As part of our continued improvements to tenants' homes, since 2023 we have proactively installed 810 humidity-controlled fans across all workstreams. This will help reduce damp and mould and improve the welfare of our tenants.

Strategic Report

Repairs and Maintenance

Brenden Fern continues to provide repairs and maintenance services to tenants' homes. We work closely with the contractor to understand repair trends, support future planning and maintain a focus on tenant satisfaction. The table below shows operational performance and transactional satisfaction insights:

🔧 Annual KPI Comparison			
Metric	2024-25 %	2025-26 %	Variance %
Routine completed in target	94.29	93.12	-1.17
Urgent completed in target	99.31	98.55	-0.76
Non-emergency completed in target	94.81	93.65	-1.16
Emergency completed in target	100.00	100.00	0.00
Customer satisfaction good	88.92	90.85	1.93
Customer satisfaction time taken	91.99	92.88	0.89
Appointments kept	97.75	97.61	-0.14

Our completion figures remain good and are consistent year on year.

In 2025-26, we completed:

- 4,191 non-emergency day-to-day repairs (4,219 in 2024-25); and
- repairs and upgrades to 73 empty homes.

In addition:

- We completed 93.65% of non-urgent repairs within target timescales compared to 94.81% in 2024-25; and
- 97.61% of all appointments were kept compared to 97.75% in 2024-25.
- Emergency repairs increased to 231 in 2025-26 from 205 in 2024-25.
- 100% of emergency repairs were completed within timescale.

Overall, the data shows a repairs service that is performing consistently, maintaining high levels of tenant satisfaction, and responding effectively to new regulatory requirements. This reflects our proactive approach to reducing repeat repairs, improving asset performance, and contributing to enhanced service quality and tenant satisfaction.

Strategic Report

EPIC annual repair type year on year comparison 2024-25 v 2025-26:



Shifts in both the type and profile of responsive repairs completed during 2025/26 has not yet resulted in tangible reduction in reactive maintenance expenditure. This is not unexpected, as the benefits of capital investment and proactive asset management are expected to be realised over a longer period rather than within a single reporting year. Cost alone is not the only measure of value. Increased proactive work, ensuring the right intervention at the right time (including damp, mould, and condensation prevention) controls spend, improves safety, reduces risk, and supports better long-term outcomes.

Satisfaction with the repairs service remains high with 90.85% of respondents to the monthly transactional satisfaction surveys being satisfied with the repairs service, and 92.88% of transactional surveys responses stated that they were satisfied with the time taken to complete repairs. Satisfaction with the repairs service increased by 1.93 percentage points, and satisfaction with the time taken to complete repairs increased by 0.89 percentage points compared with last year. This improvement is significant because it has been achieved in a context where wider sector benchmarking indicates that traditional satisfaction measures have declined.

Sustainability and EPC C

We have invested £148k in 2025-26 on environmental improvements and attracted £31k of external funding. The following outcomes have been achieved:

- EPC C performance has improved during the year. We now have 146 homes below EPC C, representing around 10% of the total property profile; this is a reduction of 64 from the 210 homes recorded at the start of the year.
- 24 empty homes improved to EPC C, with a further 5 that remained at a high D rating identified for further planned works as part of future planned program.

Strategic Report

- Average SAP ratings moved from 71.82 to 72.09 and space heating demand reduced from 92.42 to 91.90 kWh/m (proven increase in efficiency and reduction in energy costs for tenants per meter of their home).

Our people and technology

The annual People and Culture Survey was completed in October 2025 and presented to the Governance and Remuneration Committee in January 2026. Key highlights included:

- 100% of employees would recommend EPIC as a great place to work.
- 100% are satisfied with their job.
- 100% feel that leaders are helpful and approachable, and that information and knowledge are shared openly across the organisation.
- 100% find their work meaningful.
- 97% feel supported and connected to their team.

The EPIC Connection, a purposefully designed development programme focussed on a 'customer-centric' approach underpinned by positive relationships continued to develop in 2025-26, moving away from purely transactional interactions to deliver more positive outcomes. A bespoke learning programme has been introduced across the whole organisation, using the help and support of a third party. A climate report was produced in year with the Senior Leadership Team (SLT) undertaking a Versatile Leadership review with results being shared to develop our managers and make EPIC an even greater place to work. All employees have attended sessions as part of the EPIC Connection and a comprehensive guide produced to support human, clear and consistent communication, with empathy and respect to keep things simple, work with others and recognise that every interaction is the opportunity to improve outcomes and make a difference.

We have seen the positive impact of having an in-house Business Intelligence team. The team has mapped processes in greater detail and improved reporting and data quality management across the whole organisation. As data increasingly becomes central to decision making, the value of this in-house resource is significant.

We recognise that things can go wrong but with the correct planning we can prepare our staff to be equipped and ready for them. We have undertaken externally facilitated tests of our Business Continuity Plans and reported the results to the Audit and Risk Assurance Committee and incorporated some lessons learned from the exercise into business-as-usual activity.

Value for Money (VfM)

The Regulator of Social Housing Value for Money Standard and Code requires providers to report in their statutory accounts against the metrics defined by the Regulator. These metrics are defined in the 'Value for Money Metrics' document issued by the Regulator.

Value for Money underpins the delivery of EPIC's purpose and objectives. Our overarching aim is to improve services to tenants and maintain capacity to deliver the Corporate Plan within the resources set out in the Long-Term Financial Plan. Our VfM Policy supports decisions about quality, cost and timeliness, helping us challenge costs and processes while continuing to meet regulatory obligations and deliver better services for tenants.

Strategic Report

VfM is incorporated into key strategies and policies including Procurement, Asset Management and Treasury Management. Decisions on VfM will always be taken within the context of our social and business objectives.

Value for money is lived and breathed by staff daily in their roles. The organisation benefits from:

- A comprehensive suite of Key Performance Indicators (KPI) agreed by the Board to provide a picture of EPIC's achievements and progress in relation to the delivery of the Corporate Plan. The KPI suite includes the VfM metrics.
- The use of the RSH VfM Benchmarking Tool which includes numerous metrics for all Registered Providers (RPs) with more than 1,000 homes. This tool is used as the primary tool for performance benchmark reporting wherever possible.
 - The selection criteria to be used is:
 - More than 1,000 and less than 2,000 homes; and
 - less than 50% supported housing activity; the RPs will be based in England but will exclude London, the East of England, the Southwest, and the Southeast.
- A robust business planning process and cycle that is led by the Board and the outcomes cascaded to all employees,
- A comprehensive corporate plan that clearly outlines EPIC's strategic objectives and robust business planning process,
- Rigorous performance management and scrutiny processes in place for the Senior Leadership Team monthly and the Board quarterly including management accounts, and KPI's.

The table below details EPIC's performance against both the Value for Money Metrics as well as the Sector Scorecard indicators.

Strategic Report

Value For Money Metric	Sector Median 2024-25	Peer Group Global Accounts 2024-25	EPIC Target 2025/26	EPIC Actual 2025/26	EPIC Target 2026/27	Status
Reinvestment % <i>This metric looks at investment in properties including existing stock and new stock. This is calculated as a percentage of value of total properties.</i>	7.6%	3.2%	2.3%	2.7%	2.9%	🟢
Reinvestment % - 2025-26 Comment: EPIC reinvested 2.7% into existing stock in 2025-26, ahead of the 2.3% target. This reflects additional in-year capacity, which allowed planned works to be brought forward. Performance remains below the 3.2% peer group median and the 7.6% sector median, mainly because EPIC is not currently developing new homes. The long-term financial plan continues to prioritise proactive investment in existing homes so they meet tenants' needs above growth ambition.						
New supply delivered (social housing) as a % of total stock <i>This sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total units.</i>	1.3%	0.0%	0.0%	0.0%	0.0%	🟢
New Supply Delivered - 2025-26 Comment: No new social housing supply was delivered in 2025-26, which is in line with the 0.0% target and the peer group median. EPIC's recent focus has been recovery, stability and improving existing homes rather than growth. As the next Corporate Plan is developed, there may be an opportunity to consider limited growth where it supports EPIC's priorities.						
New supply delivered (Non social housing) as a % of total stock <i>This sets out the number of new Non social housing units that have been acquired or developed in the year as a proportion of total units.</i>	0.0%	0.0%	0.0%	0.0%	0.0%	🟢
New Housing Supply - 2025-26 Comment: There was no new non-social housing supply delivered in 2025-26, in line with the target.						
Gearing % <i>This shows the proportion of our borrowing compared to our assets. A high gearing could indicate that we have taken on too much borrowing however low gearing could indicate that we have capacity to borrow more.</i>	45.5%	30.8%	26.4%	24.8%	25.1%	🟢
Gearing % - 2025-26 Comment: Gearing at 24.8% at yearend was below the 26.4% target, the 30.8% peer group median and the 45.5% sector median. EPIC has £16.3m of loans outstanding at the year end and gearing remains low as we continue to repay existing loans and no further borrowing is required. The 30-year plan indicates capacity for around £18m of additional borrowing, subject to interest cover definitions and future growth ambitions.						
EBITDA - MRI (Interest Cover) <i>This shows how much cash the organisation is generating compared to interest payments. Any result above 100% means that we are generating surplus cash over and above interest payments</i>	113.0%	136.5%	141.6%	146.3%	139.5%	🟢
EBITDA -MRI - 2025-26 Comment: EBITDA MRI interest cover was 146.3% in 2025-26, ahead of the 141.6% target, the 136.5% peer group median and the 113.0% sector median. The result reflects stronger-than-budget surplus performance, supported by arrears performance and prudent forecasting. The 2026-27 target is 139.5%, so the plan remains broadly around the 140% level while continuing to fund additional stock investment.						
Headline social housing cost per unit (£) <i>The unit cost metric assesses the headline social housing cost per unit as defined by the Regulator of Social Housing</i>	5,576	4,995	4,314	4,301	4,547	🟢
Headline social housing cost - 2025-26 Comment: Headline social housing cost per unit was £4,301 in 2025-26, slightly below the £4,314 target. This is £1,275 lower than the £5,576 sector median and £694 lower than the £4,995 peer group median. Costs reflect the full-year impact of the staff restructure and investment in capacity, while EPIC continues to compare favourably with the sector and peer group.						
Operating Margin % Social Housing <i>This is an indicator of operating efficiency and business health as it measures the amount of surplus generated from turnover on our day to day activities</i>	20.5%	20.4%	12.8%	14.3%	16.2%	🟢
Operating Margin - 2025-26 Comment: Social housing operating margin was 14.3% in 2025-26, above the 12.8% target but below the 20.5% sector median and 20.4% peer group median. The latest business plan shows margin improving over the next five years and reaching 20% by 2029, two years earlier than previously projected. Performance reflects the acceleration of some revenue works planned for 2026-27 to 2025-26.						
Operating Margin % Overall <i>This is an indicator of operating efficiency and business health as it measures the amount of surplus generated from turnover on our day to day activities</i>	17.6%	20.6%	12.8%	14.3%	16.2%	🟢
Overall Operating Margin - 2025-26 Comment: See Operating Margin 2025-26 comment above.						
Return on capital employed (ROCE) % <i>This metric compares the operating surplus to total assets less current liabilities and assesses the efficient investment of capital resources</i>	2.7%	2.6%	1.7%	2.2%	2.2%	🟢
Return On Capital Employed - 2025-26 Comment: ROCE was 2.2% in 2025-26, above the 1.7% target but below the 2.6% peer group median and 2.7% sector median. This reflects the accelerated revenue investment in tenants' homes. going forward the ROCE is anticipated to remain fairly stable reflecting the latest investment program.						

Strategic Report

Other Metrics	Sector Median 2024-25	Actual 2025/26	Target 2025-26	Target 2026-27	Status Versus Target
Voids <i>This measure illustrates the % rent lost through empty (void) stock %</i>	1.80%	0.49%	<1%	<0.5%	😊
Voids - 2025-26 Comment: Void loss at 0.49% in 2025-26 was better than the <1% target. Average void turnaround was just over 30 days, above the 27-day target, but overall rent loss was lower because there were fewer voids than expected. Performance remains significantly better than the 1.8% sector median.					
Management cost per unit <i>This metric shows the cost per unit incurred in managing our properties £</i>	1,387	1,516	1,580	1,641	😊
Management cost per unit - 2025-26 Comment: Management cost per unit was £1,516 in 2025-26. This is 9.3% higher than the £1,387 sector median, reflecting investment in staff capacity to review, redesign and embed improved processes and services. The cost was still below the £1,580 target. The increase in target in 2026-27 reflects the agreed budget and known increases on salary cost, training and insurance premiums.					
Service charge cost per unit <i>This metric shows the service charge cost per unit £</i>	916	139	140	144	😊
Service charge cost per unit - 2025-26 Comment: Service charge cost per unit was £139 in 2025-26, significantly below the £916 sector median and below the £140 target. This reflects EPIC's limited service charge exposure, activity consists mainly of communal gardening, cleaning, lighting and associated management fees.					
Maintenance cost per unit <i>This metric shows the average maintenance cost per unit including responsive repairs and planned revenue repairs £</i>	3,415	2,329	2,585	2,762	😊
Maintenance cost per unit - 2025-26 Comment: Maintenance cost per unit was £2,329 in 2025-26, significantly below the £3,415 sector median. The 2025-26 program was delivered in full and some planned from future years was bought forward to utilise additional capacity. Costs were below the target of £2,585, reflecting the lower void costs net of bringing forward the planned works. Going forward the approved LTFP shows capital investment increasing to £1.4m in 2026-27 and remaining above £1m in the following years.					
Rent Arrears <i>This shows how % of rent arrears compared to rent charged %</i>	N/A	3.85%	4.35%	4.55%	😊
Rent arrears - 2025-26 Comment: Rent arrears increased from 3.42% in 2024-25 to 3.85% in 2025-26, but remained below the 4.35% target. The increase reflects continued cost-of-living pressure on tenants, particularly those on Universal Credit. EPIC has used its tenancy sustainment budget to help reduce the impact on tenants and support successful tenancies.					
Rent Receivable <i>This shows how effective we are at collecting rents due %</i>	N/A	99.1%	99.00%	99.00%	😊
Rent collection - 2025-26 Comment: Rent collection was 99.1% in 2025-26 was on target. This is a strong result despite the increase in arrears during the year. EPIC used its tenancy sustainment budget and continued to signpost tenants to support that can help alleviate financial pressures.					

Strategic Report

Financial Review

In line with our Treasury Management Policy and Strategy, we continued to open additional investment facilities to maximise returns and mitigate institutional failure risk by diversifying our portfolio.

Our internal audit programme continues to scrutinise key areas of performance, this year Performance Management and Tenant Satisfaction Measures, Key Financial Controls (payments and payroll), Property Compliance (Gas Safety/Fire Risk Assessment/Damp and Mould), Data Integrity and Procurement/VFM were all subject to internal audits conducted by TIAA. Four of the five audits produced substantial assurance with minor recommendations having all been implemented, and the fifth gained reasonable assurance with all recommendations also having been completed.

Our business intelligence team has worked to automate the collation of key organisational performance metrics to assist with the consistency and calculation of KPI's. We upgraded our core financial system, Civica Financials to the latest available version, which also slightly improved our ability to extract certain data.

The Statement of Comprehensive Income for the year ended 31 March 2026 and the Statement of Financial Position as of 31 March 2026 are shown on pages 32 and 33.

The key financial highlights for EPIC are as follows:

- The total comprehensive income for the year of £789k compared to £1,017k in 2024-25. The result exceeded budget and additional planned and capital work was accommodated in year to maximise delivery for tenants. There was a positive impact from the actuarial gain on the Social Housing Pension Scheme (SHPS) defined benefit scheme of £36k.
- The key areas where income or costs have changed from 2025 to 2026 are:
 - Turnover of £6,857k versus £6,752k in 2025 represents a net increase of £105k, which equates to 2%. This is lower than the 2.7% rent increase applied in April 2025 as 2024-25 was a 53-week rent year. Void losses were £37k which was broadly in line with 2024-25 despite the rent increase, primarily because of less voids and quicker turnaround in year. Average void turnaround times were 30.29 days compared to 25 days in the previous year; this had been ahead of target for much of the year but was skewed with a few high-cost voids in the latter months.
 - Management costs are £162k higher than in 2024 at £2,078k. This is mainly due to the impact of the new staffing structure being in place for all of 2025-26 and only partly during 2024-25. There were other budget headings with greater year on year comparative variances that contributed to the remainder of the movement, and these included the expansion of the tenancy sustainment and engagement budget and higher learning and development costs, these were partially offset by reductions in overheads and office running costs.
 - Overall routine maintenance costs are £105k higher than the prior year at £1,820k. Again, there is a variation in budget headings with more costs incurred on delivering the service reflecting the full year cost of the new team, higher cyclical costs for electrical and asbestos testing and remediations, and responsive repairs, totalling £136k, offset by lower expenditure on voids of £61k further offset by a £29k reduction in tenant recharges.

Strategic Report

- Planned and Major repairs were £567k compared to £584k a reduction of £17k. This reflects the previous work and reduced fire improvement and block improvement measures needed in year in respect of 6 blocks, these were circa £115k less than in 2024-25 but were offset by increased costs of major repairs work identified and completed of circa £14k, (including damp and mould works). There was an acceleration of the environmental and sustainability works to work towards EPC C of £85k.
- The bad debt charge increased to £81k from £36k in 2024-25. This was still below the original budget for 2025-26 which was £125k. The same methodology was applied in calculating the provisions, but at year end the current arrears were 2.55% of the rent debit versus 2.08% in 2024-25.
- During 2025-26 there were six property disposals that generated sales proceeds of £618k and a profit on disposal of £165k. Five disposals were through either by Right to Acquire or Rent to Buy and the other a 100% staircasing by a shared owner.
- In line with the Treasury Management Policy and Strategy introduced in late 2024 we opened an additional interest generating investment account and placed fixed term deposits which resulted in interest receivable increasing from £35k to £90k.
- Financing costs are £483k versus £506k in 2024-25, there was a reduction in loan interest, loan fees due to declining loan values; and lower interest in respect of the defined benefit pension scheme managed by The Pensions Trust. The loan note 24 explains that all loans are fixed until 2030-31, and the pensions note details the costs associated with the defined benefit scheme.
- Based on the statement of comprehensive income, the operating surplus for the year of £1,146k represents 16.7% of turnover, compared to 20.5% in 2025 when the operating surplus was £1,386k. The decrease in operating margin is primarily because of the additional expenditure outlined above, and because of 2024-25 being a 53-week rent year.
- The Statement of Financial Position shows an overall increase of £788k, from £29.8m to £30.6m in year. The main movements are outlined below:
 - Fixed Assets increased by £260k in the year because of a combination of factors. We invested £1,377k in component replacements and other fixed asset additions, £464k in property acquisitions this was more than offset by depreciation charges of £725k, (net of depreciation write out costs) and the write off costs of £856k mainly in relation to the property disposals and component replacements that took place in the year.
 - Debtors decreased by £79k, attributable to two Right to Acquire discounts that were received in April 2025 relating to 2024-25 and a decrease in other debtors held at year end.
 - The year-end cash and short-term investment position increased by £171k from £3.873m to £4.044m, because of the trading results and increased interest receivable.
 - Creditors less than one year increased by £453k due to a combination of factors. An increase in trade creditors of £307k and an increase in loan fees payable within one year of £212k and an increase of £11k of other creditors,

Strategic Report

which was offset by a reduction in accruals of £77k. The increase in capital loan repayments due in less than one year is driven by the commencement of capital repayments in 2026-27 for the facility 4 with Triodos.

- The amount related to creditors over one year decreased by £756k, mainly as a result of the capital repayments on loans due in 2026-27 of £707k, and an overall reduction in the Recycled Capital Grant Fund (RCGF) of £93k following the impact of transfers to deferred grant in relation to three property acquisitions offset by an increase in deferred grant of £45k the result of the transfer in from the RCGF for property acquisitions and grant amortisation processed in the year.
- The provision for the pension deficit decreased by £136k, reflecting the reduction in the actuarial valuation of the outstanding deficit and the pension deficit payments made during the year.
- The movement in reserves of £789k mainly relates to the trading surplus of £789k in the year.

Funding and Treasury

In relation to Funding and Treasury activity, our sole lender is Triodos. Our clearing bank providing day-to-day transactional support is the Co-operative Bank Plc. As of 31 March 2026, arranged facilities were £19.3m, all of which are fully drawn, and repayments have commenced. The outstanding balance at 31 March 2026 £16.3m. All the total debt drawn is at fixed interest rates until at least 2030.

Working with Triodos, EPIC agreed a transition from EBITDA – MRI to EBITDA – Only interest cover covenant and this was formalised and in place by 31 March 2026, the Triodos levels are respectively 130% and 110%. EPIC is fully compliant with its two key loan covenants, and as at 31 March 2026 Interest Cover (EBITDA – Only) was 531% against a minimum 130% and Asset Cover was 189% versus a minimum of 125%. For information, the interest cover covenant that was in place for most of the year was EBITDA – MRI and as at 31 March 2026 this was 154% against the Triodos minima of 110%.

Whilst the long-term financial plan shows that we do not require any additional funding to support our current plans, EPIC has 417 unencumbered homes, subject to satisfactory gearing and interest cover calculations, which would provide security headroom of MV-STT of approximately £23.3m should our plans evolve.

Treasury activities are controlled and monitored by the Board and are executed by the Director of Resources. We continue to undertake the business modelling activities in-house giving EPIC more flexibility and greater control over longer term investment decisions. EPIC's financial instruments comprise borrowings, cash and liquid resources, and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance operations.

We have appointed specialist treasury advisors from August 2026 to ensure our treasury management and future aspirations are financially robust.

Strategic Report

Future plans, risks and uncertainties

- The latest corporate strategy due to end in 2027 has five key strategic objectives:
 - Tenants – working alongside tenants, ensuring that their tenancy with EPIC is sustainable, supported and enjoyable;
 - Tenants’ Homes – ensuring that tenants’ homes are accessible, right size, safe, and well maintained and there is clear and timely communication in place for replacing key components;
 - Communities – making the most of EPIC’s geography and place in the community for the benefit of all. This will be driven by having deep knowledge of every tenant, their community and other organisations in the area;
 - Information – making the best use of technology available and be confident in the integrity of the data held to inform decision-making; and
 - Developing our culture to enable a great employee experience and opportunities to fulfil everyone’s potential for the benefit of the individual and tenants.
- Delivery of the established corporate strategy, alongside business-as-usual activity, has been translated into several key projects across the organisation for 2026-27 to complete delivery of the Corporate Plan for 2024-27.
- A key project for 2026-27 is the co-creation of a new three-year Corporate Plan that moves EPIC from the recovery and stability toward a more forward-looking and ambitious phase, while continuing to improve outcomes for tenants.
- The golden thread across all key objectives is tenant influence and engagement, maintenance of homes and data.
- The Board recognises that the current operating environment is challenging and uncertain largely due to a combination of, political leadership overseas, ongoing challenges and impacts of inflation and the conflicts in the Middle East and Ukraine. The Board with the support of ARAC will continue to closely monitor the comprehensive suite of key performance indicators (KPI’s) and management accounts throughout the year to ensure that performance is aligned to the budget.
- Our approach to financial resilience remains strong, with continued close monitoring of budgets, value for money and actions that could be deployed in the event of risk crystallising.
- ARAC actively reviews the Strategic Risk Register at all meetings, and the Board completes reviews at least bi-annually as set out within EPIC’s Control Framework.

The Governance, Financial Viability and Consumer Standard

The Board can confirm compliance with the Governance, Financial Viability and Consumer Standard. EPIC received its latest Regulatory Judgement in July 2025 confirming G1, V2, C1 status.

Strategic Report

National Housing Federation Code of Governance

EPIC has adopted the National Housing Federation's Code of Governance 2020, as part of an ongoing continuous improvement plan a self-assessment was submitted to the GRC in May 2025 for scrutiny and subsequent review by the Board. The self-assessment concluded that EPIC is compliant against the 2020 code.

Statement of Board responsibilities

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

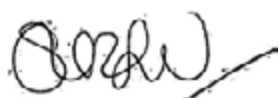
Registered Provider legislation requires the Board to prepare financial statements for each financial year. Under that legislation the Board elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Housing Association legislation, the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Association will continue in business.

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

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

Approved by the Board on 16 September 2026 and signed on its behalf by



Sharon Shaw
Company Secretary

Independent Auditor's Report

Independent Auditor's Report and Opinion

Opinion

We have audited the financial statements of Empowering People Inspiring Communities Limited (the 'company') for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent Auditor's Report

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Board's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Board's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

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

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion a satisfactory system of control over transactions has not been maintained.

Independent Auditor's Report

Responsibilities of the Board

As explained more fully in the Board's Responsibilities Statement set out on page 27, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022 tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period

Independent Auditor's Report

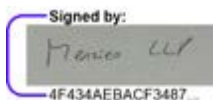
Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the company's activities and the regulated nature of the company's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of the audit report

This report is made solely to the company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's trustees as a body for our audit work, for this report, or for the opinions we have formed.



Signed by:
Mark Bradley
4F434AEBACF3487...

Mark Bradley (Senior Statutory Auditor)

For and on behalf of

Menzies LLP

The Beehive Lions Drive

Shadsworth Business Park

Blackburn

BB1 2QS

Date: 22-Sep-2026

Statement of Comprehensive Income

	Note	31 March 2026 £	31 March 2025 £
Turnover	1,2	6,856,741	6,751,835
Operating costs	2	(5,875,992)	(5,520,967)
Gain on disposal of property, plant and equipment	21	165,371	155,438
Operating surplus		1,146,120	1,386,306
Interest receivable net of indexation of RCGF interest		89,642	34,638
Interest and financing costs	5	(483,070)	(506,330)
Surplus before taxation		752,692	914,614
Taxation		-	-
Surplus for the year after taxation		752,692	914,614
Other comprehensive income			
Actuarial gain/(loss) in respect of pension scheme	16	36,000	103,000
Total comprehensive income for the year		788,692	1,017,614

The results relate wholly to continuing activities and the notes on pages 36 to 56 form an integral part of these accounts.

Statement of Financial Position

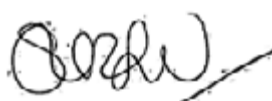
	Note	31 March 2026 £	31 March 2025 £
Fixed assets			
Tangible fixed assets	9	50,271,037	50,011,449
Investments in subsidiary	10	1	1
		50,271,038	50,011,450
Current assets			
Trade and other debtors	11	526,922	606,463
Investments	12	2,508,068	2,453,232
Cash and cash equivalents	12	1,535,796	1,420,005
		4,570,786	4,479,700
Less: Creditors: amounts falling due within one year	13	(2,024,307)	(1,570,702)
Net current assets		2,546,479	2,908,998
Total assets less current liabilities		52,817,517	52,920,448
Creditors; amounts falling due after more than one year	14	(22,042,086)	(22,798,056)
Provisions for liabilities			
Pension – defined benefit liability	16	(187,658)	(323,313)
Total net assets		30,587,773	29,799,079
Reserves			
Revaluation reserve		7,987,473	8,379,472
Revenue reserve		22,600,300	21,419,607
Total Reserves		30,587,773	29,799,079

Company registration number 3333405.

The financial statements on pages 32 to 56, were approved and authorised for issue by the Board on 16 September 2026 and were signed on its behalf by:



S Wilson – Chair



S Shaw – Company Secretary

Statement of Change in Reserves

	Revenue Reserve	Revaluation Reserve	Total
	£	£	£
Balance at 31 March 2024	19,988,994	8,822,345	28,811,339
Surplus 2024/25	1,017,614	-	1,017,614
Transfer between reserves (excess depreciation)	413,000	(413,000)	-
RTA Property Disposal	-	(29,874)	(29,874)
Balance at 31 March 2025	21,419,608	8,379,471	29,799,079
Surplus 2025/26	788,693	-	788,693
Transfer between reserves (excess depreciation)	392,000	(392,000)	-
Balance at 31 March 2026	22,600,301	7,987,471	30,587,772

Statement of Cashflows

	Note	31 March 2026 £	31 March 2025 £
Net cash generated from operating activities (see below)		2,261,395	2,211,046
Cash flow from investing activities			
Purchase of tangible fixed assets		(1,841,466)	(1,196,200)
Proceeds from sale fixed assets		618,500	530,000
Interest received		96,801	39,935
Cash flow from investing activities		(1,126,165)	(626,265)
Cash flow from financing activities			
Interest paid		(469,250)	(483,329)
New secured loans			-
Repayment of borrowing		(495,353)	(483,010)
Subtotal		(964,603)	(966,339)
Net change in cash and cash equivalents		170,627	618,442
Cash and cash equivalents at beginning of the year		3,873,237	3,254,795
Cash and cash equivalents at end of the year	12	4,043,864	3,873,237
Cash flow from operating activities			
Surplus before taxation		752,693	914,614
Adjustments for non-cash items:			
Depreciation of tangible fixed assets		1,150,431	1,077,914
Movement in bad debt provision		28,590	(41,235)
Movement in trade and other debtors		37,131	(5,823)
Movement in trade and other creditors		249,554	167,215
Pension costs less contributions payable		(115,655)	(126,643)
Adjustments for investing or financing activities:			
Surplus from the sale of tangible fixed assets		(165,371)	(155,439)
Government grants utilised in the year		(69,406)	(68,249)
Interest payable		483,070	483,329
Interest received		(89,642)	(34,637)
Net cash generated from operating activities		2,261,395	2,211,046

Reconciliation of Net Debt	At the Beginning of the Year £	Cashflows £	At the End of the Year £
Cash and Cash Equivalents	3,873,237	170,628	4,043,865
Housing Loans Due in 1 Year	(495,353)	212,258	(707,611)
Housing Loans Due After 1 Year	(16,307,367)	(707,611)	(15,599,756)
	(12,929,483)	(324,725)	(12,263,502)

Notes to the Financial Statements

Legal Status

Empowering People Inspiring Communities Limited is incorporated under the Companies Act 2006 as a company limited by guarantee without share capital and is registered with the Regulator of Social Housing in England as a Private Registered Provider as defined by the Housing and Regeneration Act 2008 and the Charity Commission.

Principle Accounting Policies

(a) Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018. The Association is a Public Benefit Entity and has applied the Public Benefit Entity Section of FRS102.

The financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The accounts are prepared on the historical cost basis and are presented in sterling for the year ended 31 March 2025.

The financial statements have been prepared in compliance with FRS102.

(b) Going concern

The Association's financial statements have been prepared on a going-concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted, and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

(c) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

- **Categorisation of housing properties**

The Association has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Association has considered if the asset is held for social benefit or to earn commercial rentals. The Association has determined that all property is held for social benefit.

- **Impairment**

Impairment is recognised where the carrying value of a cash-generating property exceeds the higher of the net realisable value or its value in use. The Association has identified a cash-generating unit for impairment assessment purposes at a property unit level.

Notes to the Financial Statements

Principle Accounting Policies (continued)

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash-generating property is recognised by a charge to the Statement of Comprehensive Income.

Following a trigger for impairment, impairment tests are performed based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash-generating properties or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Association as the existing property.

The cash flows are derived from the Long-Term Financial Plan and do not include restructuring activities that the association is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating property being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes. Following the assessment of impairment, no impairment losses were identified in the reporting period.

- **Development expenditure**

The Association capitalises development expenditure in accordance with the accounting policy described on page 40. Initial capitalisation of costs is based on management's judgement that the development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

- **Pension and other post-employment benefits**

The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high-quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. Further details are given in note 16.

Notes to the Financial Statements

Principle Accounting Policies (continued)

(d) Other key sources of estimation and assumptions

Tangible Fixed Assets

- Tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

(e) Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities and for its investment function Homes England, and other income and are recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for letting, net of voids.

(f) Service charges

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

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

(g) Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

- **Loan finance issue costs**

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

Notes to the Financial Statements

Principle Accounting Policies (continued)

(h) Taxation

The Association gained charitable status on 2 April 2008 and therefore its general activities fall outside the scope of the United Kingdom Taxation legislation. The Association is not registered for VAT purposes.

(i) Housing properties

Tangible fixed assets are stated at deemed cost or cost, less accumulated depreciation. The Association has elected to use a previous GAAP valuation of the housing properties as deemed cost on transition to FRS102.

All properties and land are freehold. Freehold land held for development is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELS), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Association depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELS for identified components are as follows:

Component Category	Years
Housing Structure	100
Roof	60
Windows	25
Bathrooms	30
Kitchens	20
Boilers	15
Heating Distribution Systems	30
Electrical Rewires	30
Solar Panels	25
Composite Doors	30

Other Tangible Fixed Assets, de-minimis for capitalisation is £2,000.

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives which are as follows:

Fixed Asset Category	Years
Freehold Offices	50
Office furniture	10
Office equipment	4
Tools and equipment	2
Computer equipment	2-5

The Association has elected to use a previous GAAP valuation of the freehold offices as deemed cost at transition to FRS102 in 2016.

Notes to the Financial Statements

Principle Accounting Policies (continued)

(j) Capitalisation of interest and administration costs

No interest or administration costs are capitalised. There is potential to capitalise administration costs if directly attributable to development.

(k) Property managed by other parties

Where the Association carries most of the financial risk on property managed by other parties, income arising from the property is included in the Statement of Comprehensive Income. The assets and associated liabilities are included in the Association's Statement of Financial Position.

(l) Leasing

Payments for operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

(m) Investments

Investments held in subsidiaries are stated at cost less accumulated impairment and are included in fixed assets. Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of comprehensive income.

(n) Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

(o) Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as turnover.

(p) Social housing grant and government grants

Where acquisitions have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in turnover over the estimated useful life of the associated asset structure (not land), under the accruals model.

SHG must be recycled under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Notes to the Financial Statements

Principle Accounting Policies (continued)

(q) Non-monetary government grant

On disposal of assets for which non-monetary government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is amended and included as income in the Statement of Comprehensive Income.

(r) Recycling of capital grant

Where Social Housing Grant is recycled, as described above, the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties, where recycled grant is known to be repayable it is shown as a creditor within one year.

(s) Holiday pay accrual

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

(t) Retirement benefits

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

The Association participates in the Social Housing Pension Scheme ('SHPS'), a defined benefit multi-employer pension scheme, and defined contribution scheme administered by TPT Retirement Solutions ('TPT').

The deficit payments related to the Defined Benefit, final salary scheme is charged as a management expense, in line with the SHPS deficit repayment plan.

(u) Reserves policy

The Association can freely utilise the revenue reserves to further its objectives. In line with our approved Business Plan, we are currently utilising our reserves for improving our existing stock. When reviewing any opportunities, we need to ensure that whilst fulfilling the Association's objectives and aims that they are also financially viable in the longer term.

(v) Financial instruments

All loans held by the Association are classified as basic financial instruments in accordance with FRS 102. They are measured at transaction price plus transaction costs initially; and subsequently at amortised cost using the effective interest rate method. Loans repayable within one year are not discounted.

Notes to the Financial Statements

Principle Accounting Policies (continued)

Financial Assets

Trade and Other Debtors

Trade and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment loss.

A provision for impairment of trade debtors is established where there is objective evidence that the amounts due will not be collected according to the original terms of the contract.

Impairment losses are recognised in the Statement of Comprehensive Income for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Comprehensive Income.

Financial Liabilities

Trade and Other Creditors

Trade and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price less any amounts settled.

All loans held by the Association are classified as basic financial instruments in accordance with FRS102.

Notes to the Financial Statements

1 Turnover, cost of sales, operating expenditure and operating surplus

2026				
	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£	£	£	£
Social housing lettings (note 2)	6,855,741	-	5,874,992	980,750
Activities other than social housing	1,000	-	1,000	-
Total	6,856,741	-	5,875,992	980,750

2025				
	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£	£	£	£
Social housing lettings (note 2)	6,746,843	-	5,515,975	1,230,868
Activities other than social housing	4,992	-	4,992	-
Total	6,751,835	-	5,520,967	1,230,868

Notes to the Financial Statements

2 Turnover and operating expenditure

	2026	2025
	£	£
Income		
Rent receivable net of identifiable service charges	6,546,399	6,502,989
Service charges income	221,110	175,605
Net rental income	6,767,509	6,678,594
Sundry Income (Recharges)	18,827	-
Amortised government grants (Note 15)	69,406	68,249
Turnover from social housing lettings	6,855,742	6,746,843
Operating expenditure		
Management	(2,078,866)	(1,917,089)
Service charge costs	(191,252)	(195,264)
Routine maintenance	(1,820,846)	(1,715,516)
Planned maintenance	(148,867)	(63,599)
Major repairs expenditure	(418,085)	(520,307)
Movement in Bad debt provision	(80,637)	(36,007)
Depreciation of housing properties	(1,136,439)	(1,068,193)
Operating expenditure on social housing lettings	(5,874,992)	(5,515,975)
Operating surplus from social housing lettings	980,750	1,230,868
Activities other than social housing lettings		
Sundry Income	1,000	4,992
Sundry Expenditure	(1,000)	(4,992)
Operating surplus from activities other than social housing lettings		-
Total operating surplus	980,750	1,230,868
Void rental losses	37,532	37,279

3 Accommodation owned, managed and in development

	No. of Homes		No. of Homes	
	Owned	Managed	Owned	Managed
	2026	2026	2025	2025
Social Housing				
Under Management at the end of the year:				
General needs housing – Social Rent	1,097	-	1,098	-
– Affordable Rent	235	-	209	-
– Intermediate	20	-	47	-
– Leasehold	27	-	26	-
– Shared Ownership	1	-	2	-
Supported Housing	19	-	19	-
Total Owned and Managed	1,399	-	1,401	-
General needs housing – In development	-	-	-	-
Total in Development	-	-	-	-
Total owned, managed and in development	1,399	-	1,401	-

Notes to the Financial Statements

4 Accommodation managed by others

	No of Homes 2026	No of homes 2025
EPIC owned property managed by other bodies	19	19
General needs – Social Rent		

5 Interest and financing costs

	2026	2025
	£	£
Deferred benefit pension charge	16,000	23,000
Amortisation of Loan arrangement fees	13,820	18,038
Loan interest payable	453,250	465,291
	483,070	506,329

6 Surplus on ordinary activities

	2026	2025
	£	£
The operating surplus is stated after charging/(crediting):		
Annual audit of the Association's financial statements	26,500	23,000
Fees payable to the auditor for other services to the Association:		
Taxation compliance services	-	-
Operating lease rentals – Office equipment	3,567	5,637
Depreciation of housing properties	1,136,439	1,068,193
Depreciation of other fixed assets	13,992	9,722
Amortisation of grant	(69,406)	(68,249)

Notes to the Financial Statements

7 Key Management Personnel

The Non- Executive Board Members received emoluments in the year to 31 March 2026 totalling £31,205 (2025 - £33,229). These were paid as shown below:

		Emoluments	Expenses	Total
		£	£	£
S Wilson	Chair	5,000	129	5,129
M Dodwell	Chair of Audit and Risk Committee	3,500	794	4,294
J Moore	Chair of Governance and Remuneration Committee	3,500	429	3,929
R Emery		2,500	354	2,854
R Challinor		2,500	-	2,500
D Newmarch		2,500	-	2,500
A Jhavar		2,500	162	2,662
A Bragg		2,500	-	2,500
R Morton		2,500	-	2,500
N Leggett		1,875	472	2,347
Total		28,875	2,340	31,205
			2026	2025
			£	£
The aggregate emoluments paid to or receivable by the Executive Team			308,193	380,665
The pension contributions (incl. Salary Exchange) paid to the key management personnel			30,573	16,663
The emoluments paid to the highest-paid Director excluding pension contributions			95,111	95,400

The Chief Executive is an ordinary member of the pension scheme. The pension scheme offered from May 2016 has been a defined contribution scheme funded by annual contributions from both the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements. During 2025 EPIC introduced a pension salary exchange; the Chief Executive is utilising the salary sacrifice. A contribution by EPIC of £7,580 (2025: £4,770) was paid in addition to the personal contributions of the Chief Executive.

EPIC introduced a pension salary exchange scheme in May 2025. The salaries reported are post salary exchange and pension contributions include both the employer's contractual pension contributions and those arising from the salary exchanged for pension purposes.

Key Management Personnel are defined as the members of the Board and Executive Team.

In line with the Transparency, Influence and Accountability Standard of the Regulator of Social Housing (RSH) we are required to report on the aggregate amount of remuneration paid (including NI and pension) to Directors, (including the Executive Team) relative to the size of the landlord. We calculate this to be £410,873 divided by the number of homes owned of 1,372 (excluding leaseholders), which equates to £299 per home.

Notes to the Financial Statements

The RSH also requires us to report on the highest paid Director, (excluding pension and NI costs), relative to the number of homes. We calculate this to be £69 per unit, using the calculation of £95,111 (being post salary exchange salary as disclosed in Note 7) divided by social housing homes (excluding leasehold properties) of 1,372 homes; and for comparison prior to salary exchange the cost per home would have been £71.

8 Employee information

	2026 No.	2025 No.
The average number of persons employed during the year expressed in full time equivalents (37 hours per week) was:		
Office staff	33	32
Wardens, caretakers and cleaners	1	1
Total employees	34	33
	£	£
Staff costs		
Wages and salaries	1,533,523	1,434,117
Social security costs	182,064	149,020
Other pension costs (incl. salary exchange contribution)	142,983	80,064
Total Employee Costs	1,858,570	1,663,201
	No.	No.
Aggregate number of full-time equivalent staff whose remuneration exceeded £60,000 in the year		
£60,001 to £70,000	4	4
£80,001 to £90,000	1	-
£90,001 to £100,000	1	1
	2026	2025
Remuneration payable to the highest paid Director	95,111	95,400

Notes to the Financial Statements

9 Tangible fixed assets

	Social Housing Properties Completed £	Social Housing Properties Not Completed £	Land £	Freehold offices £	Office Furniture and equipment £	Total £
Cost or valuation						
At 31.3.25	60,759,811	-	50,000	188,046	407,429	61,405,286
Revaluation	-					
Additions						
Properties	464,180	-	-	-	4,410	468,590
Additions						
Components	1,372,875	-	-	-	-	1,372,875
Component						
Replacements	(375,563)	-	-	-	-	(375,563)
Property						
Disposals	(480,895)	-	-	-	-	(480,895)
OFA Disposals	-	-	-	-	-	-
At 31.3.26	61,740,408	-	50,000	188,046	411,839	62,390,293
Depreciation / impairment						
At 31.3.25	11,003,916	-	-	28,727	361,194	11,393,837
Charge for year	1,136,438	-	-	3,514	10,479	1,150,431
Components replaced	(375,563)	-	-	-	-	(375,563)
Property						
Disposals	(49,449)	-	-	-	-	(49,449)
OFA Disposals	-	-	-	-	-	-
At 31.3.26	11,715,342	-	-	32,241	371,673	12,119,256
NBV 31.3.26	50,025,066		50,000	155,805	40,166	50,271,037
NBV 31.3.25	49,755,895	-	50,000	159,319	46,235	50,011,449
					2026	2025
					£	£
Components capitalised					1,372,875	1,166,145
Amounts charged to expenditure					418,085	520,307

Notes to the Financial Statements

10 Fixed asset investments

	2026	2025
	£	£
At 31.3.25	1	1
Additions in the year	-	-
At 31.3.26	<u>1</u>	<u>1</u>
Net book value 31.3.26	<u>1</u>	<u>1</u>
Net book value 31.3.25	<u>1</u>	<u>1</u>

The Company owns 100% of the issued share capital of EPIC Regeneration Services Limited, a company incorporated in England and Wales. This Company has aggregate capital and reserves of £1 and has been dormant since incorporation.

Under the provision of section 371 of the Companies Act 2006 the Association is exempt from preparing consolidated accounts and has not done so. Therefore, these accounts show information about the Association as an individual entity.

11 Trade and other debtors

	2026	2025
	£	£
Rent arrears	261,124	222,681
Less: provision for bad debts	(222,689)	(178,461)
Other debtors	133,678	229,929
Prepayments and accrued income	354,809	332,314
Total	<u>526,922</u>	<u>606,463</u>

All debtors are due within one year.

12 Cash and cash equivalents

	2026	2025
	£	£
Investments	2,508,068	2,453,232
Cash at bank and in hand	1,535,796	1,420,005
Total	<u>4,043,864</u>	<u>3,873,237</u>

Included in the above is £123,330 (2025: £116,339) held in trust for Leaseholders.

Notes to the Financial Statements

13 Creditors: amounts falling due within one year

	2026	2025
	£	£
Trade creditors	361,759	54,530
Deferred capital grant (Note 15)	69,406	68,249
Rents and service charges paid in advance	268,000	265,242
Service charge balances held on behalf of leaseholders	123,330	116,339
Accruals and deferred income	494,292	571,080
Loans and overdrafts	707,611	495,353
Other creditors	(91)	(91)
Total	2,024,307	1,570,702

Loans are secured by housing properties, see note 23.

14 Creditors: amounts falling due after more than one year

	2026	2025
	£	£
Deferred Capital Grant (Note 15)	6,268,590	6,223,506
Loans	15,599,755	16,307,367
Recycled Capital Grant Fund	173,741	267,183
Total	22,042,086	22,798,056

Loans are secured by housing properties, see note 23.

15 Deferred capital grant

	2026	2025
	£	£
At 31.3.25	6,291,755	6,425,004
Grant transferred from RCGF	227,845	-
Grant transferred re property disposals	(112,200)	(65,000)
Amortised in the year	(69,405)	(68,249)
At 31.3.26	6,337,995	6,291,755
Amount due to be released in less than one year	69,405	68,249
Amount due to be released after one year	6,268,590	6,223,506
Total	6,337,995	6,291,755

16 Provision for Liabilities – Social housing pension scheme

The Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 400 non-associated employers. The Scheme is a defined benefit scheme in the UK and administered by TPT Retirement Solutions.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

Notes to the Financial Statements

The last triennial valuation of the scheme for funding purposes was carried out as of 30 September 2023. This valuation revealed a deficit of £636m (£1,560m 2020). A Recovery Plan remains in place with the aim of recovering this deficit by 30 September 2028.

The Scheme is classified as last man standing arrangement. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme. The Pensions Trust has estimated cost for EPIC withdrawing from the scheme as of 30 September 2025 is £694,760.

Since 31 March 2019, it has been possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

Fair value plan of assets, present value of defined benefit obligation and defined benefit asset/(liability)

	2026	2025
	£'000	£'000
Fair value of plan assets	2,207	2,211
Present value of defined benefit obligation	2,395	2,534
(Deficit)/surplus in plan	(188)	(323)
Unrecognised surplus	-	-
Defined benefit (liability)/asset to be recognised	(188)	(323)

Reconciliation of opening and closing balances of the defined benefit obligation

	2026	2025
	£'000	£'000
Defined benefit obligation at start of period	2,534	2,747
Current service cost	-	-
Expenses	5	4
Interest expense	144	134
Member contributions	-	-
Actuarial losses (gains) due to scheme experience	(47)	116
Actuarial losses (gains) due to changes in demographic assumptions	16	-
Actuarial losses (gains) due to changes in financial assumptions	(42)	(435)
Benefits paid and expenses	(215)	(32)
Liabilities acquired in a business combination	-	-
Liabilities extinguished on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Exchange rate changes	-	-
Defined benefit obligation at end of period	2,395	2,534

Reconciliation of opening and closing balances of the fair value of plan assets

	2026	2025
	£'000	£'000
Fair value of plan assets at start of period	2,211	2,217
Interest income	128	111

Notes to the Financial Statements

Experience on plan assets (excluding amounts included in interest income) – gain (loss)	(37)	(216)
Employer contributions	120	131
Member contributions	-	-
Benefits paid and expenses	(215)	(32)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	2,207	2,211

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2025 to 31 March 2026 was £91,000.

Defined benefit costs recognised in the statement of comprehensive income (SOCİ)

	2026	2025
	£'000	£'000
Current service cost	-	-
Expenses	5	4
Net interest expense	16	23
Losses (gains) on business combinations	-	-
Losses (gains) on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Defined benefit costs recognised in Statement of Comprehensive Income (SOCİ)	21	27

Defined benefit costs recognised in other comprehensive income (OCI)

	2026	2025
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	(37)	(216)
Experience gains and losses arising on the plan liabilities – gain (loss)	47	(116)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	(16)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	42	435
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain (loss)	36	103
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain (loss)	-	-
Total amount recognised in Other Comprehensive Income – gain (loss)	36	103

Notes to the Financial Statements

Assets

	2026	2025
	£'000	£'000
Global Equity	245	248
Absolute Return	-	-
Distressed Opportunities	-	-
Credit Relative Value	-	-
Alternative Risk Premia	-	-
Liquid Alternatives	393	410
Fund of Hedge Funds	-	-
Emerging Markets Debt	-	-
Risk Sharing	-	-
Insurance-Linked Securities	3	7
Property	108	111
Infrastructure	-	-
Private Equity	5	2
Real Assets	208	265
Private Debt	-	-
Opportunistic Illiquid Credit	-	-
Private Credit	266	270
Credit	88	84
Investment Grade Credit	130	68
High Yield	-	-
Cash	-	30
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	-	1
Secured Income	67	37
Liability Driven Investment	673	669
Net Current Assets	21	5
Currency Hedging	-	4
Total assets	2,207	2,211

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

Key Assumptions

	2026	2025
	% per annum	% per annum
Discount Rate	6.22%	5.92%
Inflation (RPI)	3.27%	3.05%
Inflation (CPI)	3.04%	2.80%
Salary Growth	4.04%	3.80%
		75% of
Allowance for commutation of pension for cash at retirement		maximum allowance

Notes to the Financial Statements

The mortality assumptions adopted as at 31 March 2026 imply the following life expectancies:

	2026 Life expectancy at age 65 Years	2025 Life expectancy at age 65 Years
Male retiring in 2026	20.9	20.5
Female retiring in 2026	23.2	23.0
Male retiring in 2046	22.2	21.7
Female retiring in 2046	24.6	24.5

17 Capital commitments

The table below shows the financial implications and sources of funding to deliver the signed contracts.

	2026 £	2025 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	-
Capital expenditure that has been authorised by the Board but has not yet been contracted for	-	-
Capital commitment	-	-
EPIC expects these commitments to be financed with:		
Triodos loan facilities	-	-
Social housing grant (in line with spend)	-	-
Internally generated resources (revenue reserve)	-	-
Total	-	-

18 Contingent liability

If EPIC were to withdraw from all forms of the Social Housing Pension Scheme it has been calculated that our debt on withdrawal as at 30 September 2025 would be £694,760. We have no plans to exit from the scheme at the present time.

19 Grant and financial assistance

	2026 £	2025 £
Total accumulated SHG received or receivable at 31 March:		
Held as deferred capital grant	6,940,562	6,824,916
Total	6,940,562	6,824,916

In addition to the grant above which is accounted for within the accounts we also have a potential liability of £2.69m of grant transferred from other Registered Providers as part of the property acquisition of 169 homes from the Bromford Group in May 2021.

20 Related parties

As at March 2026, the Board has no tenant board members and there were no related party transactions during the year to 31 March 2026. We have no staff representative on the Board, but four staff members are also tenants of EPIC, all under normal rental policies, the same as any other tenant.

Notes to the Financial Statements

21 Surplus on disposal

Four houses and one flat have been sold in the current financial year under the Right to Acquire (RTA) and Rent to Buy. One shared ownership house was sold after staircasing to 100% ownership.

	2026	2025
	£	£
Sale Proceeds	618,500	530,000
Less:		
Associated selling fees	(3,384)	(8,840)
Write off cost (NBV)	(431,446)	(365,722)
Grant amortisation on sale	(18,299)	-
Surplus on disposal	165,371	155,438

22 Recycled capital grant fund

	2026	2025
		£
Opening balance of fund	267,182	169,115
Inputs	127,246	92,770
Withdrawals	(227,846)	-
Interest Accrued	7,159	5,297
At 31.3.26	173,741	267,182

Included within the RCGF overall balance of £173,741 is £134,404 that has been in the fund for less than one year and £39,337 that has been in the fund for between one and two years, as such none is repayable at the present time to Homes England.

23 Loans

At the financial year end, EPIC had drawn down its £19.3m facilities in full and scheduled capital repayments are underway to repay the debt throughout the term of the loans. The loans are secured against EPIC Housing's stock, over a 25-year term, and are on a fixed-interest basis.

	2026	2025
	£	£
Maturity of debt		
In less than one year	707,611	495,353
In more than one year but less than two years	726,256	707,611
In more than two years but less than five years	2,304,732	2,242,039
In greater than five years	12,568,768	13,357,718
Total	16,307,367	16,802,721

Notes to the Financial Statements

24 Interest rate risk and exposure

As of 31 March 2026, the following amounts were drawn down and had been fixed on 20 March 2020:

Facility 1 – £4,706,186.35 – 2.553% – Fixed until 20/03/2030

Facility 2 – £3,954,291.77 – 2.653% – Fixed until 20/03/2030

The additional drawdown of £10.3m in April 2021 was also fixed for a period of 10 years:

Facility 3 – £5,000,000 – 2.779% – Fixed until 21/04/2031

Facility 4 – £5,300,000 – 2.879% – Fixed until 21/04/2031 (Interest only until April 2026)

EPIC's Treasury Management Policy is clear that when looking at any aspect of interest rate exposure, it is important to remember that overall interest rate risk management is about reducing risk and increasing certainty. It is not about best guessing or predicting the way interest rates will move.

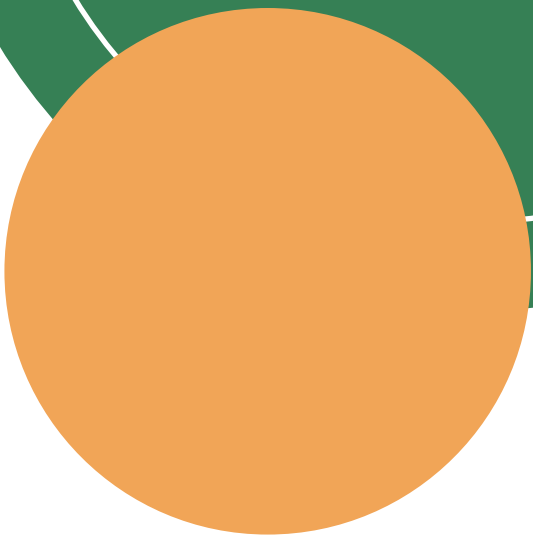
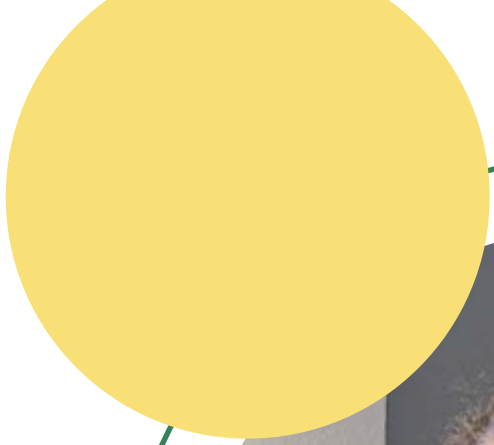
Any sensitivity analysis will be applied to all variable-rate borrowing and to any fixed-term borrowing after its maturity date, using market forecast rates.

The Board must approve the use of hedging instruments subject to the Rules of the Association and the regulators guidelines/approval. In such cases a hedging strategy must be prepared and appended to the Treasury Management Policy, which must state the type of instruments to be used, the value limits, the counterparties involved and the periods for which they will be in place.

25 Post balance sheet events

There are no Post Balance Sheet Events of any significance to report.

Notes





If you have any queries in respect of this report, please contact:

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