



Passion | Honesty | Curiosity

Leeds Federated Housing Association Limited

Report and Financial Statements

Year Ended

31 March 2025

CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETY NUMBER IP21457R
HOMES ENGLAND REGISTERED NUMBER LH0989



HELPING PEOPLE MAKE A HOME

Leeds Federated Housing Association Limited

Report and financial statements for the year ended 31 March 2025

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Leeds Federated Housing Association Limited

Board Members, Executive Directors and advisors for the year ended 31 March 2025

Board Members

Kim Brear (Chair)
Claire Stone (resigned 5th September 2024)
Jaedon Green (resigned 5th September 2024)
Innocent Moyo
Dedra Otchere-Darko (resigned 8th December 2024)
Stephen Dungworth
Chris Simpson
Naseer Ahmed
Charlotte Green
David Royston (appointed 5th September 2024)
Kirsty Spark (appointed 5th September 2024)
Stephen Hepworth (appointed 5th September 2024)

Executive Directors

Matthew Walker	Chief Executive
Stephen Blundell (resigned 30 th June 2024)	Director of Operations
Jason Ridley	Director of Finance and IT
Michelle Collins (appointed 1 st July 2024)	Director of Customer Services
Mark Donnachie (appointed 1 st July 2024)	Director of Assets and Development

Secretary

Megan Henderson

Registered office

The Tannery, 91 Kirkstall Road, Leeds, LS3 1HS

Registered number

Leeds Federated Housing Association Limited is registered under the Co-Operative and Community Benefit Act 2014 No. IP21457R and registered by Homes England No. LH0989

Auditors

BDO LLP, Eden Building, Irwell Street, Manchester, M3 5EN

Bankers

Virgin Money, 94-96 Briggate, Leeds, LS1 6NP

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025

The Board of Leeds Federated Housing Association Limited (hereafter referred to as Leeds Federated) is pleased to present its report together with the audited financial statements of the Group and the Association for the year ended 31 March 2025. The Group comprises the Association and its subsidiary undertaking Leeds Federated Property Services Limited.

Principal activities

The Association's principal activity is the management of social housing. It operates through three key business streams including 'general needs' housing for rent, supported housing and care for people and low-cost home ownership. The Group's head office is based in Leeds and its 4,809 properties are predominantly located in the Leeds City Region.

As well as managing social housing, the Group also provides non-social housing, in particular accommodation for students in higher education.

The Association has charitable status by virtue of its registration as a charitable social landlord under the Co-Operative and Community Benefit Act 2014.

Leeds Federated Property Services Limited is a non-charitable company which manages design and build projects.

Board Members and Executive Directors

A list of Board members and the Executive Directors of the Group including dates of appointment and resignation, where applicable, are set out on page 3. The Board consists of 9 Board members as at 31st March.

Executive Directors are the Chief Executive, the Director of Finance and IT, the Director of Customer Services, and the Director of Assets and Development. None of the Executive Directors hold any interest in the Association's shares and they act as executives within the authority delegated by the Board. Group insurance policies indemnify Board Members and Executive Directors against liability when acting for the Group.

Pensions

The Executive Directors are members of the Social Housing Pension Scheme (SHPS). They participate in the scheme on the same terms as all other eligible staff and the Association contributes to the scheme on behalf of its employees.

Other benefits

The Executive Directors are entitled to other benefits: the provision of a car allowance and health care insurance.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

i) Objectives and strategy

The Group's social purpose is clear. *"Leeds Federated exists to help people find an affordable home to own or rent where they are not able to do so on the open market"*.

The Group's vision is *"building futures together"* and reflects our aims to;

- grow through building more homes across the Leeds City Region;
- provide good value housing offering security and affordability which provides the necessary foundations for our customers to achieve their aspirations and build their futures; and
- work together with colleagues, customers, and other stakeholders in making our vision a reality in the communities where our customers live.

The achievement of this vision is underpinned by three strategic goals which are set out in the 2021-26 Corporate Plan that was reviewed and approved by the Board on 26 March 2024. The Board and senior management team have developed a series of key performance indicators using a Balanced Score Card (BSC) to measure performance against a range of targets to monitor achievement of the Group's corporate goals.

The corporate strategic goals from the current corporate plan fall into the following areas:

Objective 1 – Sustain

- Provide quality services at an affordable cost
- Provide good quality homes that people want to live in
- Maintain a healthy business in terms of its finances, expertise and governance

Objective 2 – Engage

- Attract, retain, and develop a healthy and effective staff team that engages with the organisation
- Engage with customers, listening and learning from them
- Maintain a highly satisfied customer base and staff team
- Collaborate with stakeholders to achieve the best outcome for the business and customers
- Demonstrate value for money to our customers

Objective 3 – Grow

- Take a strategic and sustainable approach to growth
- Focus on meeting the needs of current and future customers
- Deliver value for money in our growth programme

ii) Principal Risks and uncertainties

Conflicts in Ukraine and the Middle East, international political uncertainty and continued economic fragility

2024/25 was a challenging year for Leeds Federated, the UK social housing sector, the UK and global economy. Whilst inflation has fallen it has remained above the Bank of England target and so Interest rates have not fallen as quickly or far as expected. The residual inflation and higher interest rates continue to put pressure on margins and covenant

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 *(continued)*

headroom whilst the new US Government's trade and economic policies and the threat of increased tariffs has created global uncertainty with increased risk of recession, inflation and further delays in interest rate reductions. Our tenants continue to face cost of living pressures including high energy costs.

The Group's Business Plan has proven resilient despite the impact of increasing costs. The most recent updated 2025/26 business plan, approved by Board in March 2025, was subject to stress testing against a range of extreme scenarios and continues to be financially resilient albeit with a reduced operating margin reflecting the necessary trade-off between continuing to deliver services to our tenants and the maintenance of their homes whilst ensuring financial resilience in the face of continued economic and political uncertainty.

Risk Agenda

As a co-regulated provider of social housing operating within a challenging and uncertain economic environment, Leeds Federated places a high priority on the identification and effective management of the range of existing and potential risks it faces, ensuring that risk management is integrated within decision making by the board and management through the Risk Management Framework.

Stakeholders can take assurance that risks are being effectively managed where possible within the board's risk appetite in support of achievement of the organisation's corporate strategic objectives.

Internal management, external specialist resources and the Association's Audit and Risk Committee work together to ensure the Association's Risk Management Framework is effectively maintained.

Risk Assessment

Existing and potential emerging risks associated with the current and planned activities of the organisation are identified, regularly assessed, and documented using a Risk Register within the Hydrogen BI system.

The current principal strategic risks faced by Leeds Federated, many in common with most Housing Associations are:

- Failure or persistent under performance of a key supplier or contractor.
- Poor customer perception of service quality and/or Value for Money.
- Underperforming staff.
- Assets are not built or are not maintained to a satisfactory standard.
- Future material, unplanned financial variance.
- Significant unplanned Pension expenditure.
- Abrupt changes in Government policy.
- Cyber-attack.
- Competition for Resources.

Financial risks are closely monitored and assessed through regular stress testing of the business plan and managed operationally through regular monitoring of performance through the balanced scorecard against approved targets.

The impact and probability of the association's risks are assessed both before and after the application of internal controls designed to manage the risk within the risk appetite determined by the board. The Association uses the impact criteria of Financial, Health and Safety, Legal & Regulatory, Residents & Community, Reputation & Staff and Service Disruption implications when assessing the impact score and both the timing and % likelihood when assessing the

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

probability scores for each risk. All board and committee papers consider the relevant risk(s) to the subject of the paper. The risk register and internal controls are regularly reviewed by Audit & Risk Committee and Board and the risk impact of all papers taken are considered by Board discussed at each meeting. The Audit & Risk Committee also conduct 'deep dive' reviews on key risks.

Risk Response

The board determines the nature and extent of the risks it is willing to take in achieving its corporate plan through a differentiated risk appetite linked to the key activities undertaken by the association as follows:

Categories of Activity
1. Financial Stability
2. Health & Safety
3. Legal & Regulatory
4. Operational Delivery
5. Customer Experience
6. Investment & Asset Management
7. Technology
8. Reputation

The table below represents the current allocation of risk appetite by activity category as approved by the Board. Both the activity categories and the allocation of risk appetite are regularly reviewed as part of the on-going review of the Risk Management Framework Policy.

	Averse	Cautious	Balanced	Open	Hungry
1. Financial Stability					
2. Health & Safety					
3. Legal & Regulatory					
4. Operational Delivery					
5. Customer Experience					
6. Investment & Asset Management					
7. Technology					
8. Reputation					

Risk appetite statements

These statements have been developed to summarise the essence of the risk approach for each activity in support of the selected appetite level and noting where necessary exceptional aspects of the activity. Like the list of activities, the statements are regularly reviewed as part of the policy review to ensure they reflect the association's approach.

1. Financial Stability (Balanced)

- Use of targets that balance covenant compliance whilst supporting corporate objectives.
- Prudent policies to minimise Treasury risks.
- Regular stress testing and use of prudent planning assumptions to ensure financial resilience.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 *(continued)*

2. Health & Safety (Averse)

- Legal compliance and protection of customers and staff is of paramount importance and will not be compromised.
- Where possible wider customer and staff interests will also be taken into consideration.

3. Legal & Regulatory (Averse)

- We operate in a regulated environment where adherence to all laws is an explicit part of the Regulatory Framework.

4. Operational Delivery (Open)

- We are prepared to change and innovate our systems, processes and structures in order to achieve value for money objectives providing this is managed and monitored against performance targets.

5. Customer Experience (Open)

- We are prepared to change and innovate our customer facing activities in order to achieve customer satisfaction and value for money services for our customers providing this is managed and monitored against performance targets.

6. Investment & Asset Management (Open)

- We have clear ambitions in terms of on-going development of new homes delivered independently or in partnerships and take appropriate risks in achieving this growth.
- We will explore and follow as appropriate best value for money practices in respect to the on-going maintenance of our properties and the achievement of energy efficiency targets.

7. Technology (Balanced)

- Maintaining the security and resilience of our systems is important to us.
- We will change our technology using tested and appropriate solutions that support and deliver value for money processes.
- In regard to cyber risk we take a cautious approach which recognises and seeks to minimise the constantly emerging threats through cost effective controls, training and monitoring.

8. Reputation (Cautious)

- We manage reputational risk by careful consideration of the impact of our activities and decisions on all stakeholders in terms of ethical, operational, governance or financial failings arising from the actions of Leeds Federated, its employees or related organisations.

Leeds Federated uses the three lines of defence approach to identify and document internal controls together with regular control risk self-assessment by individual risk and control owners.

Financial risks are regularly tested through multi-variate stress testing of the Association's business plan and reviewed by the Association's Treasury advisors. The testing also considers the effect of mitigation actions contained within the Association's Resilience Plan. Business continuity and the Association's Resilience plans are regularly reviewed to ensure that they will enable the Association to avoid or be able to recover from significant disruption.

Risk Communication

Leeds Federated uses a Risk Management Framework which is reviewed annually by Board alongside the Resilience Plan. The Framework sets out responsibilities for risk management by the Board and Audit & Risk Committee, reporting

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

& monitoring, documentation of risk, risk appetite, the methodology used to score the impact and likelihood of risks and the risk register.

The Audit & Risk Committee receive an annual report from the Internal Auditors on their work and their view on the effectiveness of the internal control framework and that an appropriate framework is in place for identifying, evaluating, and managing the significant risks faced by the Association. The annual assurance is then used for compliance reporting to the Regulator of Social Housing and within the annual Report and Financial Statements.

The detail of regular reporting, review of the controls, risks and links to the Association's balanced scorecard are detailed within the Risk Management Framework for management & risk owners, Audit & Risk Committee and Board.

Risk Governance

The Association's approach to Risk Governance forms part of its compliance with the NHF Code of Governance and includes meeting the Standards of the Regulator of Social Housing as a registered provider.

The Association uses a Risk Management Framework to set out its approach to the management of risk in conjunction with the terms of reference of the Board and Audit & Risk Committee and to ensure compliance with statutory and regulatory requirements.

By using an external provider of Internal Audit as well as various other specialist 3rd party assurance providers the Association can obtain independent assurance on the effectiveness of internal controls used to manage key risks.

The Risk Management Framework and regular reporting of risk at Audit & Risk Committee and Board enable risk performance to be monitored and challenged.

Risk management is considered at every Board meeting, both within each individual paper, and taking the board papers into account as a whole.

iii) Operational Performance & Value for Money

Value for Money Statement 2024/25



Leeds Federated
Value for Money Statement 2024/25

A version can be found on our website:

<https://www.lfha.co.uk/>

1 Summary

2024/25 was the fourth year of the Corporate Plan covering the period 2021 – 2026, reflecting a set of corporate priorities falling within the 'Engage', 'Sustain' and 'Grow' strategic objectives. Each strategic objective is supported by specific goals, associated performance targets, and managed within the Association's risk appetite.

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Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

The Association through its Strategic objectives and supporting goals explicitly and implicitly incorporates Value for Money as a goal for each objective illustrating how Value for Money is fully integrated within all activities undertaken.

2 Economic conditions

The continued difficult economic conditions in 2024/25 presented on-going challenge to our business and to our customers. Inflation and the 'cost of living crisis' have impacted customers directly whilst inflation and increased interest rates have increased the Association's costs and put pressure on margins.

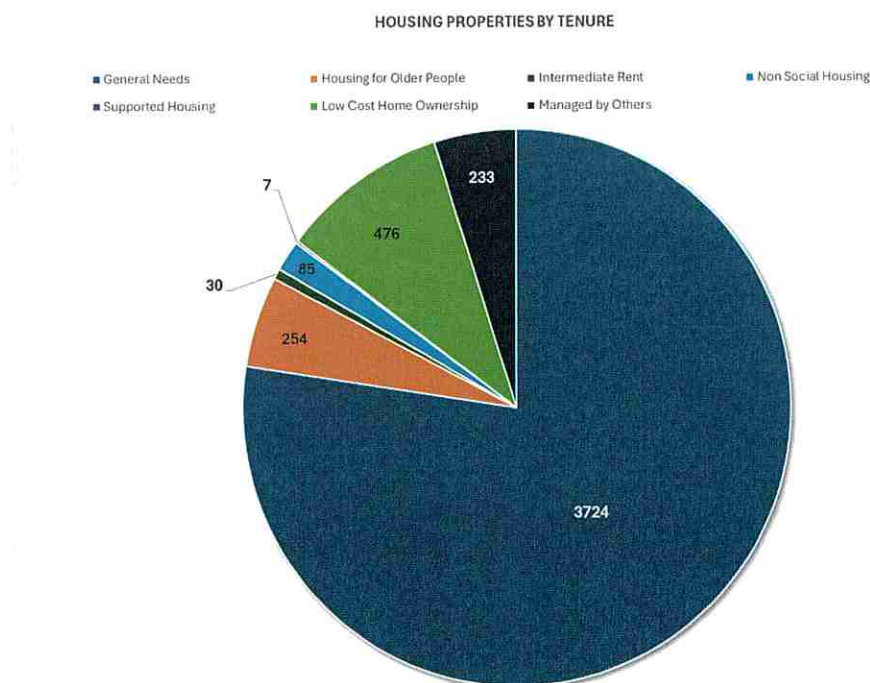
Many customers continued to experience unexpected changes in their circumstances. We have continued to focus and invest in resident engagement and to provide additional support to customers experiencing hardship and have worked to sustain tenancies and reduce the level of rent arrears. We have focused on ensuring that our services reflect and respond to customer needs and priorities.

Despite these challenges the association has managed to perform well financially, maintaining its financial resilience and its capacity to continue to invest in support of its corporate strategic objectives.

3 Key Statistics

Housing Properties by Tenure

The following chart shows Leeds Federated's housing stock by category in 2024/25; a total of 4,809 properties of which 85 properties are non-social housing and 218 are managed by others. During the year, we added a total of 137 units to our social housing stock through new development.



Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

4 Key Performance Indicators

● Measuring Performance

Key Performance Indicators are a series of targets measured by traffic light system:



Performance is tracked and reported using a Balanced Scorecard System

The results are regularly reviewed by staff, customers and by the Association's board:

- every month by the organisation's Leadership Team
- every quarter by the Customer Voices Panel, made up of Leeds Federated customers
- every quarter by the Operations Committee
- at each full Board meeting

The seven standard metrics relating to Value for Money ('VfM') specified by the Regulator of Social Housing are integrated into the scorecard. We have continued to track performance against these measures.

The following table analyses some of the additional performance indicators for the 2024/25 year contained within the BSC.

Objective	KPI	Target	Outcome
Customer Satisfaction	Overall customer satisfaction with Leeds Fed services (TSM TP01)	Minimum of 80% of customers 'satisfied' or 'very satisfied'	80.5% (2024: 78.8%) of customers were 'satisfied' or 'very satisfied' at the end of the financial year. (March 2025 rolling 12-month average)
Customer Satisfaction	Customer satisfaction with the value for money of rent (E010)	A minimum of 81% of customers 'satisfied' or 'very satisfied' that their rent offers value for money	At the end of the financial year, 80.4% (2024: 72.9%) of Leeds Federated customers were either 'satisfied' or 'very satisfied' that their rent offers value for money. (March 2025 ytd performance)

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Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

Repairs	Appointments Made and Kept (TH024)	Minimum of 90% of responsive repairs made and kept	96.9% (2024: 96.0%) of customers were 'satisfied' or 'very satisfied' at the end of the financial year. (March 2025 rolling 12-month average)
Repairs	Customer satisfaction with individual repairs jobs (EN002)	Minimum of 85% customer satisfaction with the quality of individual repair jobs	Customer satisfaction with individual repair jobs was 91.5% (2024: 89.2%) at the end of the year. (March 2025 ytd performance)
Gas Servicing	Up to date gas safety certificates maintained for all relevant stock (TSM BS01)	100% of required gas safety certificates to be always in place	99.71% (2024: 99.90%) of gas safety certificates were in place at the end of the financial year. A total of 12 (2024: 4) were overdue, but fully compliant with our escalation procedures. (March 2025 performance)
Housing Management	Minimise the level of rent arrears (S002)	Current tenant rent arrears at 5.0% or less (year-end actual)	Social housing rent arrears at 3.1% at the end of the financial year (2024: 5.1%). (March 2025 Performance)
Housing Management	Minimise lost rent due to empty properties (TH007)	Keep rent losses within budget	There was a 24.2% (positive variance on the empty property loss budget in 2024/5 compared with a 7% negative variance in 2023/4.
Development	Timely completion of property sales (EV001)	No more than 25% of properties to remain unsold five months from handover	Only 1 (10%) home (12 of 26 homes in 2024) had been on sale for more than five months at the year-end. (March 2025 year-end)
Development	Achievement of sales targets for shared ownership homes (EV003)	Achieve average sale proportion of 40% at first tranche.	Average – 44% (2024: 43%) (March 2025 ytd performance)

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

How We Compare

Leeds Federated has continued to deliver good performance in achieving value for money when compared to the social housing sector nationally. We have compared our 2023/24 positions against the RSH Global Accounts benchmarks for 2023/24. When considered in relation to peers nationally for 2023/24, the organisation is delivering strong levels of reinvestment, new social housing supply and return on capital employed whilst maintaining financial capacity through relatively low gearing. Significant investment in planned works, including EPC C remediation, has driven up social housing cost per unit and reduced EBITDA-MRI. By year 3 of the business plan, as the EPC-C works are completed, social housing cost per unit is forecast to stabilise below £6,000 and EBITDA-MRI is forecast to increase.

We have shown the 2024/25 outturn and 2024/25 internal targets which will be compared with the 2024/25 Global accounts when released.

Sector Vfm Metric	2022/23 Outturn	2023/24 Sector Median ¹	2023/24 Outturn	2023/24 Quartile Position	2024/25 Target ³	2024/25 Outturn
(1) Reinvestment %	10.29%	7.7%	10.34%	Q2	11.89%	10.92%
(2a) New supply% (SH)	1.9%	1.4%	2.9%	Q1	3.1%	2.9%
(2b) New supply% (NSH) ²	0%	0%	0%	-	0%	0%
(3) Gearing at cost %	26.5%	45.6%	30.4%	Q4	38.0%	34.5%
(4) EBITDA-MRI %	226%	122%	73%	Q4	29%	25%
(5) SH cost per unit	£4,148	£5,136	£5,210	Q2	£5,982	£6,073
(6a) Op Margin (SH) %	17.8%	20.4%	14.7%	Q3	8.7%	10.7%
(6b) Op Margin(overall) %	21.8%	18.5%	19.3%	Q2	15.7%	16.5%
(7) ROCE %	2.83%	2.8%	2.91%	Q2	2.36%	2.59%

(SH – Social Housing, NSH – Non-social housing, EBITDA-MRI – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included, ROCE – Return on Capital Employed)

1 – VFM metrics and reporting – annex to the Global Accounts 2024 (RSH)

2 – Leeds Federated does not have current plans to develop new non-social housing

3 – Balanced scorecard approved by Board November 2024

5 Customer Perceptions

Measuring Performance

Customer perception data is collected on a rolling basis, with a minimum of 600 customers participating in the survey annually. This approach has been in operation for many years allowing a useful longitudinal analysis of performance and has been adapted to fit with the Regulator of Social Housing's requirements for the calculation of the relevant Tenant Satisfaction Measures (TSMs).

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

In addition to gathering information from customers on our performance against the satisfaction based TSMs, we have retained several historical STAR questions where these add to our understanding of customer priorities and perceptions.

The table below sets out our performance for 2024/25 compared with 2023/24 scores released by the regulator in November 2024.

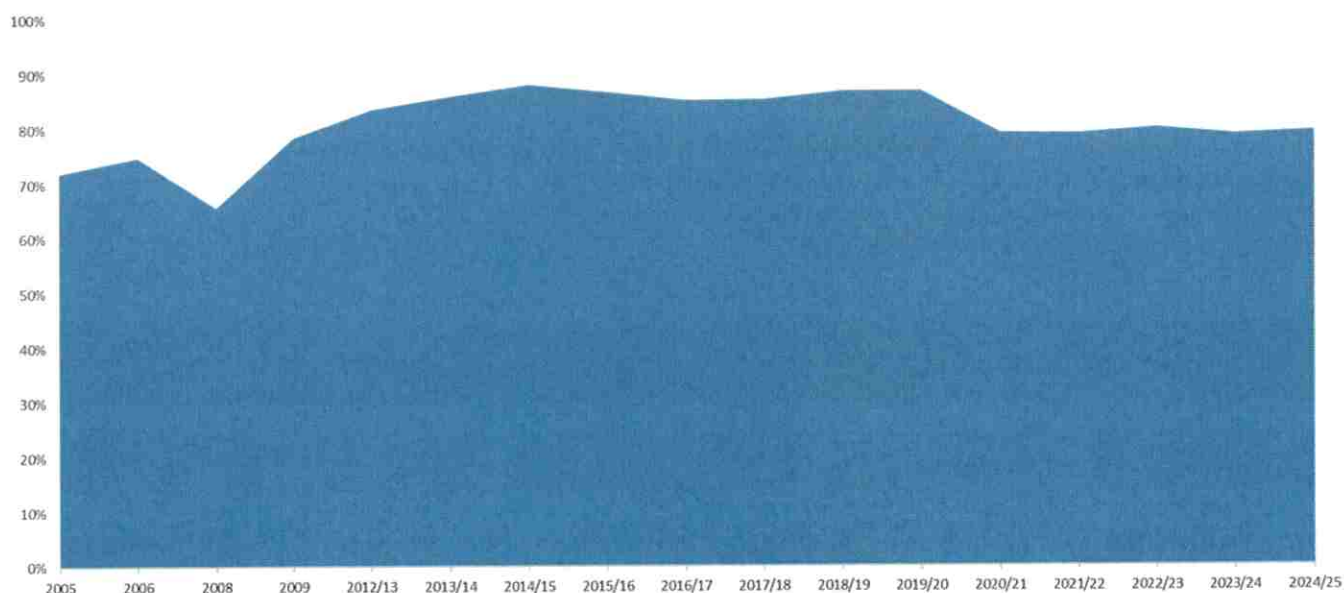
Benchmarking – LFHA 2024/25 vs. PRP LCRA 2023/24

Metric	LFHA 24/25 final scores (weighted)	Lower quartile (23/24)	Median (23/24)	Upper quartile (23/24)
TP01 - Overall satisfaction	79.4%	66.9%	73.2%	79.5%
TP02 - Overall repairs service in last year	80.4%	67.7%	73.3%	78.9%
TP03 - Time taken to complete most recent repair	75.3%	61.9%	69.4%	75.8%
TP04 - Home that is well maintained	82.3%	66.6%	72.7%	78.7%
TP05 - Home that is safe	83.4%	73.3%	79.0%	84.6%
TP06 - Listen to views and act upon them	71.1%	56.2%	63.3%	69.9%
TP07 - Keep customers informed	77.2%	66.2%	72.8%	79.1%
TP08 - Treat customers fairly and respectfully	83.9%	74.1%	79.4%	84.7%
TP09 - Approach to complaint handling	42.8%	31.9%	37.0%	43.4%
TP10 - Communal areas are clean and maintained	77.4%	60.4%	66.8%	72.3%
TP11 - Positive contribution to neighbourhood	72.0%	57.1%	64.7%	73.2%
TP12 - Approach to handling ASB	67.1%	54.6%	61.0%	67.8%

■ = Upper Quartile, ■ = Median, ■ = Lower Quartile

The graph below focusses specifically on overall customer satisfaction providing a useful historical context:

Historical overall satisfaction

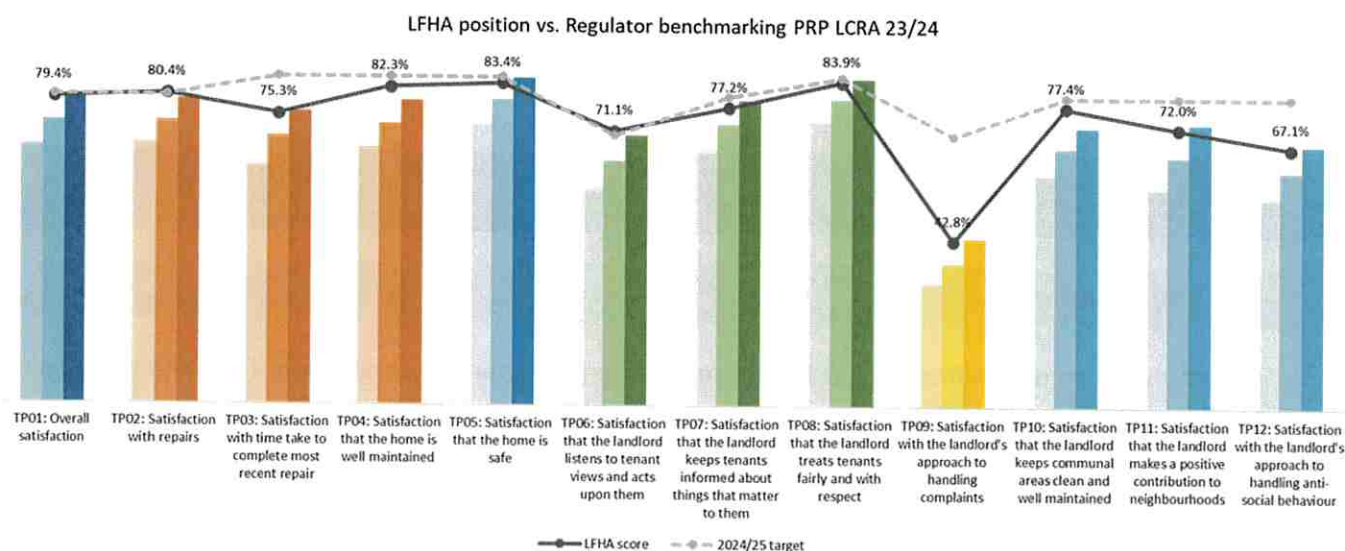


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Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

Leeds Federated ('LFHA') TSM position vs Housemark benchmarks – Q4 2024/25

The graph below provides a comparison of our 2024/25 performance against our targets with the equivalent 2023/24 lower, median and first quartile comparative performance in the light, medium and dark shaded bars respectively of all the RSH results published in November 2024.



• Making Improvements

Throughout 2024/25, we have focused on improving services across the organisation by:

- Rolling out our Tone of Voice approach to promote consistent, customer friendly communication.
- Strengthening our approach to complaints resolution, introducing transactional feedback surveys, regular staff training, and launching a dedicated Resolutions Team to support complex and vulnerable cases.
- Implementing real-time performance dashboards to support effective service monitoring and decision-making.
- Developed a central learning repository to ensure insights from Tenant Satisfaction Measures (TSMs), complaints, and scrutiny activities are captured and used to inform continuous improvement.

Key Developments During 2024/25

Significant developments during the year include:

- 1) Reviewed and relaunched key policies to improve clarity and accountability, including the Tenancy, Rent Setting, Anti-Social Behaviour, Lettings, and Transparency & Accountability policies.
- 2) Relaunched the Customer Voices Panel, now with nine formally engaged customers, and introduced new engagement forums including Your Voice and Time to Talk sessions.
- 3) Rolled out our Community-Based Approach, developing tailored Neighbourhood Plans across all 54 areas,
- 4) Overhauled our approach to Anti-Social Behaviour and Neighbourhood Management, aligned with the Housing Ombudsman's best practice.
- 5) Successfully completed the Sugar hill redevelopment, moving 10 families back into high-quality homes in November 2024.
- 6) Completed Phase 1 of the Service Charge Review, promoting fairness and transparency.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

In 2025/26 we will continue to improve our service offering by focussing on the following:

- Implementing a new telephone system and exploring the introduction of a digital customer app to improve accessibility and convenience.
- Launching a comprehensive review of customer needs and adjustments, to ensure all services are inclusive and tailored to individual requirements.
- Strengthening our Community-Based Approach by increasing local engagement and deepening the integration of resident voices into neighbourhood planning and delivery.

6 Asset Performance

● Making Improvements

We are currently working on a refresh of our Net Present Value (NPV) portfolio evaluation. This will encompass the following updates and improvements:

1. Revised project costs, including:
 - a. The significant increase in component replacement costs, largely delivered by APS, related to the planned investment programme as supported by our stock condition survey data.
 - b. The increase in average responsive repairs allowances over the period of evaluation. This is because the 4-year period of historic repair costs, which is used to generate the average, has moved on a year since the last NPV evaluation.
 - c. Better use of data to populate the projected costs, including the forecast for cyclical costs including annual gas servicing and 5-year electrical inspection costs.
 - d. Review of the anticipated cost inflation over the NPV lifetime.
2. Implications of the rent increase agreement. This will be to consider how the now confirmed position that social landlords will be permitted to increase rents by CPI+1% every year for 10 years from April 2026 can be reflected in the outcome assumptions in the NPV evaluation.
3. Better reporting and modelling presentation utilising BI tools, including a Boston Matrix to highlight outliers in NPV.

We are expecting the revised model to demonstrate a decreasing NPV generally across the portfolio, given the context of increasing costs and more cost data availability for incorporation into the evaluation. This will be demonstrated with a comparison to the previously published version.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

7 Value for Money Standard

Leeds Federated has assessed its performance against the requirements laid out in the Regulator of Social Housing's Value for Money Standard. Leeds Federated has judged itself to be compliant with these requirements.

1.1 Registered providers must:

- a. clearly articulate their strategic objectives
- b. have an approach agreed by their board to achieving value for money in meeting these objectives and demonstrate their delivery of value for money to stakeholders
- c. through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs
- d. ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives.

- Our strategic objectives are articulated in the Corporate Plan, through the three core strategies of 'Sustain', 'Engage', and 'Grow'.
- We have an approach agreed by the Board to achieving Value for Money in meeting these strategic objectives. This is primarily embedded in those strategies; however a separate Value for Money Policy exists which is approved by the Board.
- Our 'Grow' Strategy and Development Policy articulate our approach to delivering homes that meet a range of needs.
- Our VfM Policy sets out how we ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency, and effectiveness in the delivery of our strategic objectives.

2.1 Registered providers must demonstrate:

- a. a robust approach to achieving value for money – this must include a robust approach to decision making and a rigorous appraisal of potential options for improving performance
- b. regular and appropriate consideration by the board of potential value for money gains – this must include full consideration of costs and benefits of alternative commercial, organisational and delivery structures
- c. consideration of value for money across their whole business and where they invest in non-social housing activity, they should consider whether this generates returns commensurate to the risk involved and justification where this is not the case
- d. that they have appropriate targets in place for measuring performance in achieving value for money in delivering their strategic objectives, and that they regularly monitor and report their performance against these targets.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

- A robust approach to achieving Value for Money is set out in our Value for Money Policy. We demonstrate this in ongoing business activity through option appraisals, business cases taken to Corporate Investment Group and to Board, and through the goals and projected business benefits of an ongoing programme of corporate projects.
- The board regularly considers potential value for money gains in the form of option appraisals and business cases for changes in operational activity. Other examples at board and operational levels include asset disposal decisions, procurement approaches, resource allocation, development of new systems and changes to existing systems.
- VfM performance is measured and recorded monthly through our balanced scorecard KPIs and through our annual VfM statement

2.2 Registered providers must annually publish evidence in the statutory accounts to enable stakeholders to understand the provider:

- performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers
- measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

- Evidence is published annually as part of the statutory accounts to detail performance against Value for Money targets and the metrics set out by the Regulator, along with any plans for improvement.

8 Value for Money (VfM) Targets

The table below shows our performance for 2024/25 and our headline targets for the following three years as currently contained in our business plan. 2025/26 is anticipated to be challenging as the association continues to invest in its existing and new homes and services to its customers in line with corporate objectives, whilst managing the combined impacts of cost inflation and higher interest rates which will impact operating margins, cost per unit and return on capital employed.

Sector VfM Metric	VfM Targets			
	LFHA 2024/25	2025/26	2026/27	2027/28
(1) Reinvestment %	10.92%	10.51%	6.86%	5.77%
(2a) New supply % (SH)	2.93%	1.82%	2.77%	2.09%
(2b) New supply % (NSH)	0%	0%	0%	0%
(3) Gearing at cost %	35%	40%	41%	42%
(4) EBITDA-MRI %	25%	60%	60%	61%
(5) SH cost per unit	£6,073	£5,775	£6,032	£5,849
(6a) Op Margin (SH) %	10.67%	11.26%	12.83%	14.85%
(6b) Op Margin (overall) %	16.46%	16.77%	17.18%	15.79%
(7) ROCE %	2.59%	2.25%	3.56%	2.43%

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

9 Concluding Statement

This document provides a review of Leeds Federated's activities over the course of the 2024/25 financial year from a value for money perspective. Leeds Federated believe that this report provides assurance of compliance with the requirements of the Regulator for Social Housing Value for Money Standard.

iv) Financial performance for the year

The Board is pleased to report another strong financial performance for the year with a healthy total comprehensive income for the Group of £2,821k (2024 - £1,474k), after accounting for an actuarial gain of £303k on the Social Housing Pension Scheme (2024 – loss of £1.27m). Operational performance is broadly consistent with 2024 with operational surplus, before 'other gains', reported for the Group of £5,422k (2024 - £5,665k) with higher turnover and higher operating costs compared to last year. The cash generated from the surplus has enabled the Group to continue to invest in both its existing stock and new developments, for both rent and low-cost shared ownership. The group completed 137 (2024: 152) new affordable homes during 2024/25. These new homes are a combination of Leeds Federated's own development and S106 schemes with regional and national housebuilders, reflecting the group's strong partnership approach to delivering new affordable homes.

Financial position

The Group's five-year statements of income and expenditure and comprehensive income and balance sheets / statement of financial position are summarised in the table on page 21.

The Group's statement of comprehensive income and statement of financial position for the year ended 31 March 2025 are included on pages 33 and 35.

Accounting policies

The Group's principal accounting policies are set out on pages 40 to 49 of the financial statements. The policies that are most critical to the financial results relate to accounting for housing properties and include component accounting and housing property depreciation.

Housing properties and other fixed assets

The Board is pleased to note a 2.10% (2024: 2.89%) net increase in social homes owned this year, with the total number of social homes (including bed spaces) in management now standing at 4,491 (2024: 4,378). In addition, there are 85 non-social bed-spaces (2024: 85) and 218 homes managed by others (2024: 234). The social housing properties were carried in the balance sheet at cost (after depreciation) of £268.4m (2024 - £247.3m).

A small number of properties are classified as Investment Properties. They are carried in the balance sheet at market valuation of £7.4m (2024 - £7.4m).

The Group's hub offices and depot are included within other fixed assets at depreciated cost.

During the year, the Group invested £210k (2024: £579k) in its capitalised computer equipment mainly on new hardware and upgrades to the Origin CRM system.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (*continued*)

Pension costs

The Group participates in the Social Housing Pension Scheme (SHPS). SHPS is a multi-employer defined benefit scheme. The Group has contributed to the scheme in accordance with levels set by the actuaries. The latest triennial actuarial valuation of the SHPS was undertaken as at 30 September 2023, and the disclosure is based on this valuation. The disclosure note can be found on page 67-71.

Capital structure and treasury policy

The Group has £101m of secured funding facilities and as at 31 March 2025 there was £25m available in the form of undrawn facilities and cash to fund future development and capital spending. The annually approved Treasury Annual Plan and Treasury Policy sets out how the group manages treasury risks including interest rates, refinancing, and counterparty risks as well as determining future borrowing plans to ensure adequate funding in place to meet business plan requirements. All lenders' covenants were met during the year and the Board expects to remain compliant in the foreseeable future.

During May 2025, £20m was raised via a fixed term loan with the Affordable Homes Guarantee Scheme (AHGS) which together with completion of a further £10m bLEND loan completed in June provides Leeds Federated with liquidity to deliver its current development and planned investment programmes with no new funding required until 2029.

Cash flows

Cash inflows and outflows during the year are shown in the Group statement of cash flows on page 39. The cash inflow from operating activities increased this year to £11,301k (2024 - £6,032k). There was a net decrease in cash for the year ended 31 March 2025 of £72k (2024 - increase in cash £1,649k).

Future developments

The Board approved its March 2025 budget to spend an estimated £28.4m during the next financial year to acquire/build further affordable homes for sale and rent (2024 - £21.6m). £20.9m of funding is for committed schemes and £7.5m for uncommitted schemes.

The Association's 5 year Corporate Plan for 2025 to 2030 sets out the growth aspiration to expand Leeds Federated's delivery of good quality homes – the Association will use its borrowing capacity to increase the amount of development undertaken, delivering on average 96 new homes per year between April 2025 and March 2030.

The 2025/26 budget includes completion of 110 new affordable homes, 50 of which are for shared ownership.

The Association has underway a substantial programme delivering retrofit works to bring its homes up to EPC C. This is supported by a continuing programme of assessments across all its homes. This will enable Leeds Federated to progress in its roadmap of improvements which will take it to meeting EPC C as a minimum on all homes by 2030 and towards the ambition to be fully net zero by 2050. In terms of lifecycle expectations for our components Leeds Federated will adopt industry standards, as they evolve, for measures such as internal/external wall insulation, heat pumps and solar PV and battery systems. Current depreciation rates are set out in the Accounting Policies on page 45.

Statement of compliance

In preparing this Report of the Board and Strategic Report, the Board has followed the principles set out in the Statement of Recommended Practice (SORP): Accounting for registered social housing providers, the reporting requirements of FRS102, and the Regulator of Social Housing's Accounting Direction for social housing in England.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

Financial Performance for the Year (continued)

	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
Group statement of comprehensive income					
Total turnover	34,547	30,382	27,762	25,482	25,614
Income from lettings	28,090	25,353	22,982	21,854	21,229
Operating surplus	5,422	5,665	5,905	5,086	6,195
Surplus for the year transferred to reserves (after pension)	2,821	1,474	2,936	6,411	2,191

Group statement of financial position

Housing properties	268,399	247,288	227,104	213,625	205,164
Investment properties	7,379	7,406	8,336	8,221	7,641
Housing properties, net of depreciation	275,778	254,694	235,440	221,846	212,805
Other fixed assets	738	899	739	734	1,442
Fixed assets, net of depreciation	276,516	255,593	236,179	222,580	214,247
Fixed asset investments	2,484	2,450	2,399	2,661	22,753
Net current assets/(liabilities)	(712)	1,980	(5,319)	1,783	(4,071)
Total assets less current liabilities	278,288	260,023	233,259	227,024	232,929
Loans (due over one year)	94,243	75,932	58,045	54,567	62,438
Other long-term liabilities (includes SHG under FRS102 and pension liability)	113,428	116,295	108,892	109,071	113,516
Reserves	70,617	67,796	66,322	63,386	56,975
	278,288	260,023	233,259	227,024	232,929

Accommodation figures

Social housing owned	4,709	4,612	4,493	4,418	4,389
Non-social housing	85	85	85	85	85
Total housing stock owned at year end (number of dwellings)	4,794	4,697	4,578	4,503	4,474

Statistics

Surplus for the year as % of turnover (after pension)	8.17%	4.85%	10.58%	25.16%	8.55%
Surplus for the year as % of income from lettings (after pension)	10.041%	5.81%	12.78%	29.34%	10.32%
Rent losses (voids and bad debts as % of rent and service charges receivable)	1.45%	0.94%	2.19%	1.96%	2.23%
Interest cover	166.70%	209.30%	285.61%	270.33%	323.54%
Gearing (total loans as % of capital grants plus reserves)	53.83%	44.36%	37.73%	34.97%	42.26%
Total reserves per home owned	14,730	14,434	14,487	14,123	12,778

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

v) Governance

Statement of Internal Controls

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

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

The process for identifying, evaluating, and managing the risks faced by the Group is ongoing and has been in place throughout the period commencing 1 April 2024 up to the date of approval of the report and financial statements.

Key elements of the control framework include:

- Board approved terms of reference and delegated authorities for Audit and Risk, Customer Experience, and Governance and Remuneration Committees;
- clearly defined management responsibilities for the identification, evaluation and control of significant risks;
- robust strategic and business planning processes, with detailed financial budgets and forecasts;
- formal recruitment, retention, training and development policies for all staff;
- established authorisation and appraisal procedures for significant new initiatives and commitments;
- a thorough approach to treasury management which is subject to external review each year;
- regular reporting to the appropriate Committee on key business objectives, targets and outcomes;
- Board approved Whistleblowing policy;
- Board approved Bribery, Fraud and Money Laundering policy, covering prevention, detection, and reporting, together with recoverability of assets; and
- regular monitoring of loan covenants and requirements for new loan facilities.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Audit and Risk Committee to regularly review the effectiveness of the system of internal control. The Board receives reports from the Audit and Risk Committee together with minutes of Audit and Risk Committee meetings. At the end of each financial year, the Chair of the Audit and Risk Committee reports to the Board on how the terms of reference for the Committee have been met during the year. In July 2024, the Board received the Company Secretary's annual review of the effectiveness of the system of internal control for the Association for 2023/24 in line with External Audit recommendations to only receive this after the External Auditor has reported its findings for the 2023/24 audit. The 2024/25 annual report of the Internal Auditor was received at the July 2025 Audit and Risk Committee meeting.

The current Internal Auditors are Beever and Struthers who were reappointed in 2022 following a competitive tender process. The Internal Auditors have reported to Audit & Risk Committee four times during the year and the Association undertakes a performance review following each audit, on whether reporting timescales were achieved and annually on the mix of audit staff against the tendered mix. The External Auditors were reappointed in 2017 following a competitive tender process. The 4-year contract was extended with Board approval for 2022/23, 2023/24, and again for 2024/25 due to the sector wide issues with availability of external audit providers.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

Compliance with Governance and Financial Viability Standard

The Board receives on an annual basis an assessment of compliance with the Regulator of Social Housing's (RSH's) regulatory standards. The assessment undertaken for 2024/25 shows that we are compliant with the standards and Code of Governance as of 31 March 2024.

The Association received confirmation from the Regulator of Social Housing on 18 December 2024 that its ratings has been maintained at G1 V2 following the conclusion of the Stability Check.

National Housing Federation (NHF) Code of Governance

The Board adopted the NHF Code of Governance 2020 from 1 April 2021. As part of the decision the Board considered a self-assessment against the code which subsequently resulted in an action plan to ensure all aspects were met which was finalised by March 2023. As at 31 March 2025, Leeds Federated were able to report compliance with the Code based on the internal assurance process undertaken in May 2025.

Effectiveness

Annual Board effectiveness and annual appraisals are carried out for each Board member. The results are analysed and reported through the Governance & Remuneration Committee to the Board and Committees to support and inform future succession, recruitment and learning and development requirements. The process is internally supported by the Company Secretary.

Equality, Diversity and Inclusion

In line with the NHF Code of Governance 2020 the Board approved the Equality, Diversity and Inclusion Policy. The policy outlines that we will set targets against each of the protected characteristics where there is sufficient data to enable the comparison. The principles that we will monitor include: staff and Board being broadly representative of the customer base we serve and our customer base being broadly representative of the communities in which our homes are situated. Additional areas for measurement have included ensuring there is no marked difference in customer or colleague satisfaction and we continue to monitor and address the under representation of disability.

Summary data of the demographic profile of customers, staff and board members are provided to the Board annually for review. The 2024/25 profile shows that the composition of the Board and staff is generally reflective of the diversity of our customer base and the communities in which we work, with some over and under representation, especially in relation to disability. Recruitment opportunities and methods continue to be reviewed to increase applications from underrepresented groups, specifically disabled candidates at this time. When recruiting new Board members the Board consider the diversity balance and skills mix on the Board.

Ethnic Minority	22.2%	Average Age	56.56
Ethnic Majority	77.7%	Bisexual	0%
Female	33.3%	Gay	0%
Male	66.6%	Lesbian	0%
Disabled	0%	Heterosexual	100%
Non-Disabled	100%	Prefer Not to Answer	0%

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (continued)

Committees and Attendance

The attendance at the Board and Committee meetings during 2024/25 was:

Board/Committees	2025	2024
Board	84%	88%
Customer Experience Committee	88%	84%
Audit & Risk Committee	94%	75%
Governance & Remuneration Committee	88%	75%

Names of Board Members sitting on each Committee as at 31 March 2025

Chair of the Board of Management	Kim Brear
Customer Experience Committee	Stephen Dungworth Chris Simpson Innocent Moyo Stephen Hepworth Chair
Audit & Risk Committee	David Royston Naseer Ahmed Charlotte Green Kirsty Spark Chair
Governance & Remuneration Committee	Chris Simpson David Royston Stephen Dungworth Kim Brear Chair

Remuneration

Board Members are remunerated for their position on the Board. Within their Service Contract reference is made to the level of the fee being subject to an annual review by the Board. It was agreed that remuneration would be at median level (which is consistent with the Association's approach to setting staff salaries) and this be linked to an assessment of the following criteria:

- an independent assessment of the market
- any increase being paid to staff
- any increase paid to Senior Management Team
- the general economic climate

There are no governance related matters to highlight this year.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (*continued*)

Charitable donations

2025 - £Nil (2024 - £Nil).

Going concern

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

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

The Group cash position as at 31 March 2025 was £3m. Cashflow projections do not rely on Government support schemes. Additional borrowing completed in May 2025 of £20m and June 2025 £10m provides the group with liquidity to fund its ongoing development and asset improvement plans with additional funding not required until 2029. The primary reliance the Group and the Society have in respect of Government funding is attributable to rents and service charges settled through Universal Credit and Housing Benefits and other customer focussed support. Appropriate stress testing, including rent cap, has been undertaken to ensure that a variation in Government policy on such payments can be accommodated within future cash flow forecasts.

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

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 (*continued*)

Statement of Board members' responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and Association will continue in business.

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

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

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

Annual General Meeting

The Annual General Meeting will be held on 18 September 2025. The AGM will be held virtually using existing conferencing facilities and a separate shareholder briefing will be held to update members on progress against the Corporate Plan, performance and future direction.

Auditors

All of the current Board Members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Association's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Board Members are not aware of any relevant audit information of which the auditors are unaware.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2025 *(continued)*

Governance

Following a retender of the External Audit contract in February 2025, BDO will step down as external auditors at the 2025 AGM. Forvis Mazars have been awarded a 3-year contract and will formally take office as external auditors at the 2025 AGM.

By order of the Board



Kim Brear

Chair of the Board

Date 12 August 2025

Leeds Federated Housing Association Limited

Independent Auditor's Report for the year ended 31 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEEDS FEDERATED HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2025 and of the Group's and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of Leeds Federated Housing Association Limited ("the Association") and its subsidiary ("the Group") for the year ended 31 March 2025 which comprise the Group and Association statement of comprehensive income, the Group and Association statement of financial position, the Group and Association statement of changes in reserves, the Group cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We remain independent of the Group and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

Leeds Federated Housing Association Limited

Independent Auditor's Report for the year ended 31 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEEDS FEDERATED HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

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

Other information

The board are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information including the Strategic Report, Report of the Board of Management, Statement of the Boards Responsibilities for the Report and Financial Statements 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.

Matters on which we are required to report by exception

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

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

Responsibilities of the board

As explained more fully in the statement of board members' responsibilities, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Leeds Federated Housing Association Limited

Independent Auditor's Report for the year ended 31 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEEDS FEDERATED HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Non-compliance with laws and regulations

Based on:

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

We considered the significant laws and regulations to be the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be data protection, tax legislation and health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Leeds Federated Housing Association Limited

Independent Auditor's Report for the year ended 31 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEEDS FEDERATED HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override and revenue recognition, in particular revenue recognised in first tranche property sales.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias; and
- Testing of turnover being recognised in the correct accounting period by agreeing a sample of amounts recognised in turnover and around the year end to supporting documentation.

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.


Leeds Federated Housing Association Limited

Independent Auditor's Report for the year ended 31 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEEDS FEDERATED HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

Use of our report

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

DocuSigned by:

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BDO LLP
Statutory Auditor
Manchester
United Kingdom

Date 13 August 2025

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

Leeds Federated Housing Association Limited

Group statement of comprehensive income for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Turnover	4	34,547	30,382
Operating costs	4	(29,125)	(24,717)
Surplus on disposal of fixed assets	7	1,540	1,703
Movement in property and gilt valuations	13 & 16	137	(1,017)
Operating surplus	4 & 8	7,099	6,351
Other interest receivable and similar income	9	236	272
Interest and financing costs	10	(4,817)	(3,883)
Surplus for the financial year		2,518	2,740
Actuarial gain/(loss) on defined benefit pension scheme	27	303	(1,266)
Total comprehensive income for the year		2,821	1,474

All activities relate to continuing operations.

The financial statements were approved by the Board of Management on 12 August 2025 and signed on its behalf by:

Board Member



Board Member



Secretary



The notes on pages 40 to 73 form part of these financial statements.

Leeds Federated Housing Association Limited

Association statement of comprehensive income for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Turnover	4	34,853	30,550
Operating costs	4	(29,116)	(24,646)
Surplus on disposal of fixed assets	7	1,540	1,703
Movement in property and gilt valuations	13 & 16	137	(1,017)
Operating surplus	4 & 8	7,414	6,590
Other interest receivable and similar income	9	227	264
Interest and financing costs	10	(4,817)	(3,883)
Surplus for the financial year		2,824	2,971
Actuarial gain/(loss) on defined benefit pension scheme	27	303	(1,266)
Total comprehensive income for the year		3,127	1,705

All activities relate to continuing operations.

The financial statements were approved by the Board of Management on 12 August 2025 and signed on its behalf by:

Board Member



Board Member



Secretary



The notes on pages 40 to 73 form part of these financial statements.

Leeds Federated Housing Association Limited

Group statement of financial position at 31 March 2025

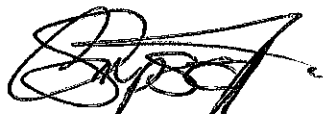
	Note	2025 £'000	2024 £'000
Fixed assets			
Tangible fixed assets - housing properties, depreciated cost	14	268,399	247,288
Tangible fixed assets – Other	15	738	899
Investment properties	16	7,379	7,406
Investments	13	2,484	2,450
		279,000	258,043
Current assets			
Properties held for sale	19	3,700	3,632
Stock		142	207
Debtors	18	2,499	4,542
Cash at banks		3,003	3,075
		9,344	11,456
Creditors: amounts falling due within one year	20	(10,056)	(9,476)
Net current (liabilities)/assets		(712)	1,980
Total assets less current liabilities		278,288	260,023
Creditors: amounts falling due after more than one year	21	(204,816)	(188,085)
Net assets excluding pension liabilities		73,472	71,938
Pension liabilities	27	(2,855)	(4,142)
Net assets		70,617	67,796
Capital and reserves			
Called up share capital	28	-	-
Income and expenditure reserve		70,617	67,796
Total capital and reserves		70,617	67,796

The financial statements were approved by the Board of Management on 12 August 2025 and signed on its behalf by:

Board Member



Board Member



Secretary



The notes on pages 40 to 73 form part of these financial statements.

Leeds Federated Housing Association Limited

Association statement of financial position at 31 March 2025

	Note	2025 £'000	2024 £'000
Fixed assets			
Tangible fixed assets - housing properties, depreciated cost	14	270,204	248,787
Tangible fixed assets – Other	15	738	899
Investment properties	16	7,379	7,406
Investments	13	2,484	2,450
		<u>280,805</u>	<u>259,542</u>
Current assets			
Properties held for sale	19	3,700	3,632
Stock		142	207
Debtors	18	2,494	4,531
Cash at banks		2,684	2,944
		<u>9,020</u>	<u>11,314</u>
Creditors: amounts falling due within one year	20	(9,732)	(9,334)
Net current (liabilities)/assets		<u>(712)</u>	<u>1,980</u>
Total assets less current liabilities		<u>280,093</u>	<u>261,522</u>
Creditors: amounts falling due after more than one year	21	(204,816)	(188,085)
Net assets excluding pension liabilities		<u>75,277</u>	<u>73,437</u>
Pension liabilities	27	(2,855)	(4,142)
Net assets		<u>72,422</u>	<u>69,295</u>
Capital and reserves			
Called up share capital	28	-	-
Income and expenditure reserve		72,422	69,295
Total capital and reserves		<u>72,422</u>	<u>69,295</u>

The financial statements were approved by the Board of Management on 12 August 2025 and signed on its behalf by:

Board Member



Board Member



Secretary



The notes on pages 40 to 73 form part of these financial statements.

Leeds Federated Housing Association Limited

Group statement of changes in reserves for the year ended 31 March 2025

	Income and expenditure reserve £'000	Share capital £'000	Total £'000
Balance at 1 April 2023	66,322	-	66,322
Surplus for the year	2,740	-	2,740
Actuarial loss on defined benefit pension scheme	(1,266)	-	(1,266)
Total comprehensive income for the year	1,474	-	1,474
Balance at 31 March 2024	67,796	-	67,796
Surplus for the year	2,518	-	2,518
Actuarial gain on defined benefit pension scheme	303	-	303
Total comprehensive income for the year	2,821	-	2,821
Balance at 31 March 2025	70,617	-	70,617

Leeds Federated Housing Association Limited

Association statement of changes in reserves for the year ended 31 March 2025

	Income and expenditure reserve £'000	Share capital £'000	Total £'000
Balance at 1 April 2023	67,590	-	67,590
Surplus for the year	2,971	-	2,971
Actuarial loss on defined benefit pension scheme	(1,266)	-	(1,266)
Total comprehensive income for the year	1,705	-	1,705
Balance at 31 March 2024	69,295	-	69,295
Surplus for the year	2,824	-	2,824
Actuarial gain on defined benefit pension scheme	303	-	303
Total comprehensive income for the year	3,127	-	3,127
Balance at 31 March 2025	72,422	-	72,422

Leeds Federated Housing Association Limited

Group cash flow statement for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
Surplus for the financial year		2,518	2,740
Adjustments for:			
Depreciation of fixed assets – housing properties	14	5,841	5,186
Depreciation of fixed assets – other	15	420	456
Amortisation of loan set up costs	10	145	131
Amortised grant	8	(2,121)	(2,116)
Net fair value losses recognised in income statement	13	111	87
Movement in fair value of investment properties	16	(248)	930
Interest payable and finance costs	10	4,497	3,592
Interest receivable	9	(236)	(272)
Difference between net pension expense and cash contribution	11 & 27	(984)	(977)
Surplus on sale of fixed assets – housing properties	7	(1,474)	(1,703)
Surplus on sale of fixed assets – other	7	(66)	-
Decrease/(increase) in stock		65	(10)
Decrease/(increase) in debtors	18	2,043	(2,265)
Increase in creditors	20	790	253
Cash flows from operations		11,301	6,032
Cash flows from investing activities			
Proceeds from sale of fixed assets – housing properties	7	2,630	3,000
Proceeds from sale of fixed assets – other fixed assets	7	353	-
Purchase of fixed assets – housing properties	14 & 4	(30,324)	(28,167)
1 st tranche sales	4	3,093	2,028
Purchase of fixed assets – other	15	(268)	(616)
Receipt of social housing grant	23	-	5,813
Receipt of local authority grant	22	940	2,339
Costs associated with selling assets		(29)	(54)
Bank interest received	9	88	134
Net cash used in investing activities		(23,517)	(15,523)
Cash flows from financing activities			
Interest paid	10	(4,852)	(3,825)
New loans – bank	25	63,000	22,000
New loans – set up costs	25	(248)	(756)
Repayment of loans – bank	25	(45,756)	(6,279)
Net cash from financing activities		12,144	11,140
Net (decrease)/increase in cash and cash equivalents		(72)	1,649
Cash and cash equivalents at beginning of year		3,075	1,426
Cash and cash equivalents at end of year		3,003	3,075

The notes on pages 40 to 73 form part of these financial statements.

Leeds Federated Housing Association Limited

Notes forming part of the financial statement for the year ended 31 March 2025

1 Legal status

The Association is registered under the Cooperative and Community Benefit Society Act 2014 and is registered with Homes England as a social housing provider. The registered office is The Tannery, 91 Kirkstall Road, Leeds, LS3 1HS.

The companies, Leeds Federated Housing Association Limited and its subsidiary Leeds Federated Property Services Limited, are referred to as "the group". The principal activity of the group is the provision of social housing and housing management.

Leeds Federated Property Services Limited is a company limited by shares, registered with Companies House under the Companies Act 2006. The principal trading activity of the company is the development of new housing for sale to the Association.

2 Accounting policies

Basis of accounting

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. These estimates and judgements are disclosed in note 3.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- no cash flow statement has been presented for the parent company;
- disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole. There is no remuneration in the subsidiary company LFPS.

The following principal accounting policies have been applied:

Going concern

The Group and association's business activities, its current financial position, are set out above in the Strategic Report and the Report of the Board. In preparing the financial statements on a going concern basis the Board considered the current economic situation with immediate potential for increased costs resulting from higher

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2025 (*continued*)

inflation, higher wage costs, higher interest costs, higher material costs and factored in the following possibilities and outcomes:

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

The Group cash position as at 31 March 2025 was £3m. Cashflow projections do not rely on Government support schemes. Additional borrowing completed in May 2025 £20m and June 2025 £10m provides the group with liquidity to fund its ongoing development and asset improvement plans with additional funding not required until 2029. The primary reliance the Group and the Society have in respect of Government funding is attributable to rents and service charges settled through Universal Credit and Housing Benefits and other customer focussed support. Appropriate stress testing, including rent cap, has been undertaken to ensure that a variation in Government policy on such payments can be accommodated within future cash flow forecasts.

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

Basis of consolidation

The Group financial statements incorporate the results of Leeds Federated Housing Association Limited and its only subsidiary undertaking as at 31 March 2025 as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Turnover

Turnover represents rental income and service charge income receivable, proceeds from first tranche shared ownership sales, fees and revenue grants from local authorities and Homes England (HE), management fees receivable and miscellaneous income. Income is measured at the fair value of the consideration received or receivable.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2025 (*continued*)

Rental income is recognised 14 days from availability at the point when properties under development become available for letting. Income from first tranche sales is recognised at the point of legal completion of the sale. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met.

Service income and charges

The Group operates variable service charges, whereby the costs of the scheme are budgeted and any surplus/deficit in any financial year is recovered/refunded in future service charges. The costs for the provision of any communal service or facility within a housing scheme are recharged at cost plus a 15% admin charge to the tenants on that scheme. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

Bad debt

A bad debt provision of £467k is included within the financial statements (2024: £486k). This includes 85% of current tenant arrears older than 13 weeks and 100% of former tenants' arrears. Bad debt on other income sources is assessed depending upon the individual circumstances present.

Cash and cash equivalents

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

Taxation

Leeds Federated Property Services is subject to Corporation Tax. The charge for taxation is based on the surplus for the year and takes into account taxation deferred. Surpluses are accrued and gift aided to Leeds Federated Housing Association under a Deed of Covenant.

Value added tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT on expenditure to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. Recoverable VAT arises from partially exempt activities and is credited to the statement of comprehensive income. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Interest payable

Interest payable is charged to the statement of comprehensive income in the year.

Pension costs

The Group participates in the Social Housing Pension Scheme (SHPS), a defined benefit pension scheme, however the Group no longer permits new members to join this defined benefit scheme. Contributions are based on pension costs across the various participating Associations taken as a whole. The assets of the scheme are invested and managed independently of the finances of the Group.

For the year ended 31 March 2025, the Association's net defined benefit pension liability is £2,855k (2024: £4,142k), reflecting a net gain in scheme assets and liabilities of £307k and member contributions and other movements of £980k in the year.

Supported housing managed by agencies

Social housing capital grants and other revenue grants are claimed by the Association as owner of the property and are included in its statement of financial position.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2025 (*continued*)

The treatment of other income and expenditure in respect of supported housing projects depends on whether the Association carries the financial risk. Where an agency holds the support contract with the Supporting People Administering Authority and carries the financial risk, the statement of comprehensive income includes only that income and expenditure which relates solely to the Association. Other income and expenditure of projects in this category is excluded from the Association's statement of comprehensive income (see note 4).

Housing properties

Housing properties are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, incidental costs of acquisition, administration costs and expenditure incurred in respect of improvements or component replacements.

Housing properties in the course of construction are held at cost and are not depreciated. They are transferred to completed properties when ready for letting or sale. The group's policy is to capitalise the costs associated with acquiring land and building, indirect costs directly attributable to the new build and development expenditure including direct development staff costs.

Works to existing properties, which replace a component that has been treated separately for depreciation purposes, are capitalised as improvements.

Properties held for sale

Shared ownership first tranche sales are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development costs. Net realisable value is based on estimated sales prices allowing for all further costs of completion and disposal. All properties for sale are reported as current assets under properties held for sale.

Sale of tangible fixed assets

The surpluses or deficits recognised on disposal of fixed property assets are determined by comparing the proceeds with the carrying amount and are recognised within 'operating surplus' in the statement of comprehensive income.

Investment properties

Investment properties consist of commercial units including shops and garages held for letting, which are not held for a social benefit. They are measured at cost on initial recognition and subsequently carried at fair value. The assessment of fair value is undertaken annually using an external valuer with Jones Lang LaSalle Limited (JLL) completing the most recent valuation on 31 March 2025. No depreciation is provided and changes in fair value are accounted for in operating surplus.

Tangible fixed assets – Other

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

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

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2025 (continued)

Shared ownership properties

Under Shared Ownership arrangements, the Group disposes of a long lease to the occupier; the lease premium paid is for between 10% and 75% of the value. The occupier has a right to purchase further proportions up to 100%. A shared ownership property comprises two assets: that to be disposed of in the first tranche sale, which is recorded as a current asset and stated at the lower of cost and net realisable value; and that retained by the Group, which is recorded as a fixed asset in the same manner as for general needs housing properties held for rental.

Proceeds of sale for first tranches are accounted for as turnover in the statement of comprehensive income, with the apportioned cost being shown as cost of sales within operating results. Subsequent tranches sold ("staircasing") are reflected in the statement of comprehensive income as a surplus or deficit on sale of fixed asset housing properties.

Stock

Stock represents raw materials.

Stock is stated at the lower of cost and net realisable value. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

An assessment of net realisable value is made at each reporting date. Where a write down is required it is immediately recognised in the statement of consolidated income.

Government Grants

Social Housing Grant (SHG) is receivable from Homes England (HE) to subsidise the cost of housing properties and is included in long term liabilities under creditors as deferred income. The grants are amortised to the statement of comprehensive income on a systematic basis over the useful economic life of the asset for which it was received.

SHG due from HE or received in advance of total development costs being incurred, is shown as a current asset or liability.

SHG is subordinated to the repayment of loans by agreement with HE. SHG is repayable unless formally abated and waived although it can be recycled. SHG is recycled on disposal of a property and is credited to a Recycled Capital Grant Fund, which is included as a creditor due within one year or due after more than one year, as appropriate. If the recycled capital grant fund is not used within a three year period in principle it becomes repayable unless HE agree otherwise.

Grants of a revenue nature are recognised in the statement of comprehensive income over the same period as the expenditure to which they relate once performance related conditions have been met.

Other capital subsidies

The Group has, in the past, received land and capital subsidy from Leeds City Council via Leeds Partnership Homes Limited (LPH) at £nil financial consideration in exchange for nomination rights to the completed dwellings. The policy of the Group is to include the value of the subsidy in long term liabilities under creditors as deferred income. The subsidies are amortised to the statement of comprehensive income over the period to which they relate.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2025 *(continued)*

Depreciation of housing properties

The group depreciates the major components at the following rates:

Structure	70 years
Roofs	70 years
Bathrooms & WCs	30 years
Central heating	30 years
Curtilage	30 years
Insulation	30 years
Windows and doors	30 years
Electrical rewires	30 years
Roofline	30 years
Solar panels	25 years
Kitchens	20 years
Boilers	15 years

Freehold land is not depreciated.

Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business if shorter.

Depreciation of other fixed assets

Depreciation is provided to write off the cost, less estimated residual values, of all other tangible fixed assets, evenly over their expected useful lives. No depreciation is provided on freehold land.

It is calculated at the following rates:

Office hubs and depots	10 years
Computer software	17% to 25%
Motor vehicles	25%
Office furniture and equipment	25%
Computer hardware	33%
Gardening equipment	50%

A full year's depreciation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

Capitalisation of maintenance costs

Any expenditure on an existing property that meets one of the following circumstances is capitalised into one of the housing property components:

- Replacement of a component of the property that has been previously treated separately for depreciation purposes and has been depreciated over its individual useful economic life.
- The economic benefits of the property have been enhanced in excess of the previously assessed standard of performance.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2025 (*continued*)

Any expenditure on an existing property that does not replace a component or result in an enhancement of the economic benefits of that property is charged to the Statement of Comprehensive Income.

Operating Leases

Leases entered into by the group either as a lessor or a lessee are operating leases or finance leases. A finance lease is identified when the risks and rewards of ownership have been transferred from the lessor to the lessee i.e. to the Association. All other leases are operating leases. Leases held include mainly office space, office equipment and vans. Management has therefore determined that all leases held are operating leases. They are accounted for on a straight-line basis over the term of the lease and reflect the amounts owed to the lessor.

Operating leases annual rents are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to the statement of comprehensive income over the term of the lease.

Fixed asset investments

Investments held as fixed assets are stated at fair value. They are held at the gilt price on 31 March in any year or the investment fund value, whichever is applicable.

Debtors and creditors

Debtors and creditors with no stated interest rate, and receivable or payable within one year, are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at the undiscounted value of amounts expected to be received. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Financial Instruments

Financial Assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Loan premium

Premiums arising from the THFC and AHF (Affordable Housing Finance plc) loan drawdowns are recognised as a separate component of borrowing and shown within the statement of financial position as creditors. The premium is released over the term of the loan to the statement of comprehensive income within loan interest.

3 Significant judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, significant material judgements and estimates have been made. These judgements and estimates are reviewed each year and are based on historical experience and knowledge, and expectations of future events.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2025 (continued)

The judgements and estimates which have a significant risk of causing a material misstatement to the assets and liabilities held include the following:

Impairment

This includes a review of external and internal indicators of impairment of the group's tangible assets.

Key external factors include social housing market value reductions or a significant change adversely impacting the social housing sector. Whilst margins have reduced as a result of increased operating and borrowing costs, this has not resulted in an impairment; we remain financially resilient, compliant with loans and can continue with service delivery to customers.

Key internal indicators include evidence of deterioration of assets, as well as consideration of the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. These indicators are evident from the ongoing review of asset performance including long term empty homes, properties under asset management review and properties which are held for sale or proposed for disposal.

The process for estimating the recoverable amount of housing assets involves:

- Determine the level at which the recoverable amount is to be assessed (the asset or cash-generating unit (CGU) level (i.e. individual scheme).
- Estimate the recoverable amount of the CGU (market value less costs to sell) i.e. the higher of market value less costs to sell, and value in use.
- Calculate the carrying amount of the CGU (cost less depreciation and grant amortisation).
- Compare the carrying amount to the recoverable amount to determine if an impairment loss has occurred i.e. where the carrying amount exceeds the recoverable amount.
- If an impairment is identified the asset's carrying value is reduced to its recoverable amount and the losses are charged to operating surplus.

No impairment was identified and recognised in the year ended 31 March 2025.

Defined benefit pension accounting

Leeds Federated participates in the Social Housing Pension Scheme (SHPS) defined benefit scheme which is accounted for in accordance with FRS102. Management's recognition of this defined benefit obligation is as advised by the SHPS administrators.

The critical underlying assumptions used by SHPS to calculate the scheme's assets and liabilities include estimates of the standard rates of inflation, mortality, discount rate and anticipated future salary increases, as supplied by SHPS. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expensed. In the year ended 31 March 2025, management engaged the services of First Actuarial to independently review these assumptions and provide assurance to management. As a result, no changes were made to any of the assumptions.

Financial Instruments

Fixed asset investments

Investments held as fixed assets include gilt holdings, sinking funds and a liquidity reserve fund. They are a requirement of some loans. Any movement in value is an expected consequence of maintaining these loans

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2025 (continued)

which support normal ongoing activities and any change in fair value is recognised as income or expenditure and shown within operating surplus.

Property categorisation

The categorisation of properties as investment properties or housing properties is determined by establishing which properties are held for the provision of social housing, or otherwise provided for social benefit. These properties are held as housing properties and all other properties are held as investment properties.

Housing properties:

Housing properties are depreciated over their useful lives taking into account residual values, where appropriate. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

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

The disposal of fixed property assets are deemed to be normal ongoing activities and are included in operating activities and shown within operating surplus. This includes staircases, right to buy, right to acquire and property disposals as a result of stock rationalisation.

Useful economic lives (UEL):

The group separately identifies the major components which comprise its housing properties, and depreciation is provided to write off the costs evenly over their expected UEL. Management have estimated the UEL of components by liaising with the asset team to gain their professional opinion based on knowledge and experience.

The Association has underway a substantial programme delivering retrofit works to bring its homes up to EPC C. This is supported by a continuing programme of assessments across all its homes. This will enable Leeds Federated to progress in its roadmap of improvements which will take it to meeting EPC C as a minimum on all homes by 2030 and towards the ambition to be fully net zero by 2050. Industry standards have been adopted for components linked to the retrofitting programme such as internal/external wall insulation, heat pumps and solar PV and battery systems.

When a component is replaced the carrying amount is written off to the statement of comprehensive income. The amount written off this year, and last, is insignificant in comparison to the costs of assets held which provides reassurance that assets are being held with the appropriate UEL.

Investment Properties:

The Leeds Federated investment properties comprise commercial units and properties where market rent is charged. Each year the investment properties are professionally valued by a RICS approved valuer. Any changes in value are reflected in fixed assets with the movement reported in operating surplus, a process deemed to be in the normal course of business of holding investment properties whose revenue and costs are included within operating surplus, albeit non-social housing.

The professional valuation uses the fair value which is the amount at which an asset could be exchanged in an arm's length transaction. There is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

In the year ended 31st March 2025, the investment properties were valued by JLL and there was an increase to the investment property valuation of £248k (2024: £930k reduction).

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2025 *(continued)*

Development costs

Capitalising development costs and holding costs for uncompleted schemes as work in progress in the statement of financial position involves an element of judgement to ensure that only costs are capitalised when it is more likely than not that a scheme is to continue. If it is identified that a scheme under development is not going to continue the accumulated abortive costs are written off to the statement of comprehensive income.

The anticipated costs to complete on a development scheme is based on anticipated construction, legal and other costs. Establishing the correct development costs determines the recoverability of the cost of properties developed for outright sale and/or land held for sale. This judgement is also based on the members' best estimate of sales value based on economic conditions within the area of development. The Association does not currently develop for outright sale however these are relevant for the appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to shared ownership between current and fixed assets.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

4 Particulars of turnover, operating costs and operating surplus – Group

	Turnover 2025 £'000	Operating costs 2025 £'000	Operating surplus 2025 £'000
Social Housing Lettings	27,184	(24,284)	2,900
Other social housing activities			
Agency charges	1,393	(1,012)	381
First tranche shared ownership sales	4,860	(3,093)	1,767
Feed in tariff income / gift aid	20	-	20
Development administration	63	(327)	(264)
	6,336	(4,432)	1,904
Non-social housing activities			
Lettings	906	(326)	580
Recharges	121	(83)	38
	1,027	(409)	618
	34,547	(29,125)	5,422
Surplus on disposal of fixed assets			1,540
Movement in property and gift valuations			137
Total other gains			1,677
Operating surplus – continuing activities			7,099

	Turnover 2024 £'000	Operating costs 2024 £'000	Operating surplus 2024 £'000
Social Housing Lettings	24,485	(20,880)	3,605
Other social housing activities			
Agency charges	1,603	(1,048)	555
First tranche shared ownership sales	3,309	(2,028)	1,281
Feed in tariff income / gift aid	3	-	3
Development administration	-	(366)	(366)
	4,915	(3,442)	1,473
Non-social housing activities			
Lettings	868	(309)	559
Recharges	114	(86)	28
	982	(395)	587
	30,382	(24,717)	5,665
Surplus on disposal of fixed assets			1,703
Movement in property and gift valuations			(1,017)
Total other gains			686
Operating surplus – continuing activities			6,351

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

4 Particulars of turnover, operating costs and operating surplus (continued) – Association

	Turnover 2025 £'000	Operating costs 2025 £'000	Operating surplus 2025 £'000
Social Housing Lettings	27,184	(24,284)	2,900
Other social housing activities			
Agency charges	1,393	(1,012)	381
First tranche shared ownership sales	4,860	(3,093)	1,767
Feed in tariff income / gift aid	339	-	339
Development administration	50	(318)	(268)
	6,642	(4,423)	2,219
Non-social housing activities			
Lettings	906	(326)	580
Recharges	121	(83)	38
	1,027	(409)	618
	34,853	(29,116)	5,737
Surplus on disposal of fixed assets			1,540
Movement in property and gilt valuations			137
Total other gains			1,677
Operating surplus – continuing activities			7,414

	Turnover 2024 £'000	Operating costs 2024 £'000	Operating surplus 2024 £'000
Social Housing Lettings	24,485	(20,880)	3,605
Other social housing activities			
Agency charges	1,603	(1,048)	555
First tranche shared ownership sales	3,309	(2,028)	1,281
Feed in tariff income / gift aid	121	-	121
Development administration	50	(295)	(245)
	5,083	(3,371)	1,712
Non-social housing activities			
Lettings	868	(309)	559
Recharges	114	(86)	28
	982	(395)	587
	30,550	(24,646)	5,904
Surplus on disposal of fixed assets			1,703
Movement in property and gilt valuations			(1,017)
Total other gains			686
Operating surplus – continuing activities			6,590

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

4 Particulars of turnover, operating costs and operating surplus (continued)

Income and expenditure from social housing lettings – Group

	General needs £'000	Supported housing £'000	Low cost home ownership £'000	Total 2025 £'000	Total 2024 £'000
Income					
Rents net of identifiable service charges*	20,783	1,286	1,683	23,752	21,518
Service charge income*	775	496	122	1,393	948
Amortised government grants	1,747	113	74	1,934	1,930
Government grants taken to income	91	14	-	105	89
Turnover from social housing lettings	23,396	1,909	1,879	27,184	24,485
Expenditure					
Management	(6,461)	(507)	(509)	(7,477)	(6,594)
Service charge costs	(730)	(496)	(85)	(1,311)	(1,065)
Routine maintenance	(5,508)	(422)	(184)	(6,114)	(5,204)
Planned maintenance	(968)	(5)	-	(973)	(910)
Major repairs expenditure	(2,505)	(141)	(69)	(2,715)	(2,152)
Bad debts	(149)	(7)	14	(142)	(28)
Property lease charges	(3)	-	-	(3)	(3)
Depreciation of housing properties					
- annual charge	(4,965)	(239)	(261)	(5,465)	(4,837)
- accelerated on disposal of components	(84)	-	-	(84)	(87)
Operating costs on social housing lettings	(21,373)	(1,817)	(1,094)	(24,284)	(20,880)
Operating surplus on social housing lettings	2,023	92	785	2,900	3,605
Void losses	190	50	-	240	333

*All net of void losses

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

4 Particulars of turnover, operating costs and operating surplus (continued)

Income and expenditure from social housing lettings – Association

	General needs £'000	Supported housing £'000	Low cost home ownership £'000	Total 2025 £'000	Total 2024 £'000
Income					
Rents net of identifiable service charges*	20,783	1,286	1,683	23,752	21,518
Service charge income*	775	496	122	1,393	948
Amortised government grants	1,747	113	74	1,934	1,930
Government grants taken to income	91	14	-	105	89
Turnover from social housing lettings	23,396	1,909	1,879	27,184	24,485
Expenditure					
Management	(6,461)	(507)	(509)	(7,477)	(6,594)
Service charge costs	(730)	(496)	(85)	(1,311)	(1,065)
Routine maintenance	(5,508)	(422)	(184)	(6,114)	(5,204)
Planned maintenance	(968)	(5)	-	(973)	(910)
Major repairs expenditure	(2,505)	(141)	(69)	(2,715)	(2,152)
Bad debts	(149)	(7)	14	(142)	(28)
Property lease charges	(3)	-	-	(3)	(3)
Depreciation of housing properties					
- annual charge	(4,965)	(239)	(261)	(5,465)	(4,837)
- accelerated on disposal of components	(84)	-	-	(84)	(87)
Operating costs on social housing lettings	(21,373)	(1,817)	(1,094)	(24,284)	(20,880)
Operating surplus on social housing lettings	2,023	92	785	2,900	3,605
Void losses	190	50	-	240	333

*All net of void losses

Particulars of turnover from non-social housing lettings – Group and Association

	2025 £'000	2024 £'000
Student accommodation	628	595
Market rent	278	274
External gardening contract	121	115
	1,027	984

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

5 Supported housing managed by agencies

Group and Association

Where the agency carries the financial risk, the Group's income and expenditure account includes only the income and expenditure for which it retains responsibility. The Group owns 218 supported housing units (2024: 234) that are managed on its behalf, under management agreements, by other bodies who contract with Supporting People Administering Authorities and carry the financial risk relating to the supported housing units.

	Number of bed spaces	
	2025	2024
	No.	No.
Turning Lives Around	44	44
Foundation	41	49
Leeds Women's Aid	35	35
Community Links	25	20
Touchstone (Group homes and floating support)	13	13
Catholic Care	10	10
St Anne's	9	10
Harrogate Homeless	8	8
Gipsil	6	8
	27	37
Others including 8 (2024: 8) care home bed spaces		
	218	234

6 Accommodation in management reconciliation

Group and Association

At the end of the year accommodation in management for each class of accommodation was as follows:

	2024	New Units	Open market sales	Right to acquire sales	Shared ownership sales	Other gains / (losses)	Other movement	2025
	No.	No.	No.	No.	No.	No.	No.	No.
Social housing								
Social rent:								
General needs	3,152	36	(6)	(1)	-	-	2	3,183
Supported housing	7	-	-	-	-	-	-	7
								254
Housing for older people	254	-	-	-	-	-	-	
Intermediate rent:								
General needs	28	9	-	-	-	-	(7)	30
Affordable rent:								
General needs	456	61	-	-	-	-	5	522
Low cost home ownership:								
Shared ownership	462	31	-	-	(18)	-	1	476
Shared ownership leaseholders paying service charge only	19	-	-	-	-	-	-	19
Social housing owned and managed	4,378	137	(6)	(1)	(18)	-	1	4,491

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

6 Accommodation in management reconciliation (continued)

	No.	No.	No.	No.	No.	No.	No.	No.
Accommodation managed by others								
General needs – social rent	25	-	-	-	-	(10)	-	15
Supported housing – social rent	197	-	-	-	-	(5)	(1)	191
Supported housing – affordable rent	4	-	-	-	-	-	-	4
Care home bed spaces	8	-	-	-	-	-	-	8
Total social units managed by others	234	-	-	-	-	(15)	(1)	218
Non-social housing								
Student accommodation	62	-	-	-	-	-	-	62
Market rent	23	-	-	-	-	-	-	23
Total non-social housing unit units	85	-	-	-	-	-	-	85
Summary								
Social housing owned – managed and managed by others	4,612	137	(6)	(1)	(18)	(15)	-	4,709
Non-social housing owned – managed and managed by others	85	-	-	-	-	-	-	85
Total stock	4,697	137	(6)	(1)	(18)	(15)	-	4,794

*15 units (2024: 15 units) are not reported in this note because they are not classified as owned and managed as defined by the Regulator of Social Housing in their FVA and Statistical Data Return (SDR). Under UK GAAP these units are correctly classified as Social Housing and are included as housing properties in the statement of financial position.

7 Surplus on disposal of fixed assets

	Shared ownership staircasing 2025 £'000	Other housing properties 2025 £'000	Other fixed assets 2025 £'000	Total 2025 £'000	Total 2024 £'000
Disposal proceeds	2,013	617	353	2,983	3,000
Cost of disposals	(625)	(60)	(281)	(966)	(649)
Selling costs	(6)	(17)	(6)	(29)	(54)
Capital grant recycled (note 24)	(212)	(236)	-	(448)	(594)
Surplus on disposal of tangible fixed assets	1,170	304	66	1,540	1,703

During the year 1 property used the right to acquire legislation to progress an outright sale (2024: 3 properties). 18 shared owners increased their shares of equity to 100% (2024: 10 shared owners) and 1 increased their share of equity (2024: 1). The Association sold 6 properties on the open market (2024: 17 properties), and 1 investment property (2024: Nil) and disposed of some IT equipment (2024: IT equipment).

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

8 Operating surplus

	2025 £'000	2024 £'000
This is arrived at after charging / (crediting):		
Depreciation:		
- housing properties	5,756	5,119
- accelerated depreciation on replaced components	85	87
- other tangible fixed assets	420	456
	(2,121)	(2,116)
Amortisation of grants		
Operating lease charges:		
- land and buildings	210	153
- others	146	105
Auditor's remuneration:		
- fees payable to the group's auditors for the audit of the group's annual financial statements (excluding VAT)	44	39
- all other services	9	8

9 Interest receivable and similar income

Group	2025 £'000	2024 £'000
Interest receivable and similar income	236	272
Association	2025 £'000	2024 £'000
Interest receivable and similar income	227	264

10 Interest and financing costs

Group and Association	2025 £'000	2024 £'000
Bank loans and overdrafts	4,433	3,497
Amortised loan costs	145	131
Recycled capital grant fund and sinking fund	64	95
Pension interest expense	175	160
	4,817	3,883

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

11 Employees

Group and Association	2025 £'000	2024 £'000
Staff costs (including directors) consist of:		
Wages and salaries *	7,965	7,048
Social security costs	789	658
Other pension costs	444	302
	9,198	8,008

*shown gross - wages and salaries of £2,299k (2024: £1,968k) have been capitalised as part of the development activity and as part of capitalised component replacements.

The average number of full-time equivalent employees including directors and agency staff covering permanent vacancies expressed as full-time equivalents (calculated based on a standard working week of 37.5 or 40 hours) during the year was as follows:

Group and Association	2025 No.	2024 No.
Housing management	167	146
Administration	34	32
	201	178

During 2024/25 the team established to provide component replacement and major repairs services expanded further to include both electrical works and void repairs.

The head office team which was established in 2023/24 to focus on service improvements for customers also expanded during the year.

12 Directors' remuneration

Group and Association

The directors, who are considered to be the group's key management personnel, are defined as the members of the board of management, the Chief Executive and the executive management team disclosed on page 1.

	2025 £'000	2024 £'000
Executive directors' emoluments including pensions and benefits in kind	621	442
Amounts paid to non-executive directors including expenses	69	68

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

12 Directors' remuneration (continued)

The emoluments of the directors including benefits in kind but excluding pension contributions are:

	2025 £'000	2024 £'000
Chief Executive (highest paid director)	165	158
Operations Director (to 30 June 2024)	33	125
Finance and IT Director	107	103
Director of Assets and Development	105	-
Director of Customer Services	105	-

The total amount payable to the Chief Executive, who was also the highest paid director in respect of emoluments was £182,159 (2024: £173,874). Pensions contributions of £16,713 (2024: £15,917) were made to the Social Housing Pension Scheme – Defined Benefit Scheme on his behalf.

As members of the Social Housing Pension Scheme, the pension entitlement of the directors is identical to those of other members. The Group does not make any further contribution to an individual pension arrangement for the Chief Executive.

Emoluments paid to the Board:

Emoluments paid during the year to Board members amounted to £67,557 (2024: £64,542). Expenses paid during the year to Board members amounted to £474 (2024: £439).

Emoluments include:

Chair £14,369 (2024: £13,685) Chairs of the Audit & Risk, Operations and Governance & Remuneration and Development Committees each received £7,338 (2024: £7,338)

Board Members received £5,313 (2024: £5,060).

	2025 £'000	2024 £'000
Kim Brear (Chair)	15	14
Christopher Simpson	7	6
Stephen Dungworth	7	5
David Royston	6	-
Innocent Moyo	5	5
Charlotte Green	5	3
Naseer Ahmed	5	3
Dedra Otchere-Darko (to 8 December 2024)	4	5
Claire Stone (to 5 September 2024)	3	7
Jaedon Green (to 5 September 2024)	3	7
Stephen Hepworth (from 5 September 2024)	3	-
Kirsty Spark (from 5 September 2024)	3	-
Martin Warhurst (to 21 September 2023)	-	3
Robin Machell (to 21 September 2023)	-	3
Robert Young (to 21 September 2023)	-	2

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

12 Directors' remuneration (continued)

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

	2025 No.	2024 No.
£60,000 - £69,999	5	3
£70,000 - £79,999	2	5
£80,000 - £89,999	5	1
£100,000 - £109,999	2	-
£110,000 - £119,999	-	1
£120,000 - £129,999	1	1
£150,000 - £159,999	-	1
£160,000 - £169,999	1	-

13 Fixed asset investments

Group and Association	As at 31 March 2025 £'000	Change in fair value £'000	Interest receivable £'000	As at 31 March 2024 £'000
Other fixed asset investments:				
THFC ISRF restricted access account	852	(77)	46	883
AHF ISRF restricted access account	485	(34)	31	488
THFC Trustees sinking fund account	364	-	17	347
THFC bLEND liquidity reserve fund	783	-	51	732
Total	2,484	(111)	145	2,450

Other fixed asset investments

The THFC loan agreement requires a minimum of £717,550 to be held in an Interest Service Reserve Fund (ISRF), and as a result the investment has restricted access. Gilts were acquired to hold in the Interest Service Reserve Fund and these are carried in the financial statements at market value together with cash held on deposit. The market value of this fund, as at 31 March 2025 was £852,167 (2024: £882,808). Gilt interest of £46,401 was received.

A further tranche of the AHF loan was completed in September 2017, and added to tranche 1, and in line with the terms gilts were purchased, and added to the original purchase for Tranche 1. These were held together with cash held on deposit as a requirement to hold a minimum of £433,950, to be held in an Interest Service Reserve Fund, and are carried in the financial statements at market value. The market value of this fund at 31 March 2025 was £484,720 (2024: £487,392). Gilt interest of £31,598 was received.

A sinking fund was set up during 2015-16. The current balance is £363,827 (2024: £347,030) as a result of Right To Acquire (RTA) property sales held as security by THFC.

A £20m bond with THFC bLEND was agreed during the 2020/21 year. The loan agreement requires that 1 year of interest payments are held in a bLEND liquidity reserve fund. This fund holds £783,575 as at 31 March 2025 (2024: £732,504).

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

14 Tangible fixed assets – housing properties

Group	General needs Completed £'000	Non-social housing Completed £'000	General needs Under construction £'000	Shared ownership Completed £'000	Shared ownership Under construction £'000	Total £'000
Cost or valuation:						
At 1 April 2024	263,741	2,341	9,486	26,235	5,863	307,666
Additions:						
- construction costs	12,671	-	2,744	3,985	2,935	22,335
- replaced components	8,773	-	-	-	-	8,773
1 st tranche sales:	-	-	-	(3,026)	-	(3,026)
Reclassification of properties:						
Completed schemes:	4,201	-	(4,201)	686	(686)	-
Disposals						
- properties	(352)	-	-	(884)	-	(1,236)
- current assets movement (properties awaiting sale)	(174)	-	-	654	(577)	(97)
- replaced components	(964)	-	-	-	-	(964)
At 31 March 2025	287,896	2,341	8,029	27,650	7,535	333,451
Depreciation:						
At 1 April 2024	58,044	665	-	1,669	-	60,378
Charge for the year	5,435	50	-	271	-	5,756
Disposals:						
- properties	(105)	-	-	(69)	-	(174)
- current assets movement (properties awaiting sale)	(47)	-	-	18	-	(29)
- replaced components	(879)	-	-	-	-	(879)
At 31 March 2025	62,448	715	-	1,889	-	65,052
Net book value:						
At 31 March 2025	225,448	1,626	8,029	25,761	7,535	268,399
At 31 March 2024	205,697	1,676	9,486	24,566	5,863	247,288

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

14 Tangible fixed assets – housing properties (continued)

Association	General needs Completed £'000	Non-social housing Completed £'000	General needs Under construction £'000	Shared ownership Completed £'000	Shared ownership Under construction £'000	Total £'000
Cost or valuation:						
At 1 April 2024	264,259	2,383	10,097	26,223	6,203	309,165
Additions:						
- construction costs	12,855	-	2,807	3,986	2,993	22,641
- replaced components	8,773	-	-	-	-	8,773
1 st tranche sales:	-	-	-	(3,026)	-	(3,026)
Reclassification of properties:						
Completed schemes:	4,201	-	(4,201)	686	(686)	-
Disposals:						
- properties	(352)	-	-	(884)	-	(1,236)
- current assets movement (properties awaiting sale)	(174)	-	-	654	(577)	(97)
- replaced components	(964)	-	-	-	-	(964)
At 31 March 2025	288,598	2,383	8,703	27,639	7,933	335,256
Depreciation:						
At 1 April 2024	58,044	665	-	1,669	-	60,378
Charge for the year	5,435	50	-	271	-	5,756
Disposals:						
- properties	(105)	-	-	(69)	-	(174)
- current assets movement (properties awaiting sale)	(47)	-	-	18	-	(29)
- replaced components	(879)	-	-	-	-	(879)
At 31 March 2025	62,448	715	-	1,889	-	65,052
Net book value:						
At 31 March 2025	226,150	1,668	8,703	25,750	7,933	270,204
At 31 March 2024	206,215	1,718	10,097	24,554	6,203	248,787

	2025 £'000	2024 £'000
Improvements to existing properties capitalised	8,773	6,659
Major repairs expenditure to statement of comprehensive income	2,463	2,152

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

15 Tangible fixed assets – other

Group and Association	Land and buildings £'000	Tools and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost:					
At 1 April 2024	242	293	3,092	22	3,649
Additions	-	58	210	-	268
Disposals	(10)	-	(4)	-	(14)
At 31 March 2025	232	351	3,298	22	3,903
Depreciation:					
At 1 April 2024	116	255	2,358	21	2,750
Charge for year	23	36	360	1	420
Disposals	(4)	-	(1)	-	(5)
At 31 March 2025	135	291	2,717	22	3,165
Net book value:					
At 31 March 2025	97	60	581	-	738
At 31 March 2024	126	38	734	1	899

16 Investment properties

The group's investment properties were revalued at 31 March 2025 by Jones Lang LaSalle Limited (JLL), in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. As a result, an increase in the valuation since the prior year has been reflected. The gain on revaluation of investment properties arising in the year is £248k (2024: £930k loss). 12 Middleton Crescent was sold during the year.

Movement on investment properties is as follows:

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
At 1 April	7,406	8,336	7,406	8,336
Disposal of Middleton Road	(275)	-	(275)	-
Revaluation gain/ (loss) (through Statement of Comprehensive Income)	248	(930)	248	(930)
At 31 March	7,379	7,406	7,379	7,406

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

17 Investment in subsidiary

As required by statute, the financial statements consolidate the results of Leeds Federated Property Services Limited (LFPS), which was a subsidiary of the Association at the end of the year. The Association has the right to appoint members to the board of the subsidiary and thereby exercises control over it. Leeds Federated Property Services Limited is a non-regulated company.

Leeds Federated Housing Association is the ultimate parent undertaking. LFPS is a wholly owned subsidiary of the association with a carrying value of £2 (2024: £2) and the principal activity of the company is the provision of design and build projects within the social housing sector.

During the year, the Association had the following intra-group transactions with Leeds Federated Property Services Limited, a non-regulated entity:

	2025 £'000	2024 £'000	Allocation basis
Management services	306	169	Percentage of turnover
Staffing recharge	50	51	Administration time
Gift aid received	319	118	Accrued at year end (Deed of Covenant)

18 Debtors

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Rent and service charge arrears	1,223	1,401	1,223	1,401
Less: Provision for doubtful debts	(467)	(486)	(467)	(486)
	756	915	756	915
Other debtors	250	214	249	213
Taxation and social security	4	10	-	-
Prepayments and accrued income	1,489	3,403	1,489	3,403
	2,499	4,542	2,494	4,531

The decrease in prepayments and accrued income is due to £2,339k of accrued Social Housing Decarbonisation Fund (SHDF) funding which was outstanding at 31 March 2024, with no corresponding accrued income this year.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

19 Properties held for sale

Group and Association	2025 £'000	2024 £'000
First tranche sale units	3,330	3,416
Staircasing units	26	-
Social units	344	216
	3,700	3,632

First tranche sale units are units for shared ownership awaiting first tranche sale. Staircasing units are shared ownership properties where the owner is purchasing a further share. Social units represent 13 sales being progressed as at March 2025.

20 Creditors: amounts falling due within one year

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Trade creditors	884	487	884	487
Loans (note 25)	142	1,151	142	1,151
Rent and service charges received in advance	488	410	488	410
Contractors for capital work and retentions	2,012	893	1,215	565
Loan interest	323	384	323	384
Taxation and social security	194	174	194	174
Loan premium on AHF/ THFC drawdowns	358	358	358	358
Deferred income capital grants/other subsidy (note 22)	2,121	2,116	2,121	2,116
Other creditors	1,979	2,038	1,980	2,038
Amount owed to group undertakings	-	-	482	196
Accruals and deferred income	1,555	1,465	1,545	1,455
	10,056	9,476	9,732	9,334

21 Creditors: amounts falling due after more than one year

Group and Association	2025 £'000	2024 £'000
Loans (note 25)	94,083	75,932
Recycled capital grant fund (note 24)	1,407	906
Loan premium on AHF and THFC drawdowns	7,029	7,387
Deferred income – capital grants/ other subsidy (note 22)	102,297	103,860
	204,816	188,085

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

22 Deferred income – capital grants and other subsidies

Group and Association	2025 £'000	2024 £'000
Total Social Housing Grant (SHG) received as at 31 March (note 23)	113,157	113,610
Total SHG amortisation	(22,716)	(20,986)
	<u>90,441</u>	<u>92,624</u>
Total other subsidies received as at 31 March	17,157	16,216
Total other subsidies amortisation	(3,180)	(2,864)
	<u>13,977</u>	<u>13,352</u>
Total deferred capital grant and other subsidies	<u>104,418</u>	<u>105,976</u>
Deferred capital grant and other subsidies due within one year	2,121	2,116
Deferred capital grant and other subsidies due in more than one year	102,297	103,860

23 Deferred capital grant

Group and Association	2025 £'000	2024 £'000
At 1 April	113,610	105,907
Grant received during the year	-	5,813
Grant recycled to Recycled capital grant fund (RCGF)	(448)	(594)
Grant recycled from Recycled capital grant fund (RCGF)	-	2,489
Released to income during the year	(5)	(5)
At 31 March	<u>113,157</u>	<u>113,610</u>

24 Recycled capital grant fund (RCGF)

Group and Association	2025 £'000	2024 £'000
At 1 April	906	2,705
Inputs to fund:		
- grants recycled	448	594
- interest accrued	53	96
Recycling of grant		
- new build	-	(2,489)
At 31 March	<u>1,407</u>	<u>906</u>

Amounts 3 years or older where repayment may be required

-	-
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Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

24 Recycled capital grant fund (continued)

There have been no allocations during the year.

Inputs to RCGF from recycling grant relate to disposals in the year of 6 outright sales by auction, 7 final and 1 interim staircasing sales, and 1 RTA sale.

Opportunities to use available RCGF continue to be considered.

Approximately £1m of the available fund is proposed to be used at our Owlcotes Road own build scheme to subsidise increased contract works costs.

25 Loans and borrowings

Maturity of debt

Group and Association	2025 £'000	2024 £'000
In one year or less, or on demand	142	1,151
In more than one year but not more than two years	157	29
In more than two years but not more than five years	2,905	186
In more than five years	91,021	75,718
Total loans net of financing costs	94,225	77,084
Due within one year:	142	1,151
Banks		
Due after more than one year		
Banks	48,367	30,250
THFC	30,821	30,797
AHF	14,895	14,886
	94,083	75,933

Loans are shown net of financing costs of £1,554,961 (2024: £1,452,201), which will be released over the period of the loans.

The bank loans are secured by fixed charges on individual properties.

The loans from The Housing Finance Corporation (THFC) including THFC bLEND are secured by fixed charges on individual properties and are repayable on an interest-only basis during the term of the loans at fixed rates of interest ranging from 3.459% to 6.35%. The principal sums fall to be repaid in 2039 and 2047. A further £10m has been agreed with bLEND and is secured, but undrawn at the 31 March 2025 due to the gilt rates falling outside the Association's planning parameters.

There are two AHF facilities with one being for £5m at a 2.89% coupon rate and an effective rate of 2.073% and one being for £10m at a 2.89% coupon rate, with an effective rate of 1.983%. Both are repayable in August 2043.

The loan from the Co-operative bank was fully repaid in December 2024.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2025 (continued)

25 Loans and borrowings (continued)

A loan with Orchardbrook (ex Housing Corporation) is repayable in twice yearly instalments with an interest rate of 10.632% and a final payment date in 2032.

There is a total facility with Santander of £20m which was reduced from £42m during the year. The whole balance of £20m is a revolving credit facility of which £3.0m was drawn at 31 March 2025, leaving £17m available to draw. The interest on the variable balance is based upon SONIA plus 1.25% margin.

There is a final bullet to repay any outstanding balance on the facility in August 2029.

During 2023/24 new funding comprising a £45m term loan and a £10m revolving credit facility, both with a 15-year term, was agreed with NatWest. Security was put in place during 2024/25 and the term loan of £45m was drawn in full at March 2025 and was fixed at the interest rate of 6.16%. £10m is available to draw on the revolving credit facility but is as yet undrawn.

26 Financial instruments

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	4,009	4,204	4,058	4,240
Financial liabilities				
Financial liabilities measured at amortised cost	210,340	193,958	210,385	193,984

Financial assets measured at amortised cost comprise cash at banks and all debtors (excluding prepayments and tax).

Financial liabilities measured at amortised cost comprise trade creditors, loan interest, taxation, other creditors and accruals (excluding loan premium).

27 Pensions

The Group and Association operate two pension schemes.

Defined benefit pension scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2025 (continued)

27 Pensions (continued)

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a '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.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

	31 March 2025 £'000	31 March 2024 £'000
Fair value of plan assets	17,252	17,387
Present value of defined benefit obligation	(20,107)	(21,529)
Defined benefit liability to be recognised	(2,855)	(4,142)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	31 March 2025 £'000	31 March 2024 £'000
Defined benefit obligation at start of the year	21,529	21,324
Current service cost	27	14
Expenses	22	21
Interest expense	1,039	1,024
Member contributions	179	210
Actuarial losses due to scheme experience	1,008	156
Actuarial gains due to changes in demographic assumptions	-	(218)
Actuarial gains due to changes in financial assumptions	(2,762)	(163)
Benefits paid and expenses	(935)	(839)
Defined benefit obligation at end of the year	20,107	21,529

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2025 (continued)

27 Pensions (continued)

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	31 March 2025	31 March 2024
	£'000	£'000
Fair value of plan assets at start of the year	17,387	17,471
Interest income	864	864
Experience on plan assets (excluding amounts included in interest income) - loss	(1,447)	(1,485)
Employer contributions	1,204	1,166
Member contributions	179	210
Benefits paid and expenses	(935)	(839)
Fair value of plan assets at end of the year	17,252	17,387

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was a deficit of £583,000 (2024: deficit of £621,000)

Defined Benefit Costs Recognised in Statement of Comprehensive Income (SoCI)

	31 March 2025	31 March 2024
	£'000	£'000
Current service cost	27	14
Expenses	22	21
Net interest expense	175	160
Defined benefit costs recognised in statement of comprehensive income (SoCI)	224	195

Defined Benefit Costs Recognised in Other Comprehensive Income

	31 March 2025	31 March 2024
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) – loss	(1,447)	(1,485)
Experience gains and losses arising on the plan liabilities – loss	(1,008)	(162)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	-	218
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	2,762	163
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain/(loss)	307	(1,266)
Total amount recognised in other comprehensive income – gain/(loss)	307	(1,266)

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

27 Pensions (continued)

	31 March 2025	31 March 2024
Assets	£'000	£'000
Global Equity	1,933	1,733
Absolute Return	-	679
Distressed Opportunities	-	613
Credit Relative Value	-	570
Alternative Risk Premia	-	552
Liquid Alternatives	3,199	-
Emerging Markets Debt	-	225
Risk Sharing	-	1,018
Insurance-Linked Securities	53	90
Property	864	698
Infrastructure	3	1,756
Private Equity	15	14
Real Assets	2,065	-
Private Debt	-	684
Opportunistic Illiquid Credit	-	679
Private Credit	2,112	-
Credit	660	-
Investment Grade Credit	531	-
High Yield	-	3
Cash	234	343
Long Lease Property	5	112
Secure Income	288	519
Liability Driven Investment	5,225	7,076
Currency Hedging	28	(7)
Net Current Assets	37	30
Total assets	17,252	17,387

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

	31 March 2025	31 March 2024
	% per annum	% per annum
Discount Rate	5.85%	4.91%
Inflation (RPI)	3.09%	3.14%
Inflation (CPI)	2.79%	2.78%
Salary Growth	3.79%	3.78%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (continued)

27 Pensions (continued)

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

	Life expectancy at age 65 (Years)
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.7
Female retiring in 2045	24.5

Defined contribution scheme

The company also participates in a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund. The pensions charge represents contributions payable by the company to the fund and amounted to £373,076 (2024: £293,513).

28 Share capital

	2025 £	2024 £
At 1 April	30	31
Shares issued in the year	4	1
Shares cancelled in the year	(2)	(2)
	32	30

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

29 Operating leases

The payments which the Association is committed to make under operating leases are as follows:

	Land and buildings 2025 £'000	Other 2025 £'000	Land and buildings 2024 £'000	Other 2024 £'000
Operating leases which expire:				
Within one year	114	132	114	181
In one to five years	179	190	179	322
Over five years	-	-	45	-
Total	293	322	338	503

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2025 (continued)

30 Capital commitments

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Commitments contracted but not provided for in the financial statements	33,568	52,873	24,929	38,245
Commitments approved by the board but not contracted for	19,893	23,558	6,497	12,937
	53,461	76,431	31,426	51,182

The capital commitments contracted but not provided for are for self-build and section 106 units in Leeds and Harrogate, and other parts of West and North Yorkshire.

The above commitments will be financed through a combination of borrowings and social housing grant.

31 Contingent liabilities

The group and association have one contingent liability at 31 March 2025 (2024: 1).

SHPS Disclosure: In light of the recent Court of Appeal ruling in Virgin Media Ltd v NTL Pension Trustees II Ltd, a significant industry-wide issue has emerged regarding historical amendments to defined benefit pension schemes, including SHPS, where some assumptions may not have been applied correctly. This uncertainty has prompted the Trustee of The Pensions Trust (TPT), which administers SHPS Scheme, to seek declaratory relief from the High Court. The matter is currently in Court, with judgment expected in September 2025. Depending on the outcome, this may result in adjustments to member benefits and could result an increase in the Scheme's liabilities. No provision has been made at this stage due to the uncertainty over both the decision and any resulting financial impact. The Trustee and its advisers are monitoring developments closely and will communicate any implications following the Court's decision.

32 Related parties

The group has taken advantage of the exemption conferred by FRS 102, not to disclose related party transactions with other group entities.

The Board includes two tenant members: Innocent Moyo, and Dedra Otchere-Darko, and one leasehold member: Charlotte Green, who hold their agreements on normal terms and cannot use their position to their advantage. The charges for the year were:

	Rent charged weekly 2025 £	Rent charged weekly 2024 £	Balance at 31 March 2025 £	Balance at 31 March 2024 £
Board member				
Innocent Moyo	115	109	(87)	(87)
Dedra Otchere-Darko (resigned 10/12/24)	96	89	-	(28)
Charlotte Green	84	76	(180)	(180)

All rounded to the nearest pound. '-ve' = credit balance

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2025 (*continued*)

33 Net debt reconciliation

Group	1 April 2024 £'000	Cash flows £'000	Other non- cash changes £'000	31 March 2025 £'000
Cash at banks	3,075	(72)	-	3,003
Bank and THFC loans	(77,084)	(16,996)	(145)	(94,225)
	(74,009)	(17,068)	(145)	(91,222)

34 Post balance sheet events

On 30 May 2025, the Association completed on £20m funding through the 2053 Affordable Guarantee Scheme Bond, and on 11 June 2025, the Association completed on £10m funding through a new 7-year bond from the Housing Finance Corporation bLEND vehicle.

35 Legislative provisions

The Association is registered under the Co-operative and Community Benefit Society Act 2014 and is a Registered Provider of Social Housing registered under the Housing and Regeneration Act 2008.