

# thirteen

Managing and building homes

## Annual Report and Financial Statements

Year ended 31 March 2025





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# Highlights of our year

## REGULATORY JUDGEMENT

**C1/G1/V1** (2024: G1/V1)

### Our Financials

- Turnover **£230.4m**  
(2024: £207.3m)
- Surplus **£34.1m**  
(2024: £29m)
- Operating margin **19.5%**  
(2024: 20.8%)
- EBITDA MRI margin **14.5%**  
(2024: 13%)
- EBITDA MRI interest cover **159.4%**  
(2024: 140.3%)

### HAPPY CUSTOMERS

- Customer satisfaction **90.0%**  
(2024: 89.1%)<sup>(1)</sup>
- Net promoter score **77**  
(2024: 72)
- Customers helped into jobs & training **865**  
(2024: 619)
- Current rent arrears as a % of debit **2.6%**  
(2024: 2.9)

### FANTASTIC HOMES

- Homes owned & managed **36,330**  
(2024: 36,036)
- Responsive repairs completed **162,357**  
(2024: 157,427)
- Investment in and maintenance of existing homes **£114.1m**  
(2024: £109.2m)
- Investment in new properties **£135.6m**  
(2024: £133.8m)
- New homes delivered **650**  
(2024: 542)
- % housing stock with energy rating of C or above **75.2%**  
(2024: 70.1%)

### BRILLIANT PEOPLE

- Colleague net promoter score **11<sup>(2)</sup>**  
(2024: 11)
- Investors In People **Gold**

(1) Aggregate of all surveys completed across the year (2) No survey undertaken during 2024/25



# About us

**We're a C1/G1/V1 rated housing association providing housing and support services across England's North East, Yorkshire and Humber regions.**

Today, we own and manage over 36,000 homes, with over 1,600 colleagues providing services for around 100,000 customers.

Our vision is to be the most trusted housing association, with happy customers. In fact, we put our customers at the heart of everything we do.

That means investing millions of pounds each year to keep our homes safe, secure and well maintained.

It means supporting people who need help to get onto the housing ladder, pay rent and to keep their home in good repair.

And it means building high-quality new homes for rent and shared ownership (we're a strategic partner in Homes England's Affordable Homes Programme).

But we don't just manage and build homes.

We help people into work and training.

We deliver services to prevent homelessness and support people affected by domestic abuse.

And we continue to take decisive steps towards net zero, as we reduce our impact on the environment.

Of course, we know we can't do everything on our own and so we place great importance on working with our partners and listening to their views.

After all, we're better together!



“Our vision is to be the most trusted housing association, with happy customers. In fact, we put our customers at the heart of everything we do.”



## Our priorities are:



### Happy Customers

- Knowing our customers
- Enhancing customer experience
- Working with partners



### Brilliant People

- Strong foundations
- Our brilliant culture
- Right skills for our customers
- Rewarding great people
- Inclusive workplace



### Fantastic Homes

- Investing in our homes
- Developing for our customer needs
- Growing the offer
- Looking after the environment



# Group Chair's introduction



“  
A driving force in each of these achievements is our unshakeable commitment to delivering for our customers.  
That means listening to what our customers have to say, understanding their needs and being relentless in our pursuit of customer excellence.”

**“The most trusted housing association, with happy customers.”**

That's what we want to be – and so that's the vision that sits at the very top of our new business strategy.

Having that clarity of purpose enabled us to really sharpen our focus in 2024/25, and it was another year of strong delivery.

We delivered a record number of new homes and record levels of investment in new and existing stock.

We increased our net surplus and secured a £30m green loan to accelerate our retrofit plans.

And we received the highest possible C1/G1/V1 ratings following an inspection by the Regulator of Social Housing.

A driving force in each of these achievements is our unshakeable commitment to delivering for our customers.

That means listening to what our customers have to say, understanding their needs and being relentless in our pursuit of customer excellence.

Our customer satisfaction score suggests we're on the right track. In 2024/25 we recorded overall customer satisfaction of 90.0%, up from 89.1% in 2024.

That's great progress but we're determined to do even more, and we have lots going in our favour.

We have a brilliant group of colleagues and a dedicated and refreshed executive team, ably supported by our committed board directors and committee members.

We have strong and highly effective partnerships with Homes England, combined authorities, local councils, voluntary, community and social enterprise (VCSE) groups and more.

And we all share a passion to make a difference for our customers and communities.

I'm proud and privileged to work with so many inspirational people and I look forward to many more successes in the coming year.

**Jane Earl**

Chair of Thirteen Housing Group





# Group Chief Executive's report



“Following a colleague-led culture refresh, we've continued to work on instilling our values: Accountable, Proactive, Courageous, and Considerate. All are central to our belief that we are 'Better Together' and that together, we can achieve great things for our customers.”

## I am pleased to introduce our annual report and financial statements for the year 2024/25.

If you're not familiar with Thirteen, we're a Teesside-based housing association providing housing and support services across England's North East, Yorkshire and Humber regions. We own and manage over 36,000 homes, with over 1,600 colleagues providing services for around 100,000 customers.

A key focus in 2024/25 was on starting to really embed our new business strategy, which is all about achieving our vision to be 'the most trusted housing association, with happy customers'. Ambitious? No question. But that's quite deliberate, because putting our customers very much 'front-centre' of our vision demands that we also place them at the heart of everything we do.

Our vision is built on three foundations: Happy customers, Fantastic homes, and Brilliant people.

For our customers, it's been another challenging year. Inflation may not be at the heights of previous years but the cost of everyday essentials is still placing great strain on household budgets. We continue to work closely with our involved customers, customer committee, and our wider customer base – having conversations, seeking and listening to feedback, and getting those 'real world' insights we need to inform empathetic decision making and guide improvements to our homes and services.

One of the things our customers have told us is how much they value face-to-face interactions with our teams. We've listened, and in 2024/25 we opened our fourth Touchpoint store – this time in Hartlepool – offering customers face-to-face access to services. We also launched a new 'mobile Touchpoint' van, which we're using to take our services on the road and bring them even closer to our customers.

We've continued to invest in providing fantastic homes and have hit some new highs in doing so.

In 2023/24 we delivered 542 new homes, while investing £133.8m in affordable new homes and £109.2m in maintaining and improving our existing homes. All represented record highs for Thirteen, and all have been eclipsed in 2024/25, during which we delivered 650 new homes, while investing £135.6m in new homes and £114.1m in existing homes.

We welcomed the first tenants to homes on our flagship Union Village and Kedward developments in Middlesbrough, and we'll soon be doing the same at Hillside Gardens. We also recorded a significant leap in the energy



efficiency of our homes, ending 2024/25 with 75.2% of our properties being rated at EPC C or above, compared with 70.1% at the close of the previous year.

Of course, we can't achieve any of these things without brilliant people and strong foundations.

We have a strong balance sheet and ended 2024/25 with a £34.1m net surplus, up from £29m the previous year. It's this kind of financial stability, allied with our proven track record of investment in our homes, that builds trust with lenders and in 2024/25 it was a key factor in us securing a £30m green loan from NatWest to accelerate our retrofit plans.

Following a colleague-led culture refresh, we've continued to work on instilling our values: Accountable, Proactive, Courageous, and Considerate. All are central to our belief that we are 'Better Together' and that together, we can achieve great things for our customers.

We ended the year with a major endorsement of our brilliant people in the shape of a Regulator of Social Housing inspection that gave us the highest possible C1/G1/V1 ratings. It was a proud moment for everyone involved and recognition of the fantastic work our

colleagues do every day, and the role our customers play in driving us forward.

But for us it's just the beginning. We're far from complacent – as they say, to stand still is to go backwards. So, we're pressing ahead with transforming how we work to make sure we can continue to deliver.

There are more challenges ahead, but there are opportunities too. Housing associations are uniquely placed to support the government's ambitious housing delivery targets. We are supporting government ambitions and pushing ahead to make our homes more energy efficient. And we are partnering with combined authorities to maximise the impact of their devolved powers.

We will keep listening, learning, improving and working together to meet the needs of our customers, now and in the future.

I'm proud to be part of such a great team. And I look forward to another strong year.

**Matt Forrest**  
Chief Executive of Thirteen Housing Group



# Our achievements and how we're performing

## Our customers

During 2024/25 our key commitment to our customers was to ensure we actively listen to make sure our services are easily accessible, easy to use, and tailored to meet expectations. To facilitate this we extended our customer involvement framework to ensure customer groups with specific needs are fully represented and that we cover all demographics and locations, supported by the introduction of our 'Your Voice' public consultation platform. Using the feedback we have gained, we have reviewed our anti-social behaviour service, improving satisfaction levels, and extended the hours our housing management teams are available for customers. We have continued to extend our face-to-face offer, which customers have told us they value, opening a new Touchpoint store in Hartlepool and launching a new a 'mobile Touchpoint' van, which has visited 32 locations since hitting the road in late September 2024.

We continued to look at how IT solutions can improve services to our customers and have worked with our partners to make it easier for our customers to make payments. This has helped us maintain our high rent collection rates, ending the year with debt on our general needs properties reducing to 2.6% of rent collectable (2024: 2.9%).

Health and safety remains a top priority, so we have invested in technology which makes it easy for

customers to engage with us, while freeing up valuable colleague time so they can focus on resolving customer issues. Our new communication platform, Engage, enables us to send key information to our customers and gives them the option to respond through a channel that works best for them – they can request a call-back at the touch of a button, leave a message or respond by text. The use of AI and behavioural insights enables us to automate contacts when we need to get a consistent message or a reminder to a group of customers, and flag when personal contact is more suitable, thus freeing up colleague time and improving customer experience.

Customer demand for repairs continued to be high with a record 162,357 repairs completed in the year, an increase of 4,930 on the previous year. To meet this continued high demand for our services and provide more flexibility, we increased our in-house workforce by setting up a new repairs team. The level of demand during the year impacted upon our ability to complete non-emergency repairs within our target times, resulting in a small reduction from 63.9% in 2024/25 to 62.4%. Demand and availability of sub-contractors also affected our ability to let properties awaiting major repairs, leading to higher void loss than targeted.

We are pleased that the achievement of our objectives during the year has increased overall customer satisfaction to 90.0% (2024: 89.1%)

Critical success KPIs – Happy customers	Target 2026	2025 Outturn		Target 2025	2024 Outturn
Satisfaction with our services (overall)	89.0%	90.0%	↑	88.0%	88.0%
Customer net promoter score	75	77	↑	72	72
Total current tenant arrears (% of debit)	2.9%	2.6%	↓	3.0%	2.9%
Tenancy turnover	7.0%	6.9%	↓	7.5%	7.5%
Satisfaction with repairs service (overall)	90.0%	90.7%	↑	89.0%	89.0%
Empty homes loss (% of debit)	2.1%	2.6%	↑	2.1%	2.0%
Repairs completed within target timescale (non-emergency) (calendar days)	75.0%	62.4%	↓	85.0%	63.9%

## Case study



### Thirteen teams up with IKEA to support families with sleep essentials

We're incredibly grateful to IKEA Gateshead for donating a year's worth of sleep essentials to help tackle furniture poverty and support families to have a safe and comfortable night's sleep.

The initiative, which sees IKEA Gateshead supply our upcycling team with pillows, duvets and bed linens, as well as new cots and junior beds, will enable us to support 106 families taking up new tenancies.

We have previously worked with IKEA Gateshead to repair and upcycle slightly damaged, unsellable items to provide furniture donations to families that have low incomes, have previously been homeless, or have lost possessions fleeing dangerous circumstances. The project diverts furniture that would otherwise go to waste, supplying essential items that help recipients feel at home.



# Our achievements and how we're performing

## Our customers

### Customer voice

Our customers are at the heart of everything we do.

Those aren't just words – the scope of their involvement takes in consultation and feedback, testing systems and processes, reviewing policy and scrutinising operational performance, and reporting findings and recommendations to the board. Once again, they were instrumental in our work to improve our homes and services throughout 2024/25. They helped us make changes to our gas servicing letters so they're easier to understand. They provided valuable feedback on how we can better promote our domestic abuse services. They supported our introduction of 'no mow' summers to boost biodiversity in some open spaces, as well as changes to our hardship fund designed to ensure it helps those in greatest need.

Our young persons' group was involved in designing our 'mobile Touchpoint' van and providing guidance on how we can make our social media more appealing to young people.

Our involved customers gathered evidence to provide reassurance to our board that we are compliant with the new Consumer Standards, employing a variety of methods including meetings with colleagues, job shadowing and mystery shopping.

Our repairs group met quarterly with colleagues from our repairs team and made 11 recommendations for improvement, while another customer group met quarterly to monitor our performance and complaints data, identify trends and learning opportunities, and ensure customer recommendations were implemented.

We continued our efforts to recruit more customers to get involved in this work, holding a series of customer open days, including one which made use of our 'mobile Touchpoint' van. Looking ahead, we're working to establish a new group of customers from diverse backgrounds and we're in the early stages of setting up a group for customers who live in our high-rise blocks.



## Case study



### Supported housing provides a new beginning for a young mother and her son

As a young mother moving into supported housing, Sam (not her real name) had already experienced more than many people do in a lifetime.

Abused by her own father, Sam fled her family home with her son, who has long-term medical/additional needs. A financial assessment revealed Sam wasn't receiving the correct benefits and was struggling with debt.

With help from staff at School View, our supported housing scheme for young parents in Durham, Sam was able to take control of her situation and build a more secure future for her and her son. She was able to access the correct benefits and become debt free, secure an assured shorthold tenancy, complete parenting programmes, receive the appropriate medical and educational support for her son, find a nursery place close to their new home and enrol on a degree course.

Sam and her son have also been de-escalated from child protection measures.



# Our achievements and how we're performing

## Our homes

### Existing homes

During 2024/25 we continued with our commitment to increase spend on maintaining and improving our properties, spending £114.1m (2024: £109.2m). This is a record high.

Investment in our homes grew to £59.7m (2024: £56.6m) with the completion of works to 1,487 properties, including the delivery of 657 kitchens, 788 rewires and 484 boiler replacements. Customer safety remains our top priority, so we increased spend on health and safety works to eradicate damp and mould in customers' homes, spending £6.5m, an increase of £3.1m.

We have an obligation to our customers to ensure the homes they live in are affordable to heat so we continued on our journey to EPC C standard, achieving 75.2% or above by 31 March 2025. We're on track to achieve 100% by 2030. We also maintained our ISO14001 accreditation, which is an internationally recognised standard for environmental management systems and supports our proactive approach to minimising our environmental footprint, ensuring we comply with legal requirements and achieve our environmental objectives.



## Case study



### £3.5m refurbishment of Bramley Court in Hartlepool

Customers and colleagues at a sheltered housing scheme in Hartlepool celebrated the completion of its £3.5m refurbishment programme.

We appointed Esh Construction to carry out a full mechanical and electrical refurbishment of Bramley Court. Work involved major heating upgrades as well as installing a new fire alarm system and warden call, access controls and CCTV. Emergency lighting was installed throughout communal areas with new fire entrance doors to all homes and communal areas. Extensive internal decoration was also carried out alongside upgrades to windows and doors, with new guttering and downpipes installed externally.

Through its Constructing Local strategy, which sees Esh maximise social and economic value for the local area, Esh has delivered 148 weeks of training for apprentices and has reinvested more than £2.2m in the North East through the responsible procurement of materials and supply chain. Residents will also benefit from a new potting shed in the courtyards which Esh provided through a £2,500 social value donation.



# Our achievements and how we're performing

## Our homes

### New homes

Addressing the high demand for new properties and in support of the government's housing targets, we again increased the number of new properties completed. We delivered a record high 650 new homes in the year (2024: 542), all for affordable and social rent and low-cost home ownership. We work with our partners to source land to deliver these new homes but also regenerate existing housing sites to replace ageing stock with new, fit for purpose properties.

Individual or smaller groups of properties are kept under review to ensure we use our resources wisely. Any deemed to be uneconomical to invest in or retain are fully appraised and proposed for demolition or sale, with 57 properties being disposed of during 2024/25.



Critical success KPIs – Fantastic homes	Target 2026	2025 Outturn		Target 2025	2024 Outturn
New supply delivered – social housing	550	650	↑	650	542
% of homes at EPC C or above	80.0	75.2%	↑	75.0%	70.1%
Satisfaction with the quality of new build homes	93.0%	92.0%	↓	95.0%	97.0%
Strategic sale of properties	N/A	57	N/A	54	N/A
% of spend on maintenance through investment vs reactive repairs	44%	43%	↓	45%	44%

## Case study



### New affordable homes unveiled in the heart of Middlesbrough

The first homes were unveiled at an affordable housing development comprising 145 two, three and four-bedroom homes on a key site in central Middlesbrough. The development, off Union Street in Gresham, is made up of a mix of houses, apartments and bungalows.

Representatives from Thirteen and our partners in the scheme – Middlesbrough Borough Council, Tees Valley Combined Authority, Homes England, and Esh Construction – took a look around the new homes during an unveiling event. Matt Forrest, Chief Executive at Thirteen, said: “We have set a clear ambition to increase the housing supply across our operating areas and have delivered a record 650 new homes in 2024/25. Developments like Union Village are key to that, and to helping us meet the housing needs of our customers.”



# Our achievements and how we're performing

## Our homes

### Everything safe

Keeping our customers and colleagues safe is our number one priority.

Our dedicated health and safety team provides training throughout the organisation to ensure colleagues understand health and safety requirements and safe working practices, feel comfortable reporting accidents, incidents, and any near misses, and let us know when things don't look or feel right. We are wholly committed to providing safe and well-managed homes for all our customers. The Building Safety Act, introduced in 2024, requires landlords to provide information to people living in high-rise residential buildings about preventing and reducing building safety risks.

Together with our involved customers, we have developed bespoke building safety customer engagement strategies for each of our high-rise blocks. These strategies outline our approach to building safety and provide important information to our customers about their buildings, our resident engagement offer, key contact information and the responsibilities of Thirteen and the residents.

In accordance with the Act, we have also submitted our first buildings – Welton House and Glastonbury House – to be assessed under the Building Safety Regulator Building Assessment Certificate (BAC) scheme, which ensures higher-risk buildings (those at least 18 metres tall or with at least two residential units) meet safety standards. This certificate is part of the regulatory framework established to enhance building safety. We have introduced the statutory inspection regimes required under the Fire Safety (England) Regulations 2022. As part of this, we carry out inspections of community fire doors and firefighting equipment every three months, and flat entrance fire doors every year.

Alongside this, we have appointed a Building Safety Engagement Lead to ensure we communicate effectively with all customers living in our tower blocks (defined as being over 18 metres in height).

In 2024/25, we made further improvements to our processes to ensure we respond promptly to reports of damp and mould and keep customers informed about how we're dealing with it. We also introduced full property inspections in the homes of blind or visually impaired customers to identify any damp and mould or health and safety risks.

We continued our preparations for the introduction of Awaab's Law in October 2025, establishing the changes we need to make to meet its requirements and carrying out an initial review of the resources needed. We also created new processes, including the development of an app which will enable us to automate the written summaries of investigation findings in a way that is both consistent and compliant with the law, and arranged appropriate training for key colleagues. Our aim is to 'go live' internally two months ahead of the law coming into force and these preparations are being overseen by a dedicated project group to ensure we can adapt as further government guidance is issued.





# Our achievements and how we're performing

## Our people

To deliver on our vision to be ‘the most trusted housing association with happy customers’ we need ‘strong foundations’, whether that be our financials, our governance, or our culture.

A key objective for the year was to have good governance in place to ensure we have capacity to deliver our business plan and remain safe and compliant – our C1/G1/V1 regulatory rating confirms we have delivered on that objective. To underpin this, we are working with the board and funders to embed new financial covenants and golden rules to enable us to utilise available capacity, whilst remaining within the board’s risk appetite.

Data security is paramount, so to protect all data held we have enhanced our data security assurance and are pleased to have received external validation through a positive audit outcome.

Through our ‘Better Together’ culture programme, we have used colleague feedback to develop and roll out new values alongside new strategic and operational workforce plans. By involving colleagues and taking on board their feedback to make Thirteen a great place to work, we will continue to work to improve our colleague experience and reduce the number of days lost to sickness absence during 2025/26.

Critical success KPIs – Brilliant people	Target 2026	2025 Outturn		Target 2025	2024 Outturn
Colleague net promoter score	TBC	11	↔	18	11
Average days lost to sickness per FTE	11	12.7	↑	11	11.9
Voluntary staff turnover	7.0%	7.4%	↑	7.0%	7.0%
EBITDA MRI interest cover (excluding sales)	125.0%	159.4%	↑	144.1%	140.3%
Cash efficiencies delivered	3.0%	3.5%	↓	3.0%	4.0%





# Financial review of 2025

Operational performance in 2025 has delivered strong financial results with a surplus of £34.1m (2024: £29m) and a robust operating margin of 19.5% (2024: 20.8%).

Summary performance	2025 £'000	2024 £'000
Total turnover	230,428	207,305
Total operating costs	(185,445)	(164,170)
Sale of assets	2,076	1,788
<b>Operating surplus</b>	<b>47,059</b>	<b>44,923</b>
Other activity	(12,919)	(15,903)
<b>Surplus</b>	<b>34,140</b>	<b>29,020</b>
<b>Operating margin</b>	<b>19.5%</b>	<b>20.8%</b>
<b>EBITDA MRI *</b>	<b>33,202</b>	<b>26,688</b>

\* EBITDA MRI – earnings before interest, tax, depreciation, amortisation and major repairs and improvements.

As well as monitoring our performance against operating and net surplus, we monitor EBITDA MRI as a proxy for cash generation and to give a clearer perspective of our operational performance.

## Activity

### Social housing lettings

Over the past few years, we have seen unprecedented impact on our services, both financially and operationally, from continuing inflation and economic pressures along with increasing customer demand, particularly for our repairs service. Health and safety remains our top priority, both through continuing to address instances of damp and mould in customers’ homes and fire safety concerns at one of our high-rise blocks, which led to unforeseen costs in the year. We maintained our focus on delivering improvements to

our customers’ homes and once again, we increased investment in our existing housing stock. We also invested in a bigger development programme, delivering 650 new properties (2024: 542), our highest number ever, which helps meet demand for new homes and replace ageing and unsustainable housing. Despite these cost pressures and increased planned investment, operating margin on our core activity of social housing lettings remained stable at 23% (2024: 23.9%).

### Other activity

We recognise that our other activity needs to support and supplement our core purpose of social housing lettings. Therefore, the financial and operational impact of this activity needs to be carefully considered and we are transparent in how the activity adds value and how we manage associated risk.

We know that many of our customers aspire to home ownership, so development and sale of shared ownership properties remains a key component of our development strategy. We delivered 266 new shared ownership properties in the year and sold 287 units, achieving a margin of 4.4% (2024: 6.4%).

Demolition of unsustainable high-rise properties continued, with demolition of the final two blocks expected in 2025/26, allowing us to ensure our resources are directed towards investment in sustainable properties in which people want to live.

We also provide enhanced services to people who need additional support. This includes wrap-around support provided by our care and support services as well as services to the wider community through our work with the Ministry of Justice to support ex-offenders and with partners to help people into work and training.

Our portfolio of non-social housing properties extends the range of services available to our customers and includes student accommodation, garages, estate shops and a small portfolio of market rented properties.



The activity carried out by our subsidiary companies supplements the services provided by the group:

- **Thirteen Homes** reported an operating loss of (£0.8m) (2024: profit of £1.8m). Remaining work on our site at Howards Green in Darlington has been slower than expected with two sales completed in the year. Final sales are now expected to complete during 2025/26.
- Work progressed on the wind-up of **Gus Robinson Developments**, our construction company, which reported a profit of £0.2m (2024: loss £1.9m).

- **Thirteen Commercial Services** delivered a profit of £0.2m (2024: £0.1m) through letting and management services on behalf of the group. Profits are fully gift-aided to the group.

Overall, activity other than our core activity of social housing lettings delivered a loss of (£0.9m) (2024: loss of £3.3m, excluding impairment adjustment), the loss being driven predominantly by the cost to demolish two high-rise properties.



# Financial review of 2025

## Turnover

Year on year turnover increased by 11.2% to £230.4m (2024: £207.3m). Of this 86.6% (2024: 88.3%) was generated from our core social housing lettings activities which increased by 9% to £199.5m due to the average 7.7% rent increase in line with government regulations. Rental income also increased due to the net increase in properties available to let through new properties developed, demolitions and sales.

Sale of low-cost home ownership properties built for sale accounted for 7.9% of turnover and generated £18.2m (2024: £10.2m) from the sale of 287 homes.

Demand for support services remains high and turnover generated through care and support and employability contracts delivered £6.5m turnover (2024: £6.5m).



## Operating costs

### Fantastic homes

To protect our assets and provide safe and secure homes for our customers, we increased the level of investment in our existing homes, increasing spend by £4.9m to £114.1m (2024: £109.2m) to deliver improvements to customers' homes and complete health and safety works. This is a record high.

### Happy customers

In addition to the £34.3m spent managing our homes, we retained our commitment to provide additional support to customers to help them sustain tenancies and remain in their home, allocating £1.3m in the year. This reduced the number of failed tenancies and supported those customers who are most in need of a little extra help. Further support is provided through our care and support and employability contracts, alongside our dedicated housing and income teams. Our customers continue to face economic challenges but through the support we offer and the use of emerging technologies and software solutions, we have maintained our excellent income collection rates, collecting 99.3% of rent due (2024: 99.4%).

### Brilliant people

Our colleagues are the core of our service delivery, and we spent 42.4% of our operating costs on pay for our 1,547 colleagues (2024: 44.5%/1,505), and invested £1.1m in training, developing and supporting our colleagues.





# Financial review of 2025

## Financial strength

The Statement of Financial Position demonstrates the financial strength of the group with net asset growth from £811m to £838.8m.

Delivery of our development and investment programmes contributed £178.3m growth to the value of our fixed assets, which increased by £128.3m to £1,524.8m.

Cash balances held decreased by £104.6m to £20.1m in the year as we utilised funding received in 2023/24 from the Affordable Homes Guarantee Scheme (AHGS) to deliver our development programme, in accordance with our Treasury Strategy. Loans reduced in year by £70.7m in line with our Treasury Strategy, resulting in loans outstanding per social housing unit reducing by £2,100 to £11,754.

Two of our three defined benefit pension schemes reported a surplus position at the end of the financial year, and in accordance with the group’s pension accounting policy, the surplus has been restricted to £nil in the financial statements.

Statement of Financial Position	2025 £m	2024 £m
Fixed assets	1,524.8	1,396.5
Cash	20.1	124.8
Assets less current liabilities	1,444.9	1,461.5
Loans	411.9	482.7
Total reserves	838.8	811.0

## Cashflow

The Group Statement of Cash Flows demonstrates the increase in investment in new and existing housing stock and other fixed assets, with a cash outflow of £176.9m in the year. Including the net repayment of borrowings of £70.8m, this has been funded by the use of cash balances, with cash reducing by £104.6m to £20.1m, £73.9m cash generated from our operating activities, sales receipts of £23.9m, and £62.1m government grant received.

## Treasury

During 2024/25, £30m of revolving credit facilities (RCFs) were converted to a new Green Loan with NatWest to deliver energy efficiency improvements to our homes. No other changes were made to loan facility agreements during the year.

The annual Treasury Strategy is approved by the board each year and provides strategic direction for the group concerning treasury activities. The strategy identifies key treasury risks, sets out the group’s approach to managing these and is reviewed by our treasury advisors. The Treasury Strategy was last approved in July 2025 and considered the following risks:

- On-lending risk
- Liquidity risk
- Counterparty risk
- Interest rate risk
- Credit rating risk

The group had balances of cash and cash equivalents of £20.1m on 31 March 2025 (2024: £124.8m). The treasury policy and practices set out minimum credit ratings and limits to minimise and diversify counterparty risk, all of which were met at the year end. Cash is held across current accounts, deposit accounts and money market funds. Excess funds above minimum operational liquidity may be placed on term deposits of up to 95 days. The average interest receivable rate at the end of the year was 3.8%.

Capital funding liquidity must be at least 24 months in accordance with the treasury policy and practices. Forecasts from the financial plan approved in May 2025 show that undrawn loan facilities are sufficient to finance group activities until September 2028.

At 31 March 2025, loan facilities of £608.5m (2024: £619.1m) were in place across banks, building societies and private investors. £196.6m of this was undrawn (2024: £136.5m). During the year, £18.7m loans were drawn and £89.5m of repayments were made.





# Financial review of 2025

At 31 March 2025, borrowings, excluding accrued interest, amounted to £411.9m (2024: £482.7m). The weighted average maturity of our facilities is 11.2 years, and the maturity profile of drawn debt is set out in the following table:

Maturity	2025 £m	2024 £m
Within one year or on demand	12.5	10.7
Between one year and two years	9.0	12.5
Between two years and five years	46.5	96.4
After five years	343.9	363.1
	<b>411.9</b>	<b>482.7</b>

The treasury policy requires a balance of variable and fixed rate debt to manage exposure to interest rate fluctuations and the policy limit has been set for at least 70% of debt to be fixed at all times. At 31 March 2025, 84% (2024: 76%) of borrowing was at fixed rates through a combination of embedded derivative loans and fixed rate funding. Our portfolio's weighted average interest rate reduced slightly to 4.5% (2024: 4.8%) following the repayment of floating rate RCF loans.

Compliance with lender financial covenants is monitored closely and reported to the board at least quarterly. At March 2025 the group was compliant with loan covenants, and the approved financial plan demonstrates ongoing compliance with covenants and golden rules.

The calculation for interest cover varies slightly between lenders, but all are based on EBITDA with no deduction for capitalised major repairs. The tightest covenant calculation was at 375% at 31 March 2025 (2024: 400%). Loan covenant gearing, calculated as total loans as a percentage of completed housing properties, reduced to 26% at 31 March 2025 (2024: 33%) as RCF loans temporarily drawn at the year-end in advance of completion of security work were repaid during the year.



Asset cover, calculated as the value of securable assets as a percentage of loans, is reported to individual lenders based on the loan balance and properties secured against each facility. The group's overall asset cover, including charged and uncharged properties, was 365% at 31 March 2025 (2024: 287%) following valuation

uplifts. We had 9,210 properties not charged to a lender (2024: 9,942), which we anticipate would support £282.2m (2024: £337.2m) of additional loans. We also have properties charged to lenders over and above treasury policy asset cover buffer requirements that we anticipate would support £401.2m (2024: £207.3m) of additional loans.

Loan agreements allow for up to £50m of onward funding to be provided to Thirteen's subsidiary companies, including loans and guarantees. Loan

facility agreements are in place between the group and Thirteen Homes and the group and Gus Robinson Developments. At 31 March 2025, Thirteen Homes had a drawn balance of £12.9m (2024: £10.6m), of which £10.6m had been provided for within the association accounts. Gus Robinson Developments had a drawn balance of £8.8m (2024: £8.7m), which was fully provided for in the association accounts.





# Financial review of 2025

## Consolidated financial results – five-year summary

Statement of Comprehensive Income (£'000)	2025	2024	2023	2022	2021
Turnover	230,428	207,305	197,959	192,211	181,365
Operating expenditure and cost of sales	(185,445)	(164,170)	(161,386)	(151,312)	(146,225)
Gain on disposal of housing assets	2,076	1,788	3,196	3,767	1,724
<b>Operating surplus</b>	<b>47,059</b>	<b>44,923</b>	<b>39,769</b>	<b>44,666</b>	<b>36,864</b>
Net interest charge	(13,918)	(13,731)	(15,191)	(16,016)	(15,510)
Impairment of goodwill	-	-	-	-	(1,708)
Revaluation of fixed and investment assets	999	(2,172)	(176)	219	-
Taxation	-	-	-	-	(311)
<b>Surplus for the year</b>	<b>34,140</b>	<b>29,020</b>	<b>24,402</b>	<b>28,869</b>	<b>19,335</b>

Statement of Financial Position (£'000)	2025	2024	2023	2022	2021
Housing properties	1,455,093	1,334,011	1,214,675	1,201,053	1,067,969
Other fixed assets	69,677	62,452	56,973	9,856	51,024
<b>Total fixed assets</b>	<b>1,524,770</b>	<b>1,396,463</b>	<b>1,271,648</b>	<b>1,210,909</b>	<b>1,118,993</b>
Net current assets/(liabilities)	(79,831)	64,995	(13,233)	31,199	90,834
<b>Total assets less current liabilities</b>	<b>1,444,939</b>	<b>1,461,457</b>	<b>1,258,415</b>	<b>1,242,108</b>	<b>1,209,827</b>
Creditors: amounts falling due after more than one year	(606,049)	(650,477)	(471,786)	(478,048)	(479,767)
Pensions liability	(78)	-	-	(68,237)	(97,277)
<b>Total net assets</b>	<b>838,813</b>	<b>810,980</b>	<b>786,629</b>	<b>695,823</b>	<b>632,783</b>
Revaluation reserve	250,738	254,803	258,005	261,498	272,080
Restricted reserve	435	438	438	438	438
Revenue reserve	587,640	555,739	528,186	433,887	360,265
<b>Capital and reserves</b>	<b>838,813</b>	<b>810,980</b>	<b>786,629</b>	<b>695,823</b>	<b>632,783</b>

Asset data	2025	2024	2023	2022	2021
Social housing stock owned at year end (no.)	35,288	34,983	34,579	34,288	32,994

Key Performance Indicators	2025	2024	2023	2022	2021
EBITDA MRI	33,202	26,688	39,200	45,669	47,938
EBITDA MRI Margin	14.6%	13.0%	19.9%	23.9%	26.6%





# What value for money means to Thirteen

**For Thirteen, value for money means ensuring we have the right balance between the social and business aspects of our work and integrating and embedding a value for money ethos across all activities.**

We focus on driving change to add value and give the best outcome to our customers whilst maintaining the quality of our services. We recognise that cheapest is not always best, and the importance of balancing cost against quality and outcomes.

Through understanding our cost base and questioning and challenging how we deliver our services we can release financial capacity to deliver our strategic objectives, meet legislative requirements and customer demands.

To ensure value for money is embedded across the group our Value for Money Strategy was refreshed and approved by the board in July 2024. The strategy clearly sets out our approach to value for money including details of how value for money is scrutinised and monitored. The Value for Money Strategy supports delivery of our business strategy by ensuring our resources are used effectively and efficiently

Our Value for Money Strategy is available on our website at [www.thirteengroup.co.uk/vision-and-values](http://www.thirteengroup.co.uk/vision-and-values) within the supporting documents section.

In practice, delivery of our Value for Money Strategy (VfM) is vital in the delivery of our three strategic priorities and to support ongoing viability:

- **Happy customers** - In the current economic climate many of our customers are facing financial hardship. Being aware of VfM principles enables our colleagues to consider the impact of every decision on the customer.

- **Fantastic homes** – We need to consider the future needs of our customers when developing long-term plans. Our existing housing stock may not be cost-effective or meet the changing needs of our customer base. The correct investment decisions are crucial, both for our existing homes and those we will develop in the future.
- **Brilliant people** – Our colleagues are at the core of everything we do and are critical to delivering the desired outcomes for our customers. By investing in our colleagues and growing our talent, we can ensure continuity of service delivery, enabling us to deliver long-term plans and service improvements.

Oversight of value for money is 'owned' by the board but is the responsibility of everyone across Thirteen, from the executive and service directors to every colleague. The board sets challenging targets which are monitored through a suite of critical success KPIs and underpinned by operational KPIs for every area of activity. These KPIs are reviewed monthly to monitor performance and customer outcomes and enable swift remedial action to be taken if required. The impact of key investment decisions on critical success KPIs, including long-term plans for development of new housing properties and investment in existing properties, is considered by the board as part of the financial planning process.

Customers also have a role in delivery of VfM through challenging us on how we use our available resources to optimise outcomes for our customers. Our Customer Committee meets at least four times a year to scrutinise KPIs, consider proposals which affect customers and ensure the voice of the customer has a role in shaping services. The Customer Committee also undertakes 'deep dives' on specific service areas, enabling our customers to directly challenge and influence service delivery.





# What value for money means to Thirteen

Our values support our colleagues to consider value for money in all they do. They are encouraged to be accountable for their actions, proactive in considering how a service is delivered, and courageous to challenge the status quo, whilst being considerate of other people's views. This encourages colleagues to embrace positive change, be innovative and take ownership of decision-making.

We utilise benchmarking to provide meaningful comparisons to similar organisations and enable us to better understand our performance and inform improvement plans. We use the Global Accounts published by the Regulator of Social Housing (RSH) as well as peer network groups, comparing both the RSH VFM metrics and other operational KPIs.

### What we've achieved

During 2024/25 we continued to challenge our ways of working, reviewing how we deliver services ourselves as well as how we procure services and manage contracts, to ensure we achieve the desired outcomes for our customers.

In 2024/25 we:

- extended our repairs service to reduce reliance upon sub-contractors, provide increased flexibility and responsiveness and improve outcomes for customers
- utilised our Property Appraisal Group to make effective 'retain or invest' or 'dispose' decisions – the group effected disposal of 57 unsustainable properties during the year, freeing up resources for further investment in our properties
- delivered 650 new properties through our development programme, replacing old unsustainable housing with new energy efficient homes and increasing overall supply and choice for our customers

- achieved our EPC C target of 75% as we work towards providing homes which are more affordable for our customers to heat and which minimise environmental impact
- progressed the delivery of key actions in our ICT Strategy, starting transformational change to make better use of automation and AI
- reviewed contract arrangements for a number of services, achieving cost savings whilst extending services available to customers
- identified value for money savings of £5.4m through cost savings, cost avoidance, income generation and doing things differently
- reviewed our procurement policy to ensure we have robust procurement procedures in place which support adherence to the Procurement Act

Delivering these value for money gains has enabled us to:

- invest in our repairs service, bringing the delivery of further repairs in-house to provide a more responsive and flexible service to our customers
- increase total investment in our existing homes from £109.2m in 2023/24 to £114.1m
- address health and safety concerns at Dawson House and rehome 89 households whilst a longer-term decision is made on the future of the property
- invest in how we deliver services to our customers, including the opening of an additional Touchpoint store and provision of a 'mobile Touchpoint' van to bring services to the heart of the community and improve access for our customers
- continue to provide vital services to our most vulnerable customers through the ongoing delivery of support contracts





# What value for money means to Thirteen

### Understanding our performance

Our key financial measure, which is used by the board and funders as a key indicator of liquidity and investment capacity, is EBITDA MRI interest cover (excluding sales revenue). For 2024/25 the board set a target of 144.1% along with a ‘golden rule’ of 125% to ensure we are able to release capacity to fund customer priorities whilst remaining within the board’s risk appetite. The outturn for the year was 159.4% due to a reduction in overhead costs and lower investment spend, plus the impact of year-end pension credits totalling £2.8m. To release further capacity to meet increasing investment needs and ensure use of our available resources is maximised, the board has reviewed its risk appetite for this critical success KPI, and a lower target of 125% has been set for 2025/26.

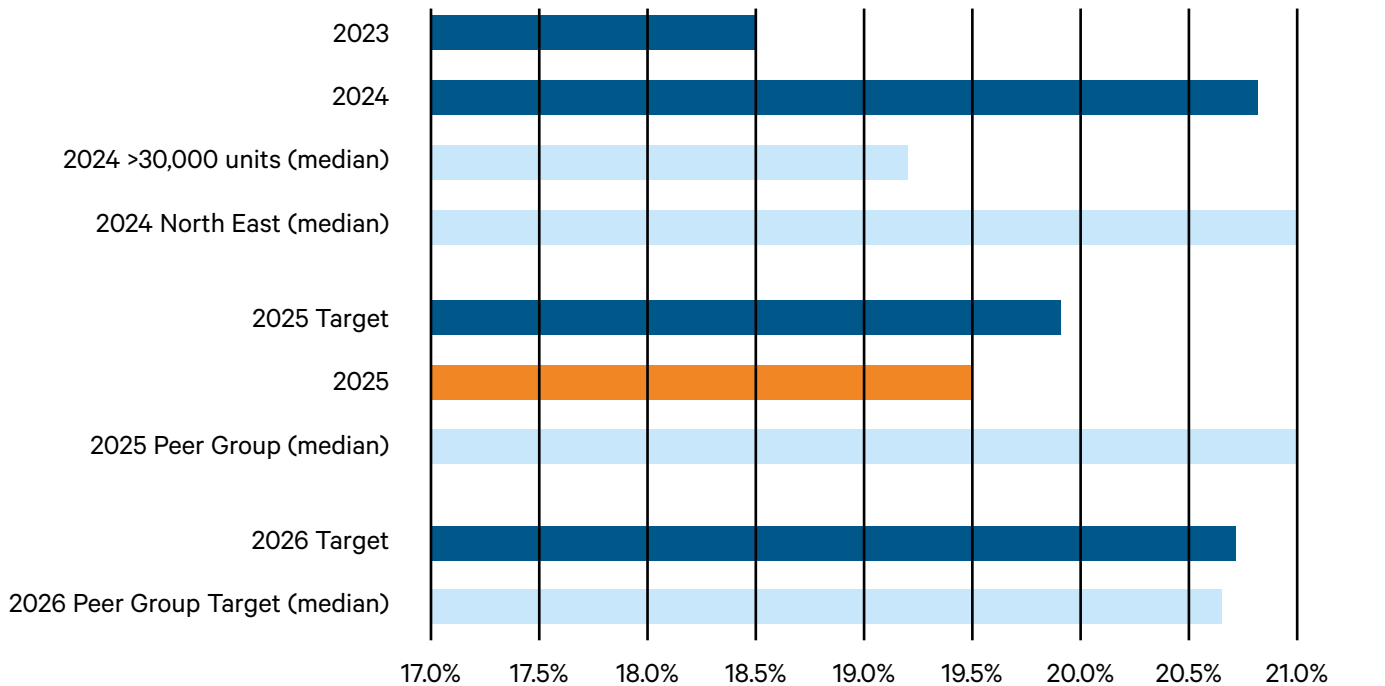
Our other key financial metrics are those identified by the RSH, which enable us to benchmark our performance against our peers. When reviewing our performance, we look at how we’re performing in the current year, with an awareness of the past and an eye

to the future, so we can understand our journey and have clear plans of where we want to be.

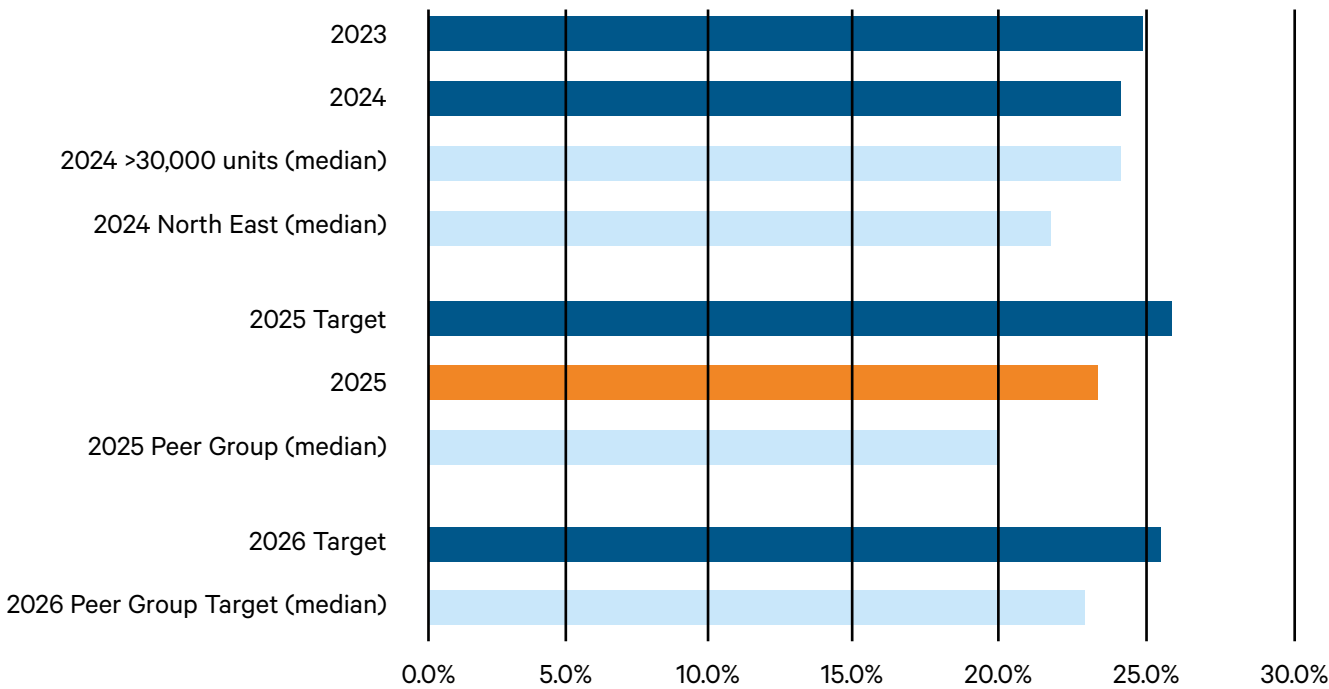
### Business health

The business health of the group is demonstrated by stable and consistent performance, along with strong margins and interest cover. Our overall operating margin has increased over prior years. Whilst 2024/25 results are below target, it is reflective of the continuing high demand for our repairs service and increasing investment in our existing properties. Margin on our core activity of social housing lettings is consistent with prior years, although performance was marginally behind target. Current and future margins continue to compare favourably to our peer group. Interest cover shows a planned reduction from the previous year as we increased investment in our existing homes. Looking forward, we expect interest cover to reduce as we use financial headroom to invest in our existing homes and progress towards meeting EPC C and net zero targets, a trend which is consistent with our peer group.

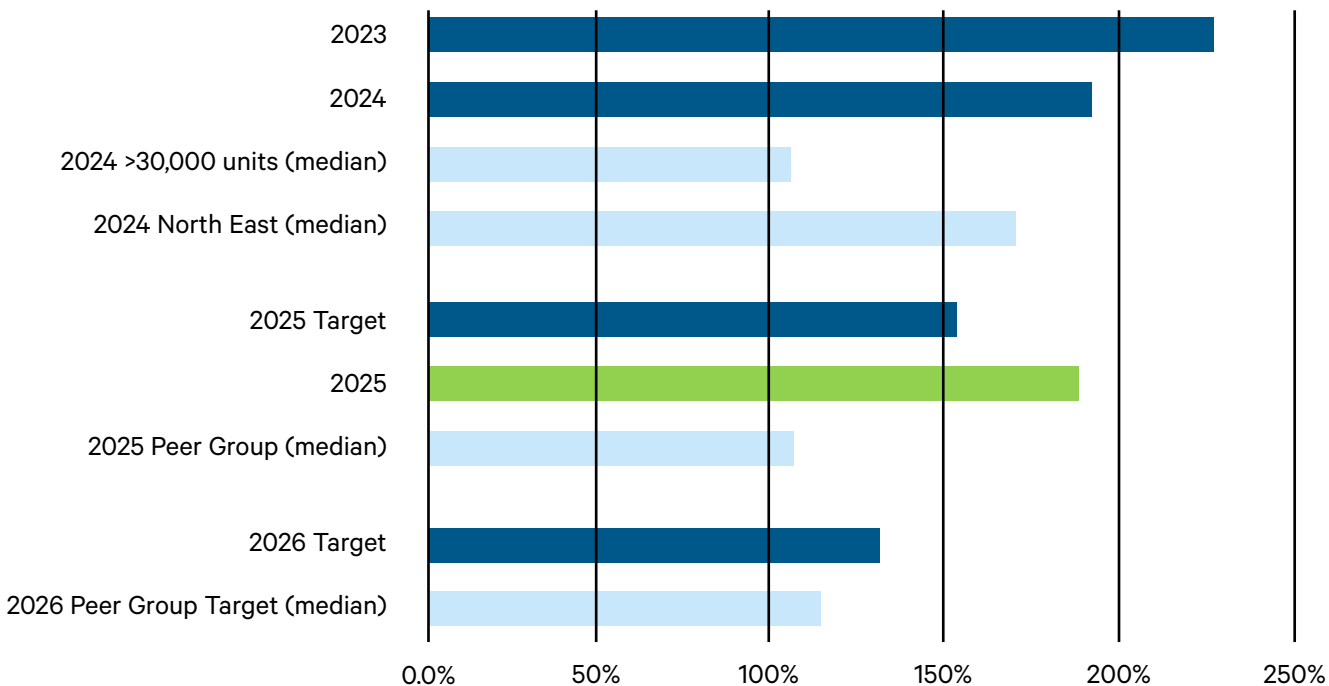
Operating margin



Operating margin – social housing lettings



EBITDA MRI interest cover



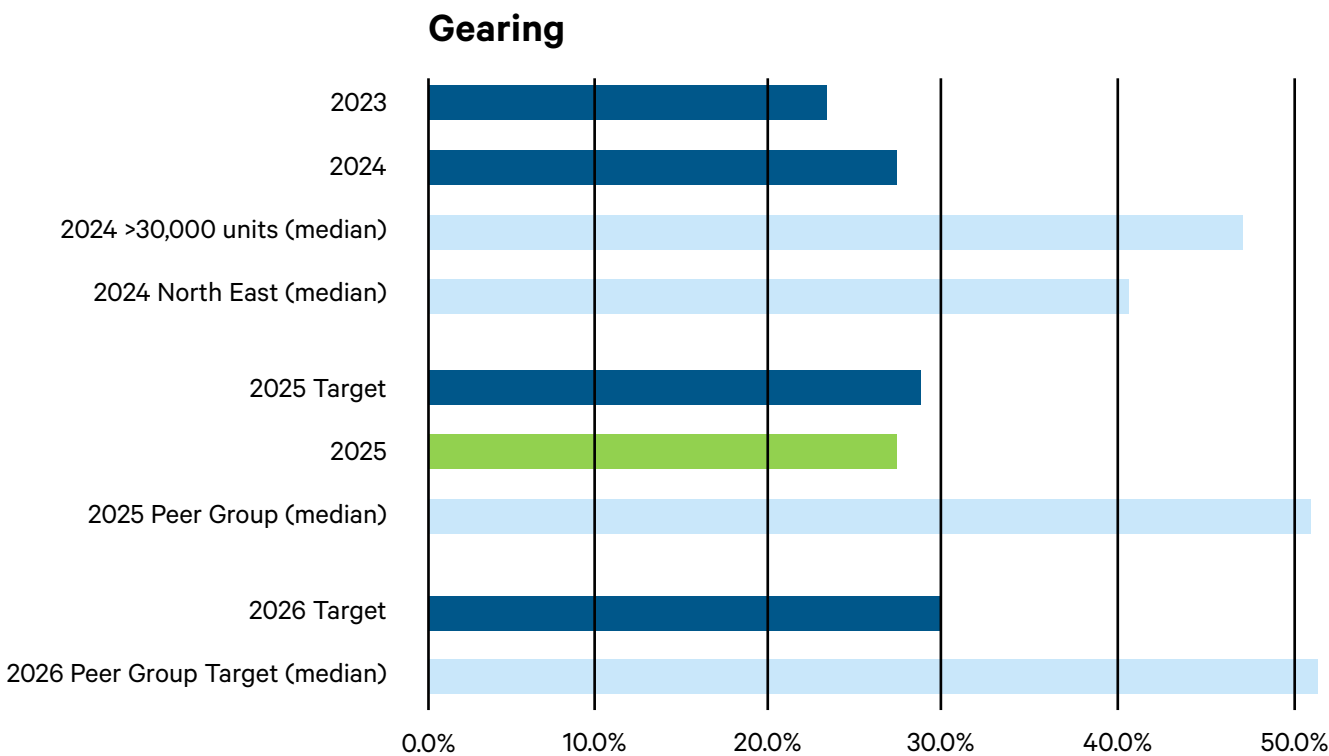
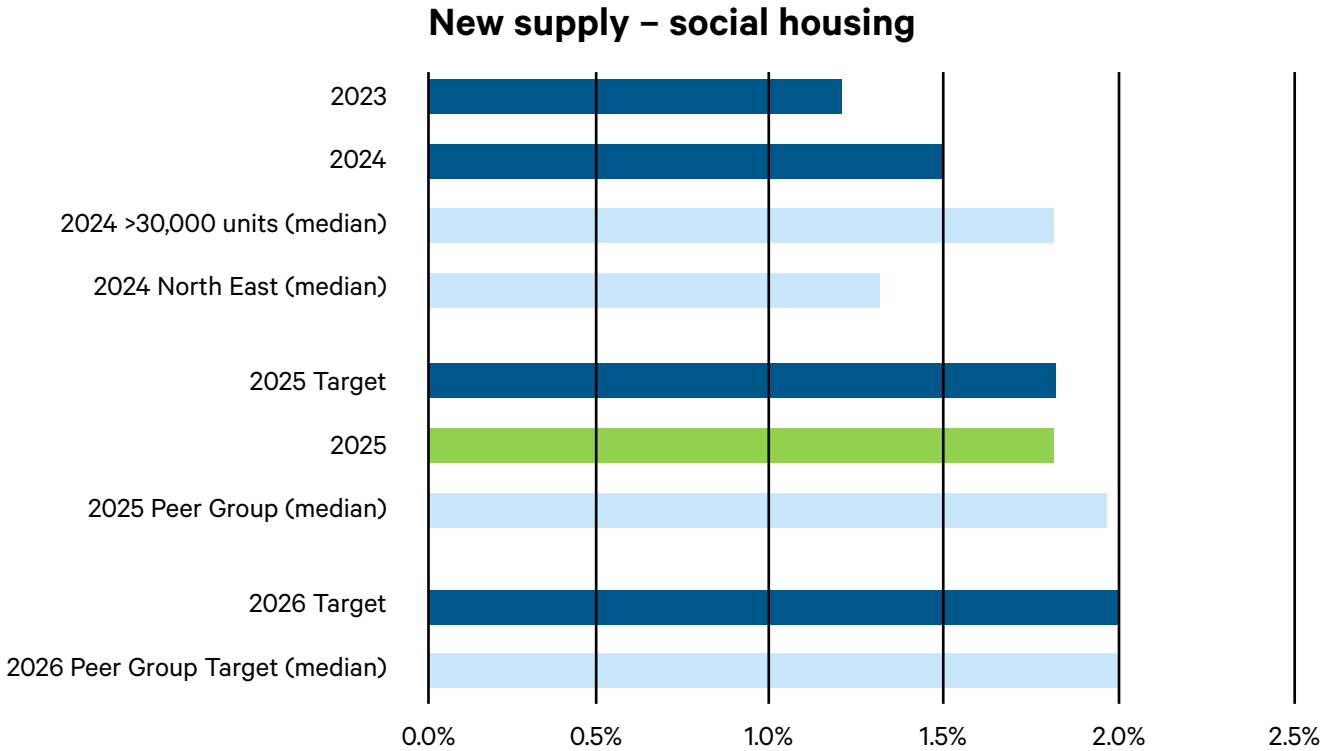
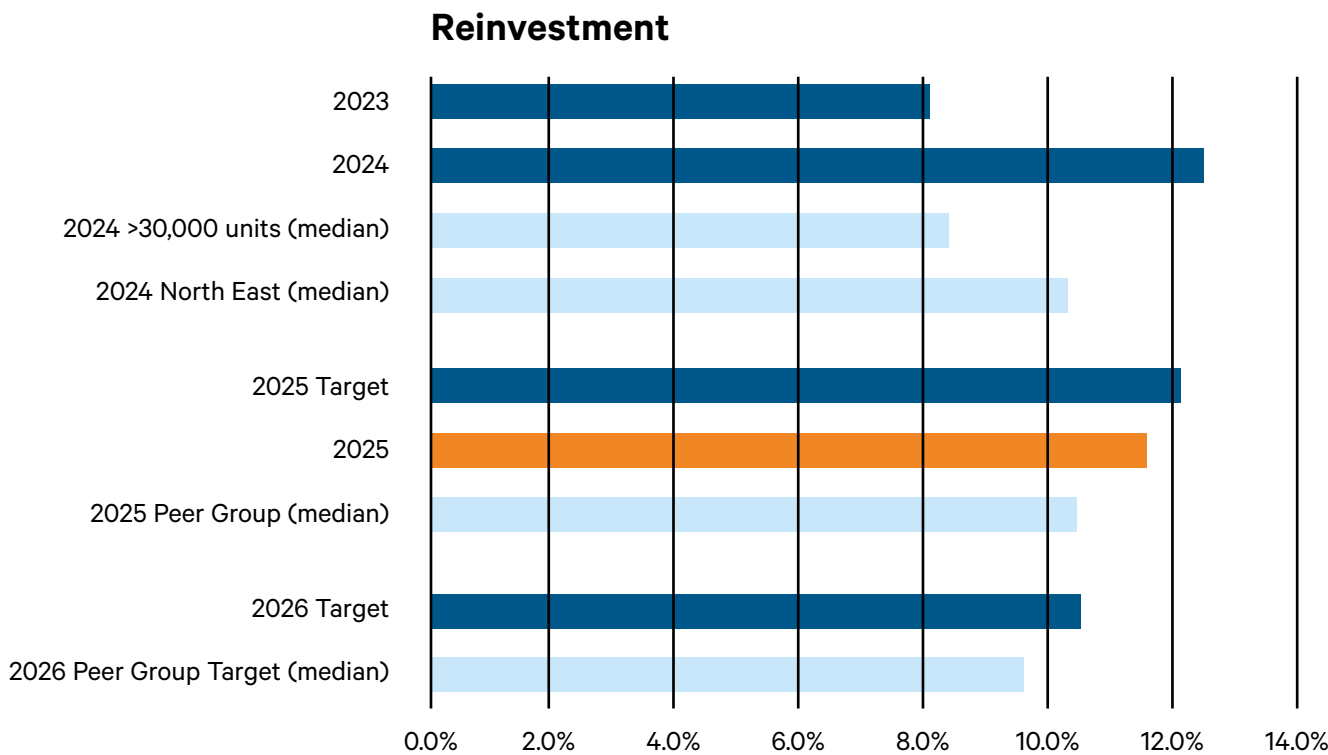


# What value for money means to Thirteen

## New supply and investment

Delivery of our ambitious development programme continued during 2024/25, with a record 650 homes being delivered for affordable, social and low-cost home ownership. Housing need in our operating areas remains high and we will continue to deliver as many new homes as possible, with a further 1,493 planned over the next five years. We balance the delivery of new homes with meeting the investment needs of our existing homes to maintain the quality of homes for our customers

and protect our assets, and work towards government environmental targets. Delivery of new homes is consistent with our peer group, including the focus on delivery of social housing with no planned investment in non-social housing products. Increased investment increases gearing but we continue to be consistently below our peers, demonstrating we have capacity to deliver our investment and development plans.





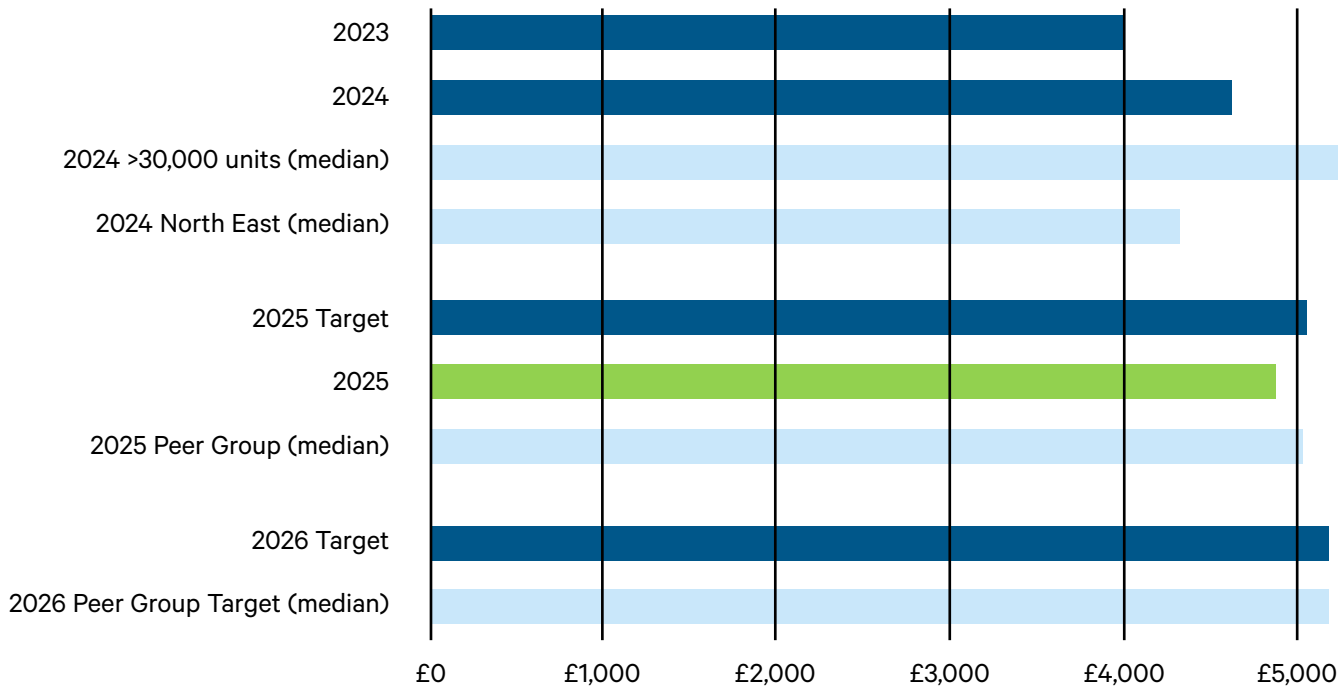
# What value for money means to Thirteen

### Operating activity

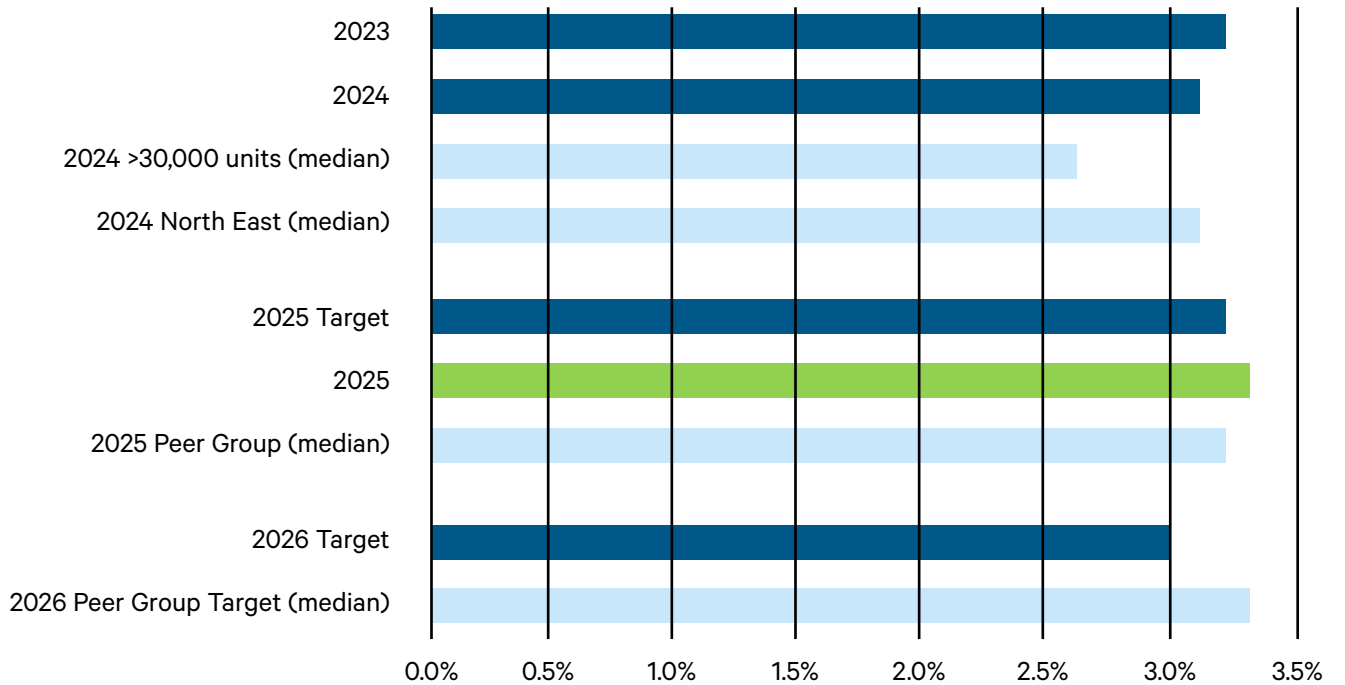
Increased spend on our properties along with the impact of inflation has increased social housing cost per unit (CPU), although delivery of efficiency savings has kept this lower than the target set by the board. As in the previous year, we continued to prioritise

customer safety, redirecting resources to works such as eradication of damp and mould and the relocation of customers from a high-rise property due to safety concerns. Return on capital employed remains comparable to prior years and our peers.

Headline social housing cost per unit

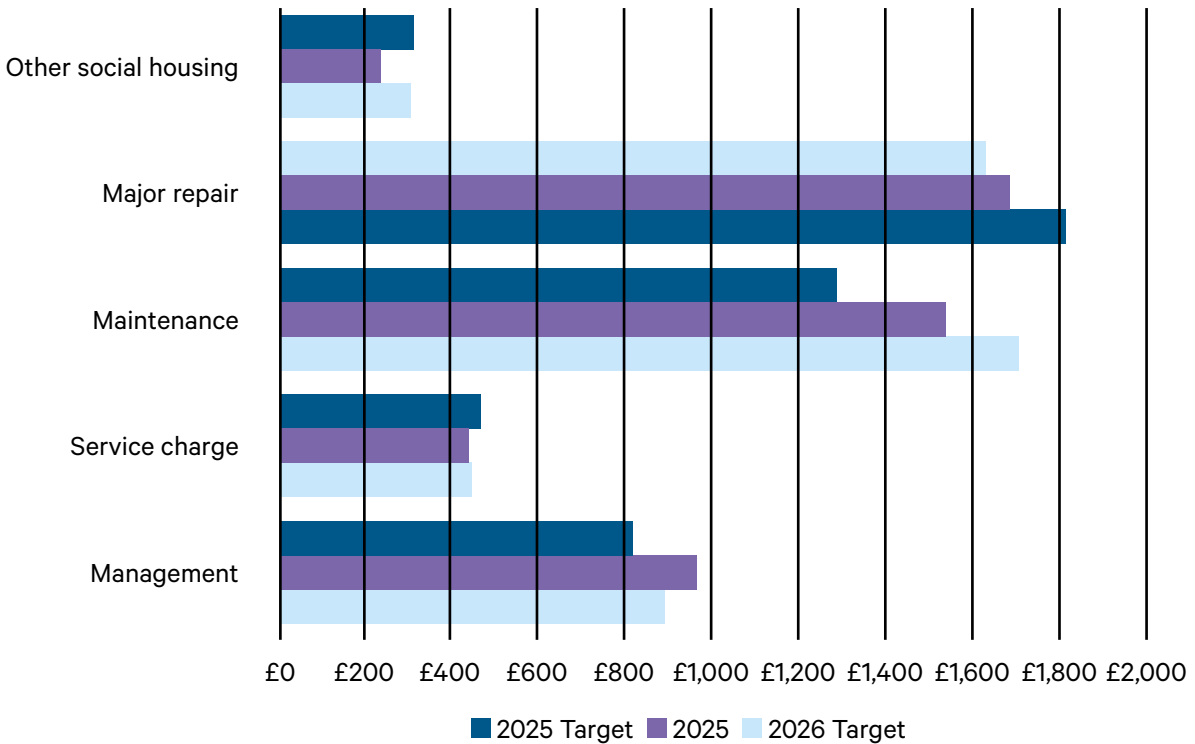


Return on capital employed



To better understand our costs per unit, we break this cost down further:

Cost per unit



Performance against management, maintenance and major repair were all ahead of target, reflecting the pressures in year arising from customer demand and priority relocation of customers. Looking forward, we are expecting maintenance and major repair costs

to increase as we increase investment in our existing properties and continue to address high levels of customer demand for repairs, with a sustained focus on the health and safety of our customers through damp and mould works.

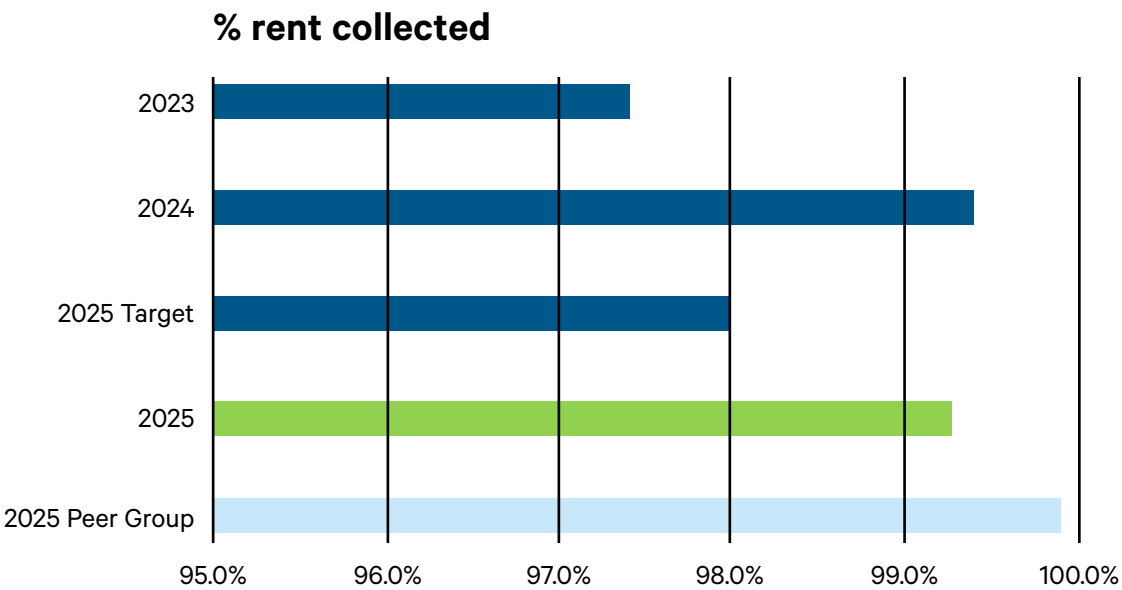


# What value for money means to Thirteen

## Operational

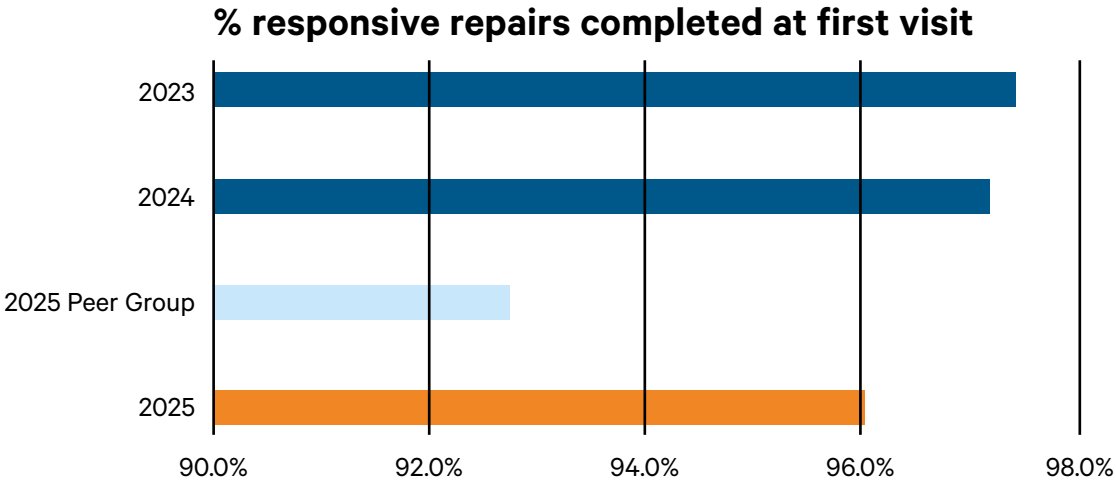
We also monitor and record a number of other KPIs to help us assess our performance and success against our strategic objectives and priorities, and which are indicative of the delivery of a value for money service. Performance against our critical success KPIs is

presented on pages 10 to 20. We also monitor a range of KPIs to track operational performance and make use of our membership of the Vantage benchmarking club to compare our performance against our peers, share best practice and identify where we can improve.



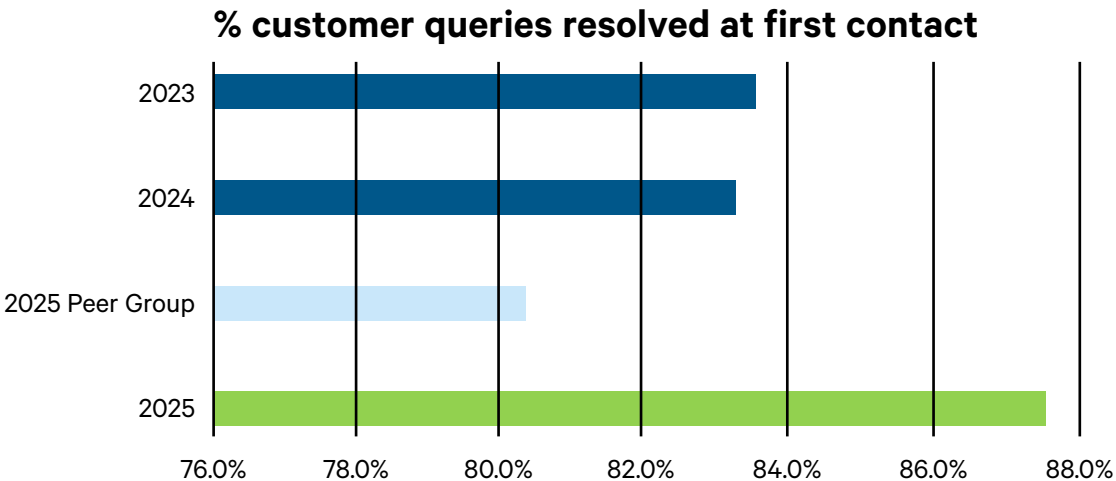
We are aware of the ongoing economic challenges facing our customers and we continue to offer support and advice when required. We are therefore, very pleased that we continue to increase the percentage of rent collected, although we remain below our peers.

Going forward, we will continue our focus on maximising debt collection to ensure we have the maximum financial resources available to deliver services to our customers and maintain our homes.



Performance has reduced slightly due to the high demand for our repairs service and in the coming year we will continue to work on 'getting things right first

time' both for customer satisfaction and to ensure repairs are delivered as efficiently as possible.



Resolving more customer queries at first contact improves customer satisfaction and frees up our resources to focus on more value added or complex

tasks, and we are pleased that we have improved performance in this area and remain above our peers on this key indicator.



# What value for money means to Thirteen

## What we want to achieve

The importance of delivering value for money services has never been higher as we optimise outcomes for our customers and utilise capacity for service improvements and investment in assets. The current economic environment remains challenging to both our customers and the group and we will continue to look at how we deliver our services to maximise use of our resources and outcomes for our customers. Actions for 2025/26 include:

- Responsive vs planned works – increasing demand on our repairs service and damp and mould remediation costs has resulted in responsive works becoming a higher proportion of our property spend. We recognise that this isn't the most cost-effective or efficient delivery model so during 2025/26 we will focus on understanding the key drivers of this demand and increase surveys on our properties to give us a better understanding of their condition, which will then inform future investment works. We will also expand our cyclical repairs programme.
- Transformational projects – to support the delivery of our three strategic objectives, a transformational roadmap has been developed with three key projects identified for 2025/26:
  - o **Happy customers** – ensure we have a full and clear single view of the customer, improving data accuracy and enhancing the customer experience.
  - o **Fantastic homes** – the safety, quality and condition of our homes is a key focus of both the customer and the regulator. We will refresh our Asset Strategy and look at how our current technology impacts upon the way we work. Improved data and visibility will allow us to improve how we deliver services, meet ever changing regulation and customer expectations, and enable us to make better informed decision on our assets.

- o **Brilliant people** – key to the delivery of efficient services with positive outcomes for customers is a motivated and inspired workforce. Delivery of our culture programme will ensure our colleagues have the necessary skills, support and behaviours which, along with robust financial planning and cyber security, will optimise service delivery for our customers.

- Consideration of extending the development programme to increase new supply, support housing need and provide long-term financial benefits.
- Retention of a 3% of social housing lettings costs target for value for money gains. This includes cashable and non-cashable gains and will enable us to reinvest savings achieved in our services.
- Continue our journey to EPC C to provide cost effective homes for our customers

We remain committed to the maintenance of a value for money culture and provision of cost-effective services to the standard our customers want, whilst retaining the capacity to invest in new and existing homes to meet customer demand and expectations.

## Case study



### Trailblazing bot nets national award

Thirteen's trailblazing invention of a bot capable of processing Universal Credit changes was recognised with a UK Housing Award. The tool saw us win in the Innovator of the Year category at a presentation ceremony in Manchester. Our staff developed the bot in response to changes requiring landlords to verify all rent increases on the national Universal Credit (UC) Landlord Portal. Its success has led to the Department for Work and Pensions (DWP) giving official approval for other landlords to follow suit, with our expert help.



# How we deliver social value



By building 650 new homes for affordable rent and low-cost home ownership we contributed £70.5m of Gross Value Added (GVA) to the North East economy and £79m to the UK overall<sup>[1]</sup>.

**For Thirteen, social value is about increasing the social, economic and environmental wellbeing of the people we work for and the communities we work in.**

Our Environmental, Social and Governance (ESG) reporting approach was developed based on a sector-wide reporting standard. Our ESG Report 2023/24 is available on our website at [www.thirteengroup.co.uk/page/investor-relations](http://www.thirteengroup.co.uk/page/investor-relations). A more detailed report for 2025 will be published later in the year.

The report highlights that almost all of our homes are provided as a secure tenancy. This gives people security of tenure, making a positive difference to their lives and their ability to find work, access local support networks and services, and build family lives.

### Environmental highlights

We've continued to invest in homes to make them more energy efficient, reduce their carbon footprint and keep costs down for our customers. Over 75% of our homes are now EPC C rated or above. Over 40% (3,000 tonnes) of the waste that has been transferred through the Thirteen Recycling Centre has been composted, recycled or reused. We've reduced Scope 1 and 2 carbon emissions by 9.4% over the past year, marking a 25.1% decrease since the 2020 baseline. While fleet fuel emissions increased slightly – we have plans in place to address this – reductions in electricity and gas usage drove the overall improvement.

### Social highlights

We ensure that resident voice is a key driver in our decision making. We have extended our involved customer groups to ensure we have representation from people with different backgrounds and needs. These customers volunteered 1,553 hours of their time to take part in 110 meetings across the year, and we have implemented 24 changes as a result of their feedback. By building 650 new homes for affordable rent and low-cost home ownership we contributed £70.5m of Gross Value Added (GVA) to the North East economy and £79m to the UK overall<sup>[1]</sup>. Over £120m (68%) of our total spend through procurement is spent locally, accounting for 86% of all spend on our housing assets.

[1] Local Economic Impacts Calculator (LEIC) NHF, 2021



We supported residents and the wider local community through various placemaking activities. During the year, we helped 89 community groups and invested £51,996 in supporting them with their aims and objectives. We also awarded an additional £85,466 of grants to community activities, supported 679 community volunteers and had 529 colleagues volunteer their time.

### Governance highlights

Staff wellbeing is a key pillar of the framework, therefore we keep a close eye on pay. We ensure that all salaries meet the Real Living Wage and benchmark our pay against the sector to ensure our salaries remain at a median level. Equality, diversity and inclusion was central to our recent board and senior role recruitment campaigns as it's important that our colleagues and

board are representative of the communities we serve and bring a diverse range of views to the table. We monitor this through national sector benchmarking data and report on our gender pay gap, which is 3.7%. This means that women earn, on average, 3.7% less than men. We'll begin to report on disability and ethnicity pay gaps, in line with government policy.



# How we deliver social value

We recognise that explaining what we mean by social value and therefore demonstrating what we are delivering is sometimes difficult. Work with colleagues and our customers suggests that this can be supported by explaining the difference we are making through tangible outcomes.

We use the Housing Associations Charitable Trust (HACT) calculator and the National Themes, Outcomes and Measures (TOMS), to translate some of the outputs into the equivalent proxy, monetary value. This is a universal language which is understood by many of our partners, commissioners and funders.

We've used these measures to manage the value delivered through our spending, and social value now accounts for 10% of the scoring for all tenders. This methodology has been successfully applied to a range of contracts and in 2024/25 we delivered on a number of social and economic value measures which include:

- Employment created and retained through our contractors
- Delivery of apprenticeships
- Promotion of local skills
- Provision of employment taster days
- Engagement with education providers
- Mental health training, support and campaigns delivered by contractors
- Volunteer hours provided by contractors to Thirteen projects



<sup>1</sup>Local Economic Impact Calculator (LEIC) NHF 2021





# Our colleagues



By living our values – accountable, proactive, courageous, and considerate – we’re building a culture where customer excellence is how we work. Embedding these values throughout the organisation helps us become more connected and resilient, delivering great outcomes for customers and a great experience for colleagues.”

**Our vision is to be the most trusted housing association, providing fantastic homes and services and creating happy customers, which we know starts with brilliant people. That’s why we’re focused on attracting, developing, and supporting colleagues who are passionate about making a difference.**

By living our values – accountable, proactive, courageous, and considerate – we’re building a culture where customer excellence is how we work. Embedding these values throughout the organisation helps us become more connected and resilient, delivering great outcomes for customers and a great experience for colleagues. To make this a reality, we need the right environment: a brilliant culture, inclusive workplaces, strong foundations, fair and meaningful reward, and the right skills to succeed. The following sets out the progress we’ve already made and how we’ll continue moving forward.

**A brilliant culture**

Creating a brilliant culture is about more than how it feels to work here – it’s also about putting the right structures, systems, and processes in place so people can do their best work. During 2025/26 we’ll be looking at customer journeys, processes, and systems to help us redesign roles across the organisation and remove any barriers that get in the way of great experiences. We’ve already looked at how we can offer flexible working, fairly and appropriately, and started conversations with colleagues about how we recognise the demands and challenges of different roles. Other improvements from the culture review are already in motion, including a new approach to performance management, a refreshed employee engagement platform, and an updated People Strategy that supports every stage of the colleague experience. With input from our Culture Working Group, we’ll keep identifying opportunities to improve and shaping change with our people, not just for them.

**The right skills for our customers**

We’ve continued to develop our approach to talent, making sure we have the right skills, in the right place, at the right time. We’ve refined how we identify critical roles and put solid mitigation plans in place. We’ve also acted on one of the six organisational capability shifts identified by our leadership team, aligning with the government’s professionalisation agenda by identifying roles requiring formal housing qualifications and securing appropriate training. Next, we’ll focus on the two other major shifts, leadership development and customer excellence. This includes launching a comprehensive leadership programme and using our Rise and Inspire schemes to nurture future talent.

Our Learning and Development Roadmap is now live, making it easier for colleagues to see what training

is expected in current roles, and what pathways exist to other roles across the business. We’ve aligned our early career and work experience offers to support longer-term succession planning and revamped our mandatory training approach, achieving a strong completion rate of 98%.

We were proud to retain our Investors in People Gold Standard in December 2024, with positive feedback and clear areas for further growth, particularly around leadership development, recognition, and succession planning.

In the year ahead, we’ll launch a new competency framework to help guide recruitment, training, succession plans and leadership development, ensuring everything is aligned with the skills and behaviours we need.





# Our colleagues

“We’ve partnered with a search agency specialising in inclusive recruitment to support diverse appointments in senior roles. We’ve also introduced a diversity recruitment dashboard to help us target efforts more effectively, particularly in response to customer demand for more female trade operatives.”

### Rewarding great people

We’ve kept our focus on ensuring our reward offer remains attractive and affordable. The 2024/25 pay award ranged from 5.5% to 10.9%, primarily driven by the need to meet National Living Wage requirements. This was accompanied by a one-off, non-consolidated payment of £500 to support colleagues amid ongoing cost-of-living pressures. Market testing has enabled us to maintain salaries at the median quartile.

We also brought back our staff awards, which were shaped by colleague feedback. The Better Together Awards, held in October 2024, celebrated everyone from new starters to diversity champions. Planning is already underway to make the next event even better.

### Inclusive workplaces

We’re committed to inclusion and have continued to use the TIDE (Talent, Inclusion and Diversity Evaluation) tool to support an inclusive culture. We’ve also refreshed our ED&I people priorities with key points we want to achieve including:

- increasing diversity in our leadership and service director teams
- improving ethnic diversity
- increasing the number of female trade operatives
- strengthening workforce diversity data
- supporting colleague led diversity networks
- raising awareness and proactive support for neurodiversity
- understanding the impact of training on ED&I outcomes

We’ve partnered with a search agency specialising in inclusive recruitment to support diverse appointments in senior roles. We’ve also introduced a diversity recruitment dashboard to help us target efforts more effectively, particularly in response to customer demand for more female trade operatives.

Improving the quality of our ED&I data remains a key priority, enabling us to better measure the impact of our actions. We’re also refining how we support neurodiverse colleagues by using profiling tools to identify where support may be needed and ensuring appropriate adjustments are put in place.

We continue our commitment to the Disability Confident scheme, offering guaranteed interviews to disabled candidates who meet the minimum criteria and supporting employees who become disabled during their employment.

We’re also implementing our response to the Worker Protection (Amendment of Equality Act 2010) Act 2023. This includes strengthening our approach to preventing workplace sexual harassment through face-to-face training for both managers and employees, alongside a new mandatory e-learning module.

Our April 2024 gender pay data shows a slight increase in the mean gap to 3.7% (2024: 2.9%), primarily due to a higher number of men in middle quartile roles, particularly in trades and IT. Despite this, our gender pay gap remains favourable when compared with both regional and national benchmarks.

As of March 2025, average sickness absence stood at 12.7 days lost per employee, an increase of 0.8 days from March 2024. We recognise this upward trend and are actively addressing it. A joint agreement has been signed with our recognised trade unions to collaborate on initiatives aimed at reducing absence levels.





# Streamlined energy and carbon report

“We are looking at what needs to be done to deliver sustainable homes which are fit for the future and right for our customers. We will also discover how we can add value through initiatives like tackling fuel poverty whilst we continually educate our customers and colleagues.”



**At Thirteen we are committed to reducing our environmental impacts and carbon footprint. Measuring and setting targets to reduce our carbon footprint is key to achieving this, as it provides us with an understanding of the emissions from our business activities and will help focus our efforts to reduce our impacts.**

To achieve a reduction in our environmental impacts we need to consider the bigger picture and how this impacts our customers, homes and business. We are looking at what needs to be done to deliver sustainable homes which are fit for the future and right for our customers. We will also discover how we can add value through initiatives like tackling fuel poverty whilst we continually educate our customers and colleagues. We will be looking at how we can reduce emissions from service delivery, from the energy we purchase to the way we travel and the materials we use. The development of our approach will see everyone at Thirteen taking responsibility for reducing their impacts and will help us achieve our goals of becoming a much greener organisation.

The group's carbon footprint is measured against the prior year's performance and the baseline year (2020). Scope 1 and 2 emissions have decreased by 9.5% in the year, giving an overall decrease of 25.1% from the base year. Although we saw a slight increase in fleet fuel emissions,

		Emissions in tCO2e		
		2024/25	2023/24	2019/20
Scope 1 emissions	Gas	977	1,001	1,245
	Fleet fuel	1,546	1,491	1,596
	Fluorinated gas	142	318	19
Scope 2 emissions	Purchased electricity	1,139	1,391	2,221
Total direct emissions		3,804	4,201	5,081
Scope 3 emissions				
	Business mileage	192	173	262
	Amenity gas	1,982	1,628	1,737
	Amenity electricity	284	100	126
Total indirect emissions		2,458	1,901	2,125
Total emissions		6,262	6,102	7,206
Intensity ratios	tCO2e/EMT	27.2	29.4	38.9
	tCO2e/FTE	4.1	4.1	4.7
Reduction from base year (2019/20)				
	tCO2e/EMT	30.1%	24.4%	
	tCO2e/FTE	13.8%	12.8%	

purchased electricity and gas emissions have decreased against both the baseline and the previous year. We are in the process of piloting electric vehicles within our fleet to gain understanding of how we would transition to an entirely green fleet. This will further reduce our Scope 1 emissions.

When Scope 3 is added into the calculation, the group's total emissions have reduced by 13.1% in 2024/25 compared with the baseline, and increased by 2.6% from the previous year due to improved accuracy of information received from the energy companies. The development of a Thirteen Net Zero Strategy will

provide us with a clear and defined approach to how we deliver our commitments in relation to reducing our environmental impacts and delivering net zero for our customers, homes and within the business. We will continue to build on the success of our 'Take Control' approach to underpinning environmental change.



# Streamlined energy and carbon report

## Methodology

Thirteen Group's carbon footprint has been calculated in line with the government's Streamlined Energy and Carbon Reporting guidelines through an operational control approach. The date period is 1 April 2024 to 31 March 2025 and includes all Scope 1 and 2 emissions within the operational control of Thirteen Group. Scope 3 emissions for car business travel undertaken by employees and amenity energy use in multioccupancy buildings used by our customers have also been included. We adopted this methodology in line with the Greenhouse Gas Protocol<sup>1</sup> and the BEIS Environmental Reporting Guidelines<sup>2</sup>. The calculations were completed on the SmartCarbon™ Calculator<sup>3</sup> using the UK Government emissions factors<sup>4</sup>.

## Estimations and exclusions

Energy Angels voids data: this is currently being analysed for anomalies in the data recording. This is a process that will improve data quality for future footprint reporting. An assumption has been made using the data we have received.

## Energy efficiency measures taken and planned

950,000 kWh of energy was produced via photovoltaic panels on our office buildings and domestic properties, preventing the emission of 196.7 tCO<sub>2</sub>e within 2024/25. The development of our approach to reduce our environmental impacts and carbon footprint will set the direction for further energy efficiency measures. We have set our target to be net zero on our direct business emissions by 2035. Our target for net zero emissions including Scope 3 is 2050. Our commitment is outlined in our Business Strategy 2024-2035, which gives further details of how we will deliver against these targets.

## Carbon offsetting

Through a partnership with Forest Carbon, we have purchased 2,362 trees across 1.02 hectares of new woodland on the outskirts of Crook, Durham, named Jon's Wood. From the growth of these trees, we have purchased a potential 727 tonnes of carbon capture credits. This equates to 16.8% of our Scope 1 and 2 emissions for the year of 2020/21. These credits are registered and independently audited in line with the Woodland Carbon Code.

## References

1. The GHG Protocol Corporate Accounting and Reporting Standard. Revised Edition (2015) World Resource Institute and World Business Council for Sustainable Development.
2. Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019) UK Government Department for Business, Environment and Industrial Strategy.
3. SmartCarbon Calculator: Visit the SmartCarbon website at [www.smartcarboncalculator.com](http://www.smartcarboncalculator.com).
4. Greenhouse gas reporting: Conversion factors 2024 - Full set (for advanced users). Read more about conversion factors used by UK and international organisations when reporting on greenhouse gas emissions on the government website at [www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024](http://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024).





# Looking to the future

**Our Business Strategy 2024-2035 is geared towards achieving our vision, which is to be ‘the most trusted housing association, with happy customers.’**

It’s built on three strategic priorities, Happy customers, Fantastic homes, and Brilliant people.

Under each, we look to the future.

We set objectives for the year ahead and statements of ambition describing where we want to be in 2030 and 2035.

We have a set of key measures for each strategic priority too, which means we can track progress and performance and set challenging targets for the year ahead.

We’ve also outlined the key transformational activity we’ll need to focus on along the way – this takes the form of five strategic programmes.

All can be found in this section of the report.

## Foundation one – Happy customers

Strategic priorities	Our objectives for 2025/26	Our ambition for 2030	Our ambition for 2035
Knowing our customers	Make the necessary customer need data available to the right people at the right time, to enable services to be tailored where necessary.	All elements of our approach to understanding customers are clear and transparent.	Our customers trust us to listen to them, understand them, keep them safe and act on their needs.
Enhancing customer experience	Utilise customer voice data and demonstrate that we are listening and acting on feedback, focussing on speed, responsiveness and convenience for our customers across all products and channels.	Customer satisfaction is being improved by better speed, responsiveness and communication.	Our customers are delighted and tell others about their great experience.
Working with partners	Introduce further added value initiatives working with strategic partners, to address some of the challenges faced by our customers.	We have a robust partner engagement plan in place and partners help us to deliver our strategic aims.	Our partners see us as an anchor institution and partner of trust.

Key transformational activity to help us get there:	Key measures:
<b>Strategic programme 1</b> Deliver a single view of customers for Thirteen	Satisfaction with our services
<b>Strategic programme 2</b> Services designed around our customers	Customer net promoter score
	Total current tenant arrears
	Satisfaction with our ASB service
	Tenancy turnover
	Satisfaction with repairs service
	Empty homes loss
	Repairs completed within timescale (non-emergency)

## 2024/25 performance

Critical success KPIs – Happy customers	2026 Target	2025 Outturn	2025 Target
Satisfaction with our services (overall)	89.0%	90.0%	88.0%
Customer net promoter score	75	77	72
Total current tenant arrears (% of debit)	2.9%	2.6%	3.0%
Satisfaction with our ASB service (overall)	70.0%	67.9%	60.0%
Tenancy turnover	7.0%	6.9%	7.5%
Satisfaction with repairs service (overall)	90.0%	90.7%	89.0%
Empty homes loss (% of debit)	2.1%	2.6%	2.1%
Repairs completed within target timescale (non-emergency) (working days)	75.0%	62.4%	85.0%





# Looking to the future

## Foundation two – Fantastic homes

Strategic priorities	Our objectives for 2025/26	Our ambition for 2030	Our ambition for 2035
Investing in our homes	Develop the asset strategy and our progress with our whole house approach and overall asset strategy.	Our maintenance and investment plans deliver the greatest impact for customers.	We offer quality homes in safe places that impact positively on our customers' lives.
Developing for our customer needs	We have refreshed our development strategy to maximise opportunities from the new affordable homes programme.	We are building great quality homes and regenerating communities to meet their changing needs.	We have a reputation for enhancing the economic and social value of thriving local communities.
Growing the offer	We have a clear process in place to review opportunities and risk in the operating environment in relation to business growth.	We are actively targeting new growth hubs and executing our quality approach to growth.	We have a track record of growth and are regularly engaged in growth opportunities.
Looking after the environment	We have redefined and confirmed our definition of net zero and built this into our take control strategy, capacity has been agreed in the business plan.	Our sustainability strategy is delivering visible improvements for our business and customers.	We have an environmentally sustainable business.

Key transformational activity to help us get there:	Key measures:
<b>Strategic programme 3</b> Property 360 - understanding our homes <b>Strategic programme 4</b> Investing in properties and communities	New homes delivered % of homes at EPC C or above Satisfaction with the quality of new build homes % of spend on maintenance through investment vs reactive repairs

## 2024/25 performance

Critical success KPIs – Happy customers	2026 Target	2025 Outturn	2025 Target
New supply delivered	550	650	650
% of homes at EPC C or above	80.0	75.2%	75.0%
Satisfaction with the quality of new build homes	93.0%	92.0%	95.0%
% of spend on maintenance through investment vs reactive repairs	44%	43%	45%

## Foundation three – Brilliant people

Strategic priorities	Our objectives for 2025/26	Our ambition for 2030	Our ambition for 2035
Strong foundations	We are clear on our transformation plans for the next five years and have a clear financial plan and funding strategy. We have further enhanced the board's co-regulatory role to enable our ambitions. We have established our data and security standards and received external assurance.	We are seeing transformation to ensure we are in a strong position to deliver for customers and colleagues.	We are a well governed, innovative, secure and digitally enabled organisation with strong financials.
Our brilliant culture	We have continued to deliver the culture priority projects and this has resulted in improved colleague engagement and customer focus.	Our culture is embedded and showing tangible results for customer satisfaction.	Colleagues feel respected, appreciated and valued and our culture is delivering for our customers.
Right skills to deliver for our customers	We are clear on the roles and competencies required to deliver for our customers, and the training and investment required to achieve this.	Our strategic workforce plan is successful and people feel supported to be the best they can be.	We are known for investing in people to have the right skills to deliver for our customers.
Rewarding great people	Our employee offer is clear and embedded and outcomes from the recognition priority project have begun to be delivered.	Our approach to talent, succession, performance and reward motivates and empowers people.	Our people are all passionate ambassadors of Thirteen as a great place to work.
Inclusive workplace	We have agreed actions following analysis of colleague data in order to work towards a more diverse workforce.	Our organisation is a welcoming place to work where all colleagues feel valued and respected.	We are an inclusive organisation that successfully attracts and retains brilliant people.

Key transformational activity to help us get there:	Key measures:
<b>Strategic programme 5</b> Culture programme	Employee engagement score Average days lost to sickness per FTE Voluntary staff turnover EBITDA MRI interest cover Cash efficiencies delivered

## 2024/25 performance

Critical success KPIs – Brilliant people	2026 Target	2025 Outturn	2025 Target
Employee engagement score	TBC	11	18
Average days lost to sickness per FTE	11	12.7	11
Voluntary staff turnover	7.0%	7.4%	7.0%
EBITDA MRI interest cover	125.0%	159.4%	144.1%
Cash efficiencies delivered	3.0%	3.5%	3.0%



# Financing our priorities



The board approved an updated financial plan in May 2025 which confirmed we have the financial resources available to deliver our strategic objectives with total planned expenditure of £276m in the coming year. ”

**We are pleased that our financial resilience and capacity was confirmed with a V1 rating being issued by the RSH. The current economic environment continues to provide challenges to both our customers and the group, through inflationary pressures and both legislative and aspirational requirements to invest more in both our properties and our services.**

The V1 rating endorses our view that our financial plan provides a strong basis for delivery of our strategic and operational plans over the coming years, with the capacity and flexibility to address risks as they emerge.

The board approved an updated financial plan in May 2025 which confirmed we have the financial resources available to deliver our strategic objectives with total planned expenditure of £276m in the coming year. We will continue to invest in new properties, with a further 1,493 planned over the next five years to replace old, unsustainable housing stock, extend supply and choice for our customers, and support government and local authorities in delivery of housing targets.

The financial plan has been fully stress tested against lender covenants and golden rules, using a wide range of stress tests which reflect the sector risk profile. A mitigation action plan has been developed in consultation with the board which could be drawn upon to address emerging risks and ensure ongoing viability of the group.

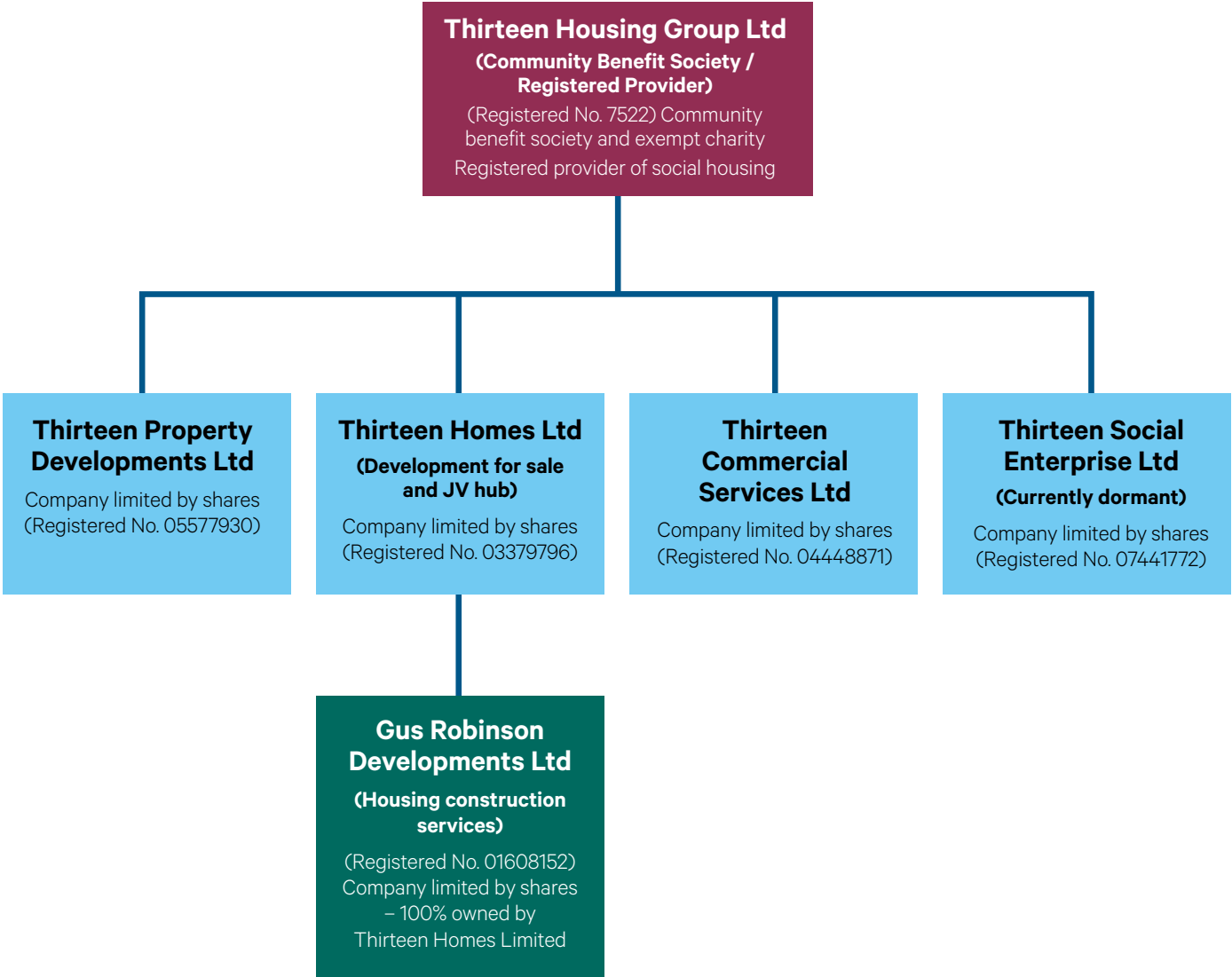
Whilst we are clear on what we want to deliver and have a robust financial plan to be able to deliver this, we recognise that we need to remain flexible and adapt the financial plan where necessary to react to any changes in customer needs, our operating environment and risk profile.





# Our governance arrangements

The group consists of a parent association with a number of subsidiary companies.



## Thirteen Housing Group Limited

Thirteen is a community benefit society registered with the Financial Conduct Authority and a social housing provider registered with the Regulator of Social Housing (RSH). Thirteen is the parent organisation and landlord of the group and owns all group assets. Its principal activities are managing social housing, developing affordable homes and providing housing-related support and employability services.

## Thirteen Commercial Services Limited

Thirteen Commercial Services is a private limited company registered at Companies House and is a wholly owned subsidiary of Thirteen. The main activities of Thirteen Commercial Services relate to lettings and management of commercial and non-social properties on behalf of Thirteen.

## Thirteen Homes Limited

Thirteen Homes is a private limited company registered at Companies House and a wholly owned subsidiary of Thirteen. Thirteen Homes is responsible for the delivery of new homes for sale.

## Thirteen Property Development Limited

Thirteen Property Development is a private limited company registered at Companies House and a wholly owned subsidiary of Thirteen. The company is responsible for contracting new home delivery for Thirteen.

## Thirteen Social Enterprises Limited

Thirteen Social Enterprises is a private limited company registered at Companies House. The company has been dormant throughout the year and remains dormant.

## Gus Robinson Developments Limited

Gus Robinson is a private limited company registered at Companies House. It is a subsidiary of Thirteen Homes, and it is intended to enter a Members' Voluntary Liquidation process during 2025/26. During the year, Gus Robinson Developments had a dormant subsidiary, Gus Robinson Homes, which was dissolved on 26 August 2025.

## The Thirteen Board

The Thirteen Board is committed to achieving the highest standards of corporate governance in its oversight of the delivery of Thirteen's strategic plan and priorities, risk management, values and ethics. During the financial year, we followed corporate governance best practice and complied with the NHF Code of Governance 2020.

A board of 11 non-executive directors and one executive director (the chief executive) currently governs the group, supported by five committees: Remuneration, Audit and Risk, Finance, Development and Investment, and Customer, with day-to-day management delegated to the executive team. The chairs of each of the five committees hold positions as non-executive directors on the Thirteen Board, with the balance made up of six independent non-executive directors, including the Chair of Thirteen. Thirteen Homes and Gus Robinson Developments (GRD) have one director each with oversight delegated to the Development and Investment Committee, reporting upwards to the board.

The chief executive becomes a board member at the start of employment.

All board directors within Thirteen Group have been appointed, with the support of an external consultant, to achieve a complementary blend of skills, experience and diversity to ensure that the board possesses the necessary competencies to carry out its duties. A board performance review programme and board induction, development and training support this. Non-executive board directors are appointed for a fixed term of six years, subject to an annual performance review and the ongoing requirement for their skills and experience, unless the board determines a different period before the appointment. Non-executive board directors appointed under this article retire at the end of their fixed term but may be reappointed by the board up to a maximum time of nine years if required.

The remuneration paid to non-executive directors of the group in the financial year was £174,988 (2024: £193,846). A breakdown of remuneration paid to each non-executive director is included in Note 10 to the financial statements.



# Our governance arrangements

## Committee structure

Each committee has dedicated terms of reference and delegated responsibility for specific functions to assure the board of internal control, risks, compliance, financial viability, investment, and employee relations.

### Audit and Risk Committee

Assures the board we comply with our statutory duties. Its role is to scrutinise self-assessments against regulatory and legal requirements and to monitor, review and challenge the group's strategic assurance framework, including external and internal auditor reports, compliance and risk management arrangements and controls. This, in turn provides assurance to the board that we comply with regulatory and legislative requirements and have an effective and adequate internal control system reflecting the group's nature, size and strategy.

### Finance Committee

Responsible for our financial health and effective long-term financial planning to support our strategic plan and priorities. Its role is to review, on behalf of the board, all decisions regarding lending and borrowing, scrutinise new lending instruments and arrangements, and generally monitor the performance of our loan portfolio.

### Development and Investment Committee

Responsible for considering and approving new business and commercial growth projects and opportunities, and monitoring spend and delivery of the investment programme.

### Remuneration Committee

Provides a formal and transparent mechanism for developing payments, remuneration, recruitment, talent and succession and performance review policies and arrangements for executives and board directors and overseeing our people responsibilities.

### Customer Committee

Has oversight of the performance delivery of all services that impact customers, including customer insight from consultation, complaints and satisfaction surveys, to ensure the voice of the customer is heard. The chair is a member of the board, and the committee consists of five customer members and one independent non-executive.

## Directors

### Executive directors

The executive directors are employed and can participate in the group's pension schemes on the same terms as other staff and hold no interest in Thirteen's shares. Remuneration is in line with our senior pay policy. They act as executives within the authority delegated by the board.

### Directors' indemnities

As permitted by the Articles of Association, the directors benefit from an indemnity, a qualifying third-party indemnity provision. The indemnity was in force throughout the last financial year and is currently in force. The group also purchased and maintained directors' and officers' liability insurance for itself and its directors throughout the financial year.





# Our governance arrangements

## Board and committee membership and attendance

Board	Board Attendance
Andrew Wilson	100%
Anthony Riley	75%
Barry Cummins (from September 2024)	100%
Catherine Wilburn	100%
Christopher Newton (to September 2024)	100%
Jane Earl (chair)	100%
Lee Ali	100%
Martha Shields (from September 2024)	100%
Matthew Forrest	100%
Richard Buckley (to June 2024)	100%
Robert Cuffe	100%
Rob Goward	100%
Salma Yasmeen	50%
Stuart Duthie (to October 2024)	100%

Finance Committee
Andrew Wilson (chair)
Gavin Jones (from March 2025)
Laura Donelly (from September 2024)
Nick Taylor (to January 2025)
Rachel Hayes (from March 2025)
Richard Buckley (to June 2024)
Vishnu Reddy (to March 2025)

Audit & Risk Committee
Jack Hunter (from March 2025)
Laura Donelly (from April 2025)
Lee Ali
Miriam Harte (to March 2025)
Robert Cuffe (chair)
Winsome Small

Customer Committee
Catherine Wilburn (chair)
Dawn Keogh
Gary Emerson (from April 2025)
Russell Jameson
Ryan Davies
Val Scollen
Winsome Small

Remuneration Committee
Caroline Moore (to January 2025)
Christopher Newton (to September 2024)
Gustavo Imhof
Lynn Bassett (from March 2025)
Rob Goward (chair)
Salma Yasmeen
Sarah Dewar (from March 2025)

Development and Investment Committee
Anthony Riley (chair)
Barry Cummins (from September 2024)
Laura Mack
Martha Shields (from September 2024)
Nick Taylor (to January 2025)



### Compliance

During 2024/25 the RSH confirmed our governance and financial viability grades at G1/V1. This judgement is the highest rating achievable and confirms a continuing culture of strong governance, financial viability and sound financial management arrangements. The RSH also undertook a review of our compliance with the Consumer Standards introduced in April 2024 and confirmed a C1 grade, concluding that we demonstrated a strong commitment to delivering quality services and safe homes for customers.

### NHF Merger Code

We have adopted the voluntary NHF Merger Code and comply with the principal recommendations within the code. During the year the board approved a Merger Strategy which outlines our approach, including our approach to seeking growth opportunities together with consideration of opportunities brought to us.

### Modern Slavery Act 2015

We are committed to understanding modern slavery risks and complying with our legal and statutory responsibilities. We have a statement of compliance with the Act's requirements, which details our actions to ensure that slavery and human trafficking do not exist in any part of the group or supply chain. The board reviews the statement annually and it is available on our website.



# Our operating environment and risk management

## Operating environment

The operating environment has continued to present challenges to the business, our customers, and partners. Whilst there have been no significant economic shocks during the year, geopolitical risks such as ongoing wars and the emerging trade tariffs are bringing uncertainty. The governor of the Bank of England has warned of “strong headwinds” that challenge the government’s ambitions for economic growth. The cost-of-living crisis continues and a cooling employment market, along with government reforms to illness and disability related benefits, is leaving many households in a precarious financial position.

- Child poverty figures show that 31% of children and young people are living below the poverty line in the UK. In parts of our operating area this figure is much higher, and it reaches 52% for Middlesbrough and Thornaby East.
- Annual CPI inflation was 2.6% in the 12 months to March 2025, which is much lower than previous years, but it continues to stay above the government’s 2% target. This continued above target inflation places constraints on both household and business budgets.
- In April 2025, the Bank of England (BoE) base rate was 4.5%. There were several rate cuts in late 2024, ending a period of rate increases since 2021. Falling interest rates will be good news for those looking to buy a home or remortgage.
- In the employment market, job vacancies have fallen and demand for workers is weakening as employment costs grow. There are however, some skills shortages in key sectors such as construction and care.

- In January 2025, the unemployment rate in the North East for those aged 16+ was 4.7%, which is 0.3% higher than the UK average. The North East’s employment rate for those aged 16-64 was 70.5%, which is 4.5% lower than the UK average and well below the government’s target of 80%.
- Economic inactivity for those aged 16-64 in the North East stands at 26.1% which is 4.6% higher than the UK average. The number of young people not in education, employment or training remains stubbornly high across the country and the North East has the highest rate across the regions.
- Housing markets proved resilient in 2024 and growth between 2-4% is predicted for 2025. The North East saw the second highest regional growth of 7.9% in the year to February 2025, closely followed by Yorkshire and the Humber at 7.5%. Whilst house prices remain lower than average across many of our operating areas, lower local incomes and deprivation mean there is a continued need for good quality affordable housing.
- Across the country incomes have not kept up with private rent increases and proposals in the government’s Renters’ Rights Bill have compounded these price increases, with some landlords leaving the market.
- In the North of England, the development land market remains stable and cautiously optimistic. While planning consents remain below historic levels and viability challenges persist – especially on brownfield sites – regional land values and demand fundamentals remain strong. Despite national economic uncertainty, long-term prospects for development in the north are positive.



Despite an unpredictable economic climate, there have been several developments that have presented opportunities for the group, our customers and partners.

- The Labour government has pledged to build 1.5 million homes over this Parliament, including a once in a generation boost to the supply of social housing. The 2024 Autumn Budget and subsequent Spring Statement saw government commit additional funding for housing development through extensions to the Affordable Homes Programme (AHP) ahead of the Comprehensive Spending Review (CSR).
- In June 2025 the CSR set a bold direction for housing, with affordable homes placed firmly at the heart of the government’s growth agenda with £39 billion capital grant confirmed for a new 10-year Affordable Homes Programme (AHP) starting 2026-27. As a Strategic Partner to Homes England, this funding will provide opportunities for the group.
- The CSR also set out a CPI+1% annual rent increase from April 2026 to 2036 for social housing providers, giving the group more certainty around forecasting its rental income. Rent convergence is also on the table with government due to consult on how below-formula social rents can rise gradually.
- The housing market in the region is performing well, providing reassurance around demand for new developments, and the opening of Homes England grant funding for regeneration projects continues to benefit some of our left behind communities.
- Investment in the regions continues and measures to give combined authorities more control over funding pots creates opportunities for the group to influence this.
- The continued focus on the sustainability agenda and the drive to meet net zero brings challenging targets but many opportunities to enhance how we develop homes, invest in assets and run our business.
- Increasing regulatory requirements brought in through Awaab’s Law and the planned Competence and Conduct Standard and Social Tenant Access to Information Requirements present opportunities for continued service improvement for customers.
- Government plans to ‘Get Britain Working’ through welfare reforms, employment support and youth employment trailblazers will support economically inactive customers and provide opportunities for the group to deliver this.
- The ongoing housing shortage means there will be a continued need for low-cost housing and accessible routes into home ownership.
- Ongoing support with the cost of living will be needed in the short term as recognised in the CSR announcements and commitment to a reworked Household Support Fund and additional funding for homelessness prevention and temporary accommodation. Our supported accommodation services will continue to be vital for many customers.



# Our operating environment and risk management

### Our risk management ethos

Thirteen’s strategic assurance framework ensures we are prepared for and able to respond to challenges and opportunities. It consolidates our approach to assurance and identifies the critical components of an effective assurance framework, which includes risk management, stress testing, internal controls, business continuity, internal audit, insurance and governance. The framework enables board and committee members, the leadership team and service directors to better understand, manage and review assurance arrangements, so the outcomes of assurance activity are used constructively to inform and support strategic decisions, improve controls and protect the business. A suite of monitoring arrangements, activities and reviews ensures decisions are based on intelligent risk management and appreciation of the impacts these decisions have on group priorities, customers and colleagues. The board ensures appropriate and effective assurance and risk management arrangements and delegates authority for specific elements to the Audit and Risk Committee.

### Strategic risk management

The board agrees on a set of strategic risks at least once a year, considering the risks that could threaten our ability to deliver our strategic ambitions and/or core business.

The board regularly reviews risk and risk appetite to ensure that the strategic risks reflect the external and operating environments and that the appetite for risk remains appropriate. In formulating its risk appetite, the board considers the outcomes of stress testing exercises that set financial and performance tolerances to protect the group. These are supported by a mitigation action plan identifying capacity and flexibility to manage the business in the event it

is compromised, as well as review processes that challenge arrangements beyond traditional control testing, such as ‘testing the brakes’ sessions that inform action plans and controls.

The board has delegated authority to the Audit and Risk Committee to scrutinise risk controls, mitigating actions, and reporting concerns. Each committee and subsidiary board is also responsible for considering the impact of its discussions and decisions on the strategic risks and escalating to the Thirteen Board where appropriate. Our strategic risks reflect a ‘three lines of defence’ approach to assurance, incorporating management controls and oversight; assurance and performance reporting, independently scrutinised by an appropriate body, board or committee; and external independent assessments, including internal and external audit and consultants’ reports.

Risk management is embedded across all projects and functions, and there are a set of key risk indicators and financial golden rules to act as early warning indicators to trigger appropriate responses.

The board and leadership team consider the following to be key strategic risks for Thirteen:

Risk		Risk appetite	Risk owner
1	Failure to deliver against customer expectations	Minimal	Group Chief Executive
2	Failure to keep customers and colleagues legal and safe (within health and safety regulatory requirements)	Averse	Group Chief Executive
3	Failure to respond effectively to growth opportunities (mergers etc)	Open	Chief Resources Officer
4	Failure to maintain a financially viable business	Cautious	Chief Resources Officer
5	Failure to manage a successful development programme	Open	Chief Investment and Property Officer
6	Failure to effectively manage our homes, buildings, and places of work	Averse	Group Chief Executive
7	Failure to manage regulatory expectations	Minimal	Chief Resources Officer
8	We are unable to maintain a culture that makes it possible to nurture, retain and attract colleagues	Cautious	Chief Resources Officer
9	Inaccurate or insufficient data leads to poor decision making and/or service provision.	Minimal	Chief Information and Technology Officer
10	Our IT infrastructure and controls make us susceptible to cyber-attacks and / or system failures	Averse	Chief Information and Technology Officer



# Our operating environment and risk management

The Audit and Risk Committee has summarised its work during 2024/25 and, supported by the annual reports from our internal and external auditors, has evidenced to the board that an appropriate assurance and control framework is in place.

## Service risk management

Strategic risks are supported by operational risk registers for all key service areas and are owned and reviewed by service directors. Mitigating controls and progress on actions are monitored quarterly and reported to Audit and Risk Committee by exception.

## Internal controls assurance

The Thirteen Board acknowledges its overall responsibility for establishing and maintaining a comprehensive internal control and risk management system and reviewing its effectiveness. The board is committed to ensuring Thirteen adheres to the Governance and Financial Viability Standard and associated code of practice including all relevant laws.

The Audit and Risk Committee is responsible to the board for monitoring these arrangements and reporting on their effectiveness:

- Strategic and service risk reporting and monitoring.
- Causes for concern, exceptional event and risk event reporting - reports to the leadership team and Audit and Risk Committee, including fraud, whistleblowing and control failures, defence against regulatory sanctions and learning tools to ensure implementation of improvements or additional controls to prevent a recurrence.
- Stress testing, testing the brakes and business planning arrangements.

- Business continuity plans (managing a major crisis), disaster recovery plans (loss of IT services) and local resilience arrangements (managing localised crisis issues), and systems of prevention and recovery to deal with potential threats to the business and ensure the continuation of services.
- Insurance arrangements, including providing financial protection against loss and meeting legal obligations.
- Assurance framework update and assurance monitoring reports to reflect changes in the assurance operating environment and regulatory landscape, including the sector risk profile and regulatory downgrades, and provide oversight of assurance matters.
- Transparency reporting to provide an overview of probity arrangements and related matters, including the declaration of interests, gifts and hospitality, letting of property and exceptions to standing orders.
- Health and safety oversight, including policy, training, audit and monitoring arrangements and property compliance.

## Management controls

Management controls are regularly reviewed and tested via internal assurance monitoring and independent assessment. All findings are implemented to agreed timescales and where appropriate, tested. Management controls are in established documents, including the strategic assurance framework, standing orders, policies and supporting procedures, and are monitored via KPIs, board reporting requirements, budget monitoring and the assurance framework.

## Independent assessment

Thirteen receives independent scrutiny, review and assurance from a variety of sources, including the following:

- Internal audit arrangements - providing independent assurance that our risk management, governance and internal control processes are operating effectively.
- External audit arrangements - independent validation of annual accounts and compliance with accounting standards.
- Regulator of Social Housing - audits, including regulatory inspections and annual stability reviews.
- Other regulatory bodies, including ombudsman, HSE, environmental health, Building Safety Regulator - outcomes, opinions, recommended actions and enforcement requirements received as a result of audits, reports and referrals.
- Peer comparisons - allow for appropriate benchmarking and learning from other organisations and 'best in the field'.
- Independent reports and audits - assess our status and provide specialist advice and alternative insight into topics and best practice. Boards and committees can request independent advice on any topic at any time.

- Customer co-regulation and involvement framework - ensuring the customer voice is heard, engagement with customers in the operation of the business and assessment of compliance with the consumer standards.

The board has reviewed the effectiveness of its internal control systems, including risk management, for the year to 31 March 2025 and up to the date of signing these financial statements. It has not identified any weaknesses sufficient to cause material misstatement or loss, which requires disclosure in the financial statements.

The Audit and Risk Committee has agreed to a protocol with the independent auditors, setting out policies for determining the non-audit work that independent auditors and procedures can undertake for periodic review, and selection of independent auditors. The level of fees paid for their work is set out in Note 5 to the financial statements. The Audit and Risk Committee annually evaluates the performance of internal auditors.





# Our operating environment and risk management

### Management of financial risks

The group uses various financial instruments, including loans and cash, and other items such as rent arrears and trade creditors that arise directly from operations. The main risks are exchange rate risk, interest rate risk, liquidity risk, counterparty risk, and refinancing risk. The board reviews and agrees to policies for managing each risk and monitors these areas as part of stress testing arrangements, summarised below.

#### Exchange rate risk

We borrow and lend only in sterling, so we are not directly exposed to exchange rate risk. Our Private Placement investors hold currency swaps in relation to a portion of this funding. We would be exposed to their exchange rate risk in the form of break costs if we chose to repay this funding but as this is not our intention, indirect exchange rate risk is negligible.

#### Interest rate risk

The group finances operations through a mixture of retained surpluses, bank borrowings and capital market debt. Exposure to interest fluctuations is managed using both fixed and variable rate facilities, with a minimum of 70% required to be fixed as per the treasury policy.

#### Liquidity risk

The group manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs through financial planning and cash flow forecasting and invests cash assets safely and profitably. Operational liquidity must cover one month's forecast expenditure, and capital funding liquidity must cover 24 months' net cash flow.

#### Counterparty risk

Group treasury policy requires investing and borrowing counterparties to reach a minimum standard based on credit reference rating agency ratings. Counterparty limits also operate at £15m for bank deposits or £30m for money market funds.

#### Refinancing risk

The group ensures that the maturity profile of borrowings is structured to ensure that refinancing or renewal terms are as competitive as possible given prevailing market conditions. The treasury policy requires that no more than 25% mature in the next year and no more than 50% of borrowings will mature in the next five years.



### Golden rules

The board's financial risk appetite is linked to the strategic risks and managed through a set of golden rules which identify acceptable tolerance levels for nine financial measures:

Golden rules		Golden rule	2025 achieved
1	Minimum cash equivalent	£15m	£20.1m
2	Liquidity balance	£103.8m	£216.7m
3	Liquidity %	24 months	42 months
4	Intragroup on-lending	£25m	£21.7m
5	EBITDA MRI interest cover <sup>(1)</sup>	125%	159%
6	EBITDA interest cover	240%	375%
7	Gearing <sup>(1)</sup>	40%	26%
8	Asset cover	200%	365%
9	Sales risk	15%	8%
10	Contractor exposure	£22.5m	£20.3m

(1) Gearing and interest cover calculations for golden rules and loan covenant purposes differ from those used for the Vfm metrics.



# Consumer regulation and tenant safety

“We publish the results of our TSMs annually and share perception measures with customers each quarter as part of our commitment to transparency and so our customers can understand how we are performing and our areas of focus.”

**Alongside the sector at large, we are working to meet the increased expectations of the consumer regulations introduced in April 2024.**

Whilst the approach to this new regulatory environment is developing, we have reviewed policies, processes and the data we hold to support us in evidencing our approach, identifying any changes required to inform ongoing service improvements and embedding this in our ways of working going forward. During the year, in support of this work we have:

- continued to develop and monitor our approach and commitment to the Charter for Social Housing Residents
- worked with our involved customers, recognising they add value and insight to our approach to service delivery and to ensure we include appropriate representation of our geographical presence in strategic decision making
- actively engaged with our customers in developing service standards, ensuring the standards reflect what is important to them and what they expect from Thirteen, and reviewing our compliance against consumer standards
- supported our Customer Committee to monitor the impact of the group’s performance on customers and ensure great customer experience and delivery of positive outcomes, with a focus on health and safety

Tenant Satisfaction Measures (TSMs) are part of the regulatory framework, and we continue to work to better understand the data we rely on to ensure it provides an accurate representation of our services and our customers’ experiences to inform future decision making.

We publish the results of our TSMs annually and share perception measures with customers each quarter as part of our commitment to transparency and so our customers can understand how we are performing and our areas of focus.

As part of the introduction of the Building Safety Act 2024 there are new requirements placed on landlords to provide information to residents in high-rise residential buildings about the homes they live in. We are committed to providing well managed and safe homes to all our customers, so, in partnership with our involved customers we have produced bespoke building safety customer engagement strategies for each of our high-rise blocks. These strategies detail our approach to building safety and provide



our customers with important information about the buildings they live in, our resident engagement offer, key contact information and the respective responsibilities of both Thirteen and the resident.

To address our customers’ concerns regarding damp and mould we have implemented revised arrangements to ensure we are able to respond in a timely manner and keep customers informed of progress. We are currently working to understand how we meet the potential enhanced expectations of Awaab’s Law and have implemented a pilot programme to ensure are

prepared for when it comes into force on 27 October 2025.

We have continued to invest in and develop our specialist team of experts in building safety and have further developed and enhanced our customer engagement initiatives, ensuring that customers always have a voice and that they understand how to keep themselves and their homes safe.



# Going concern

**The board has considered the impact of the delivery of the strategic priorities, development and investment plans, as well as the subsidiary business plans, as part of its assessment and approval of the latest group financial plan in May 2025.**

These considerations include rigorous stress testing and multi-variant scenarios which are deemed to be a key risk to lender covenant compliance. Lender compliance is maintained throughout the plan's life, demonstrating the financial plan's resilience and confirming the group's future viability. At year-end, the group held £20.1m cash balances and had £196.6m undrawn facilities with funders.

On this basis, the board has reasonable expectations that we have adequate financial resources to continue in operational existence for the foreseeable future, a period of at least twelve months from the date of approving these financial statements, and the ability to manage its financial risks adequately. The group, therefore, continues to adopt the going concern basis in the financial statements.

As required as a registered housing provider, the financial plan has been shared with the Regulator of Social Housing.

# Statement of board's responsibilities

**The board is responsible for preparing the annual report and financial statements in accordance with applicable laws and regulations.**

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the registered housing provider and of the surplus or deficit for that period. In preparing these financial statements, the board is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Assess the RSL's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern.
- Use the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The board is responsible for keeping proper accounting records that are sufficient to show and explain the RSL's transactions and disclose with reasonable accuracy at any time the financial position of the RSL and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and Regulations thereunder the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England 2022.

It is also responsible for safeguarding the assets of the RSL and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board is responsible for the maintenance and integrity of the society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Independent auditor**

KPMG LLP was appointed independent auditor for Thirteen Housing Group Limited on 2 March 2022.

This report was approved by the board of Thirteen Housing Group Limited on 18 September 2025 and signed by order of the Board by:

**Jane Earl**  
Chair of Thirteen Housing Group



# Independent auditor’s report to members of Thirteen Housing Group Limited

### Opinion

We have audited the financial statements of Thirteen Housing Group Limited (“the Association”) for the year ended 31 March 2025 which comprise the Group and the Association’s Statements of Comprehensive Income, Group and Association Statements of Changes in Reserves, Group and Association Statements of Financial Position, Group Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Group and the Association as at 31 March 2025 and of the income and expenditure of the Group and the Association for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

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

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

Our conclusions based on this work:

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

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

### Fraud and breaches of laws and regulations – ability to detect

#### *Identifying and responding to risks of material misstatement due to fraud*

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

- Enquiring of directors, the Audit and Risk Committee, internal audit and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit and Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group auditor to component auditors of relevant fraud risks identified at the Group level and requesting component auditors performing procedures at the component level to report to the Group auditor any identified fraud risk factors or identified or suspected instances of fraud.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related

to revenue recognition because of limited perceived pressure and opportunity from non-listed status, performance not based on year-on-year growth and simplicity of revenue transactions and sources.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals containing unusual cash, revenue and borrowing combinations, those posted by senior finance management, those posted and approved by the same user and journals containing key words.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

#### *Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

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

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



# Independent auditor’s report to members of Thirteen Housing Group Limited

The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative and community benefit societies regulation), pension legislation, specific disclosures required by housing legislation and requirements imposed by the Regulator of Social Housing and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, compliance with housing regulation and legislation recognising the nature of the Group’s activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

**Other information**

The Association’s Board is responsible for the other information, which comprises Strategic Report and information included in the Annual Report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

**Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

**Board’s responsibilities**

As explained more fully in their statement set out on page 81, the Association’s Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 it either intends to liquidate the Group or the Association or to cease operations, or has no realistic alternative but to do so.

**Auditor’s responsibilities**

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

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

A fuller description of our responsibilities is provided on the FRC’s website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

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

This report is made solely to the Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association, for our audit work, for this report, or for the opinions we have formed.

**Richard Lee for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
1 St Peter’s Square  
Manchester  
M2 3AE

26 September 2025



# Group and Association Statements of Comprehensive Income

For the year ended 31 March 2025

	Note	Group		Association	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
<b>Turnover</b>	3	230,428	207,305	228,874	202,669
Cost of sales	3	(18,514)	(14,190)	(17,408)	(9,512)
Operating expenditure	3	(166,931)	(149,980)	(166,197)	(151,556)
Gain on disposal of fixed assets	6	2076	1,788	2,076	1,750
<b>Operating surplus</b>	5	47,059	44,923	47,345	43,351
Reversal of impairment/(impairment) of loans receivable		-	-	(1,109)	209
Change in valuation of investment properties	14	999	(2,172)	999	(2,172)
Interest receivable	7	4,444	3,167	4,746	3,917
Interest payable and similar charges	8	(18,362)	(16,898)	(18,362)	(16,898)
Gift Aid		-	-	-	32
<b>Surplus on ordinary activities before taxation</b>		34,140	29,020	33,619	28,439
Tax on surplus on ordinary activities	11	-	-	-	-
<b>Surplus for the year</b>		34,140	29,020	33,619	28,439
Actuarial (loss) in respect of pension schemes	26	(5,402)	(4,456)	(5,402)	(4,456)
<b>Total comprehensive income for the year</b>		<b>28,738</b>	<b>24,564</b>	<b>28,217</b>	<b>23,983</b>

The results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

The financial statements on pages 86 to 128 were approved and authorised for issue by the board of directors on 18 September 2025 and signed on its behalf by:

<b>Jane Earl</b> Chair	<b>Matt Forrest</b> Group Chief Executive	<b>Jane Castor</b> Secretary
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# Group and Association Statements of Changes in Reserves

For the year ended 31 March 2025

## Group

	Income and Expenditure Reserve £'000	Restricted Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
As at 1 April 2023	528,186	438	258,005	786,629
Surplus for the year	29,020	-	-	29,020
Other comprehensive expense	(4,456)	-	-	(4,456)
Transfer with the revaluation reserve	2,989	-	(2,989)	-
Reverse previous revaluation	-	-	(213)	(213)
As at 31 March 2024	555,739	438	254,803	810,980
Surplus for the year	34,140	-	-	34,140
Write-off restricted reserve	3	(3)	-	-
Other comprehensive expense	(5,402)	-	-	(5,402)
Transfer with the revaluation reserve	3,160	-	(3,160)	-
Reverse previous revaluation	-	-	(905)	(905)
As at 31 March 2025	587,640	435	250,738	838,813

## Association

	Income and Expenditure Reserve £'000	Restricted Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
As at 1 April 2023	527,697	438	258,325	786,460
Surplus for the year	28,439	-	-	28,439
Other comprehensive expense	(4,456)	-	-	(4,456)
Transfer with the revaluation reserve	2,989	-	(2,989)	-
Reverse previous revaluation	-	-	(213)	(213)
As at 31 March 2024	554,669	438	255,123	810,230
Surplus for the year	33,616	-	-	33,616
Write-off restricted reserve	3	(3)	-	-
Other comprehensive expense	(5,402)	-	-	(5,402)
Transfer with the revaluation reserve	3,160	-	(3,160)	-
Reverse previous revaluation	-	-	(905)	(905)
As at 31 March 2025	586,046	435	251,058	837,539

The revaluation reserve relates entirely to the revaluation of housing properties. Restricted reserves are made up of unexpended grants and donations to be applied for specific purposes.

The accompanying notes form part of these financial statements.



# Group and Association Statements of Financial Position

At 31 March 2025

	Note	Group		Association	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible fixed assets	12,13	1,514,298	1,386,687	1,514,298	1,386,687
Investment properties	14	10,007	9,006	10,007	9,006
Homebuy loans receivable	15	465	770	465	770
Investments in subsidiaries	16	-	-	50	50
Total fixed assets		<u>1,524,770</u>	<u>1,396,463</u>	<u>1,524,820</u>	<u>1,396,513</u>
<b>Current assets</b>					
Stock	17	10,109	11,227	8,135	9,733
Trade and other debtors	18	30,435	31,194	32,209	31,083
Cash and cash equivalents	19	20,123	124,764	19,224	124,282
		<u>60,667</u>	<u>167,185</u>	<u>59,568</u>	<u>165,098</u>
<b>Creditors: amounts falling due within one year</b>	20	(140,498)	(102,191)	(140,723)	(100,904)
<b>Net current (liabilities)/assets</b>		<u>(79,831)</u>	<u>64,994</u>	<u>(81,155)</u>	<u>64,194</u>
<b>Total assets less current liabilities</b>		<u>1,444,939</u>	<u>1,461,457</u>	<u>1,443,665</u>	<u>1,460,707</u>
<b>Creditors: amounts falling due after more than one year</b>	21	(606,048)	(650,477)	(606,048)	(650,477)
<b>Provisions for liabilities</b>					
Defined benefit pension liability	26	(78)	-	(78)	-
<b>Total net assets</b>		<u><b>838,813</b></u>	<u><b>810,980</b></u>	<u><b>837,539</b></u>	<u><b>810,230</b></u>
<b>Reserves</b>					
Income and expenditure reserve		587,640	555,739	586,046	554,669
Revaluation reserve		250,738	254,803	251,058	255,123
Restricted reserve		435	438	435	438
<b>Total Reserves</b>		<u><b>838,813</b></u>	<u><b>810,980</b></u>	<u><b>837,539</b></u>	<u><b>810,230</b></u>

The accompanying notes form part of these financial statements.

The financial statements on pages 86 to 128 were approved and authorised for issue by the board of directors on 18 September 2025 and signed on its behalf by:

Jane Earl  
Chair

Matt Forrest  
Group Chief Executive

Jane Castor  
Secretary

# Group Statement of Cash Flows

For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
<b>Net cash generated from operating activities</b>	29	<u>73,884</u>	<u>65,331</u>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		(176,884)	(172,387)
Proceeds from sale of tangible fixed assets		23,853	19,975
Loans repaid by homeowners		12	30
Grants received		62,093	24,556
Interest received	7	<u>1,555</u>	<u>1,348</u>
		<u>(89,371)</u>	<u>(126,478)</u>
<b>Cash flow from financing activities</b>			
Interest paid		(18,362)	(16,898)
New secured loans		27,700	166,000
Repayments of borrowings		(98,492)	(12,165)
AHGS balance receivable		-	(2,365)
		<u>(89,154)</u>	<u>134,572</u>
<b>Net change in cash and cash equivalents</b>		<u><b>(104,641)</b></u>	<u><b>73,425</b></u>
Cash and cash equivalents at beginning of the year		<u>124,764</u>	<u>51,339</u>
<b>Cash and cash equivalents at end of the year</b>		<u><b>20,123</b></u>	<u><b>124,764</b></u>

The accompanying notes form part of these financial statements.



# Notes to the financial statements

## 1. Statement of compliance

Thirteen Housing Group Limited is a housing association. It is registered as a community benefit society under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing.

## 2. Accounting policies

### Basis of preparation

The financial statements of the group and association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102, the Financial Reporting Standard applicable in the UK and Ireland (FRS 102) and the Housing SORP 2018: statement of recommended practice for registered social housing providers (“SORP”), and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The association is a public benefit entity, as defined by FRS 102.

The financial statements are presented in thousands sterling (£’000) to the nearest thousand, except where stated otherwise.

The following the exemptions have been applied to the individual accounts:

- presentation of a statement of cash flows and related notes; and
- presentation of financial instruments disclosures.

The following companies have taken the advantage of the exemption from audit under Section 479A of the Companies Act 2006. Accordingly, as the ultimate parent undertaking, Thirteen Housing Group has consented to the exemption and in accordance with Section 479C of the Companies Act 2006, has guaranteed all outstanding liabilities of the following companies as at 31 March 2025 until they are satisfied in full:

Company	Company Number
Thirteen Property Development Limited	5577930
Thirteen Commercial Services Limited	4448871

### Measurement convention

The financial statements are prepared on the historical cost basis, except for investment properties which are held at fair value through the income and expenditure and financial instruments that must be held at fair value through the income and expenditure.

### Going concern

The financial statements have been prepared on a going concern basis, which the board considers to be appropriate for the following reasons.

A going concern assessment has been completed and approved by the leadership team. The assessment is based on the 30-year financial plan, which is projected from the current financial position and incorporates committed and budgeted expenditure over the next 12 months, alongside future business plans, including growth and investment.

The plan is subject to several assumptions and subjective judgements including availability and continuance of loan finance, adverse cost inflation, interest rate increases, increases in void loss and arrears, and contractor risk. Rigorous stress testing is undertaken to assess whether the group can meet its financial obligations and comply with its loan covenants under adverse scenarios including:

- “Black swan event” – a crisis scenario combining economic, environmental, geopolitical and reputational risks
- higher insurance and compensation claims
- high rise decommissioning and fire safety risks
- cyber-attack
- increasing property maintenance costs
- higher than forecast decarbonisation costs
- divestment of homes
- reduction in security values

The going concern assessment demonstrates that under such adverse conditions the plan provides sufficient liquidity to continue operations, service debt facilities, and comply with lenders’ covenants.

Consequently, the board is confident that the group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

### Basis of consolidation

The financial statements consolidate the financial statements of Thirteen Housing Group and its subsidiaries. Subsidiaries are consolidated from the date of their acquisition, being the date on which the group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Intra-group transactions, balances, and unrealised surpluses on transactions between group entities, are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements of the parent association. A list of subsidiaries is provided in Note 16.

### Significant judgements and estimates

The following are the significant management judgements and estimates that have been made when applying the accounting policies of the group and association.

#### *Investment property classifications and valuation*

Management has assessed that all properties, except those let at market rent, are held primarily for their social benefit and as such have been classified as property, plant and equipment. Market rent properties are classified as investment properties and are held at fair value. Investment properties are valued by a qualified, external valuers at least every three years.

#### *Impairment assessment*

Indicators of impairment are considered annually for cash-generating units and the recoverable amount assessed if an indicator exists.

Management must apply judgement in determining the level of cash-generating units and consider size, tenure and geographical location when doing so. Management must estimate the recoverable amount for cash-generating units with indicators of impairment and apply the principles of the SORP, using the depreciated replacement cost method for estimating value in use for properties held for social benefit.

#### *Property components and lives*

Management considers the assigned lives of assets and individual components annually. The useful lives were determined from historic asset replacement profiles and by benchmarking against similar organisations. The useful lives assigned are disclosed in Note 12.

#### *Financial instrument classifications*

Management has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments as permitted by FRS 102. The standard requires management to apply judgement when classifying financial instruments.

#### *Recoverability of housing properties for sale*

Properties for sale are stated at the lower of cost and estimated selling price less costs to sell, this estimate being based on current market values.

#### *Recoverability of rental arrears*

The recoverability of each customer’s rent arrears is estimated based on their payment history over the preceding year.

#### *Defined benefit pension scheme obligations*

The pension liability and service cost recognised within the financial statements is based on a number of underlying assumptions. These include inflation, mortality rates, salary changes, interest and investment rates and discount factors. Management utilises pension actuarial experts to help determine the appropriate assumptions and calculations to apply. The key assumptions are presented in Note 26.



# Notes to the financial statements

### Turnover

Turnover comprises rent and service charge income (net of void losses); proceeds from the sale of first tranche sales of low-cost home ownership and properties built for outright sale; grants and contract income; and income from the sale of goods and rendering of services, which includes construction contracts. Turnover also includes amortisation of deferred Social Housing Grant (“SHG”), which is recognised in the income and expenditure account under the accrual model.

Rent and service charge income (net of void losses) is recognised from the date the property is first let. Income is raised weekly in advance in the housing management system and so adjustment is made in the financial statements to recognise only income related to the financial year.

Grants and contract income is recognised when it is entitled to be received under the terms of the contract. Where contracts include an element that is subject to certain conditions being satisfied (e.g. “payment by results”) this element is recognised once it has been verified that those conditions have been met.

Income from the sale of properties is recognised at the point of legal completion of the sale.

Income from the sale of other goods and rendering of services is recognised in the period in which the services are provided and, in the case of construction contracts, in accordance with the stage of completion of the contract.

### Value added tax (VAT)

The majority of the group’s supplies are exempt from VAT. Input VAT is recovered where a taxable supply is made, and output VAT is charged. Non-recoverable input VAT in relation to non-taxable supplies is expensed to the Statement of Comprehensive Income.

Thirteen has a partial exemption arrangement and has entered VAT shelter arrangements with local authorities to recover VAT on improvement works to certain properties. The VAT recovered through these arrangements is credited to operating costs.

### Interests in joint ventures

The association has contractual agreements with other participants to engage in joint activities that do not create an entity carrying on trade or business of its own. The association accounts for its own share of assets, liabilities and cash flows in such joint arrangements, measured in accordance with the terms of the arrangement.

### Reserves

The group establishes restricted reserves for funds that are subject to external restrictions and must be applied for specific purposes. The reserve comprises unexpended grants.

The revaluation reserve comprises the difference between the deemed cost of housing properties and the carrying value on transition to FRS 102. The difference in depreciation on the deemed cost and historic cost is credited to the revenue reserve annually.

Further accounting policies are presented with the relevant note.

## 3. Particulars of turnover, cost of sales, operating expenditure and operating surplus

### Group - continuing activities

	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Gain on disposal of assets £'000	2025 Operating surplus/ (deficit) £'000
<b>Social housing lettings</b>	199,463	-	(153,609)	-	<b>45,854</b>
<b>Other social housing activities</b>					
First tranche low-cost home ownership sales	18,202	(17,408)	-	-	<b>794</b>
Supporting people contract income	1,353	-	(1,920)	-	<b>(567)</b>
Charges for support services	462	-	(406)	-	<b>56</b>
Revenue grants from local authorities and other agencies	3,135	-	(2,779)	-	<b>356</b>
Development costs not capitalised	-	-	(401)	-	<b>(401)</b>
Community / neighbourhood services	3	-	(2,504)	-	<b>(2,501)</b>
Management services	460	-	(186)	-	<b>274</b>
Other	1,044	-	(214)	-	<b>830</b>
	<u>24,659</u>	<u>(17,408)</u>	<u>(8,410)</u>	<u>-</u>	<u><b>(1,159)</b></u>
<b>Activities other than social housing</b>					
Properties developed for outright sale	680	(1,411)	-	-	<b>(731)</b>
Commercial building and construction	(40)	305	-	-	<b>265</b>
Student accommodation	577	-	(427)	-	<b>150</b>
Market rent	215	-	(68)	-	<b>147</b>
Commercial units	657	-	(400)	-	<b>257</b>
Garages	800	-	(691)	-	<b>109</b>
Management services	681	-	(606)	-	<b>75</b>
Other	2,736	-	(2,780)	16	<b>(28)</b>
Impairment of work in progress	-	-	(652)	-	<b>(652)</b>
Release of impairment of work in progress	-	-	712	-	<b>712</b>
Right to Buy, Right to Acquire and staircasing sales	-	-	-	2,060	<b>2,060</b>
	<u>6,306</u>	<u>(1,106)</u>	<u>(4,912)</u>	<u>2,076</u>	<u><b>2,364</b></u>
<b>Total</b>	<u><b>230,428</b></u>	<u><b>(18,514)</b></u>	<u><b>(166,931)</b></u>	<u><b>2,076</b></u>	<u><b>47,059</b></u>



# Notes to the financial statements

## 3. Particulars of turnover, cost of sales, operating expenditure and operating surplus (continued)

### Group - continuing activities

	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Gain on disposal of assets £'000	2024 Operating surplus/ (deficit) £'000
<b>Social housing lettings</b>	183,030	-	(139,250)	-	43,780
<b>Other social housing activities</b>					
First tranche low-cost home ownership sales	10,157	(9,512)	-	-	645
Supporting people contract income	1,169	-	(1,610)	-	(441)
Charges for support services	504	-	(694)	-	(190)
Revenue grants from local authorities and other agencies	3,895	-	(5,363)	-	(1,468)
Development costs not capitalised	-	-	(230)	-	(230)
Community / neighbourhood services	2	-	(1,141)	-	(1,139)
Management services	463	-	(169)	-	294
Other	770	-	(152)	-	618
	<u>16,960</u>	<u>(9,512)</u>	<u>(9,359)</u>	<u>-</u>	<u>(1,911)</u>
<b>Activities other than social housing</b>					
Properties developed for outright sale	431	(473)	-	-	(42)
Sale of land	3,206	(2,316)	-	-	890
Commercial building and construction	(63)	(1,889)	-	(17)	(1,969)
Student accommodation	516	-	(302)	-	214
Market rent	198	-	(101)	-	97
Commercial units	689	-	(632)	-	57
Garages	770	-	(568)	-	202
Management services	701	-	(521)	-	180
Other	867	-	(1,901)	-	(1,034)
Impairment of work in progress	-	-	2,654	-	2,654
Right to Buy, Right to Acquire and staircasing sales	-	-	-	1,805	1,805
	<u>7,315</u>	<u>(4,678)</u>	<u>(1,371)</u>	<u>1,788</u>	<u>3,054</u>
<b>Total</b>	<u>207,305</u>	<u>(14,190)</u>	<u>(149,980)</u>	<u>1,788</u>	<u>44,923</u>

## 3. Particulars of turnover, cost of sales, operating expenditure and operating surplus (continued)

### Association - continuing activities

	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Gain on disposal of assets £'000	2025 Operating surplus/ (deficit) £'000
<b>Social housing lettings</b>	199,463	-	(153,564)	-	45,899
<b>Other social housing activities</b>					
First tranche low-cost home ownership sales	18,202	(17,408)	-	-	794
Supporting people contract income	1,353	-	(2,043)	-	(690)
Charges for support services	462	-	(397)	-	65
Revenue grants from local authorities and other agencies	3,135	-	(2,693)	-	442
Development costs not capitalised	-	-	(384)	-	(384)
Community / neighbourhood services	3	-	(2,504)	-	(2,501)
Management services	460	-	(186)	-	274
Other	1,044	-	(214)	-	830
	<u>24,659</u>	<u>(17,408)</u>	<u>(8,421)</u>	<u>-</u>	<u>(1,170)</u>
<b>Activities other than social housing</b>					
Market rent	215	-	(93)	-	122
Commercial units	657	-	(443)	-	214
Garages	800	-	(691)	-	109
Management services	337	-	(584)	-	(247)
Other	2,743	-	(2,401)	16	358
Right to Buy, Right to Acquire and staircasing sales	-	-	-	2,060	2,060
	<u>4,752</u>	<u>-</u>	<u>(4,212)</u>	<u>2,076</u>	<u>2,616</u>
<b>Total</b>	<u>228,874</u>	<u>(17,408)</u>	<u>(166,197)</u>	<u>2,076</u>	<u>47,345</u>



# Notes to the financial statements

## 3. Particulars of turnover, cost of sales, operating expenditure and operating surplus (continued)

### Association - continuing activities

	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Gain on disposal of assets £'000	2024 Operating surplus/ (deficit) £'000
<b>Social housing lettings</b>	183,030	-	(139,226)	-	43,804
<b>Other social housing activities</b>					
First tranche low-cost home ownership sales	10,157	(9,512)	-	-	645
Supporting people contract income	1,169	-	(1,617)	-	(448)
Charges for support services	504	-	(697)	-	(193)
Revenue grants from local authorities and other agencies	3,895	-	(5,385)	-	(1,490)
Development costs not capitalised	-	-	(147)	-	(147)
Community / neighbourhood services	2	-	(1,141)	-	(1,139)
Management services	466	-	(169)	-	297
Other	766	-	(152)	-	614
	<u>16,959</u>	<u>(9,512)</u>	<u>(9,308)</u>	<u>-</u>	<u>(1,861)</u>
<b>Activities other than social housing</b>					
Market rent	198	-	(110)	-	88
Commercial units	689	-	(640)	-	49
Garages	770	-	(568)	-	202
Management services	364	-	(494)	-	(130)
Other	659	-	(1,210)	-	(551)
Right to Buy, Right to Acquire and staircasing sales	-	-	-	1,750	1,750
	<u>2,680</u>	<u>-</u>	<u>(3,022)</u>	<u>1,750</u>	<u>1,408</u>
<b>Total</b>	<u>202,669</u>	<u>(9,512)</u>	<u>(151,556)</u>	<u>1,750</u>	<u>43,351</u>

## 3. Particulars of turnover, cost of sales, operating expenditure and operating surplus (continued)

### Particulars of income and expenditure from social housing lettings

Group	General needs housing £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	2025 Total £'000	2024 Total £'000
Rent receivable net of identifiable service charges	165,887	17,728	5,063	<b>188,678</b>	173,192
Service charge income	3,704	4,312	453	<b>8,469</b>	8,348
Amortised government grants	1,606	240	249	<b>2,095</b>	1,490
Income from leaseholders	162	-	-	<b>162</b>	-
Energy Company Obligation Scheme income	51	5	3	<b>59</b>	-
<b>Turnover from social housing lettings</b>	<u>171,410</u>	<u>22,285</u>	<u>5,768</u>	<u><b>199,463</b></u>	<u>183,030</u>
Management	(26,866)	(5,843)	(1,582)	<b>(34,291)</b>	(27,162)
Service charge costs	(10,062)	(5,283)	(287)	<b>(15,632)</b>	(16,047)
Routine maintenance	(42,342)	(4,464)	(596)	<b>(47,402)</b>	(45,921)
Planned maintenance	(6,001)	(930)	(93)	<b>(7,024)</b>	(6,729)
Major repairs expenditure	(14,682)	(1,483)	(774)	<b>(16,939)</b>	(14,157)
Bad debts	(2,364)	(161)	(95)	<b>(2,620)</b>	(2,403)
Depreciation of housing properties	(24,845)	(2,507)	(1,309)	<b>(28,661)</b>	(27,184)
Impairment of housing properties	(901)	(91)	(48)	<b>(1,040)</b>	353
<b>Operating expenditure on social housing lettings</b>	<u>(128,063)</u>	<u>(20,762)</u>	<u>(4,784)</u>	<u><b>(153,609)</b></u>	<u>(139,250)</u>
<b>Operating surplus on social housing lettings</b>	<u><b>43,347</b></u>	<u><b>1,523</b></u>	<u><b>984</b></u>	<u><b>45,854</b></u>	<u>43,780</u>
<b>Void losses</b>	<u>(3,797)</u>	<u>(569)</u>	<u>(376)</u>	<u><b>(4,742)</b></u>	<u>(3,662)</u>



# Notes to the financial statements

## 3. Particulars of turnover, cost of sales, operating expenditure and operating surplus (continued)

### Particulars of income and expenditure from social housing lettings

Association	General needs housing £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	2025 Total £'000	2024 Total £'000
Rent receivable net of identifiable service charges	165,887	17,728	5,063	<b>188,678</b>	173,192
Service charge income	3,704	4,312	453	<b>8,469</b>	8,348
Amortised government grants	1,606	240	249	<b>2,095</b>	1,490
Income from leaseholders	162	-	-	<b>162</b>	-
Energy Company Obligation Scheme income	51	5	3	<b>59</b>	-
<b>Turnover from social housing lettings</b>	<b>171,410</b>	<b>22,285</b>	<b>5,768</b>	<b>199,463</b>	<b>183,030</b>
Management	(26,837)	(5,840)	(1,581)	<b>(34,258)</b>	(27,639)
Service charge costs	(10,063)	(5,283)	(286)	<b>(15,632)</b>	(16,019)
Routine maintenance	(42,332)	(4,462)	(596)	<b>(47,390)</b>	(45,495)
Planned maintenance	(6,001)	(930)	(94)	<b>(7,025)</b>	(6,682)
Major repairs expenditure	(14,682)	(1,483)	(774)	<b>(16,939)</b>	(14,157)
Bad debts	(2,364)	(160)	(95)	<b>(2,619)</b>	(2,403)
Depreciation of housing properties	(24,845)	(2,507)	(1,309)	<b>(28,661)</b>	(27,184)
Impairment of housing properties	(901)	(91)	(48)	<b>(1,040)</b>	353
<b>Operating expenditure on social housing lettings</b>	<b>(128,025)</b>	<b>(20,756)</b>	<b>(4,783)</b>	<b>(153,564)</b>	<b>(139,226)</b>
<b>Operating surplus on social housing lettings</b>	<b>43,385</b>	<b>1,529</b>	<b>985</b>	<b>45,899</b>	<b>43,804</b>
<b>Void losses</b>	<b>(3,797)</b>	<b>(569)</b>	<b>(376)</b>	<b>(4,742)</b>	<b>(3,662)</b>

## 4. Accommodation in management and development

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

Group and association	2025 Number of properties	2024 Number of properties
<b>Social housing</b>		
General housing		
- social rent	25,445	25,798
- affordable rent	5,141	4,827
Supported housing and housing for older people		
- social rent	2,618	2,562
- affordable rent	471	430
Low-cost home ownership	1,613	1,366
<b>Total owned</b>	<b>35,288</b>	<b>34,983</b>
General housing managed for others	38	46
Supported housing managed for others	9	9
Leasehold properties	727	728
<b>Total owned and managed</b>	<b>36,062</b>	<b>35,766</b>
<b>Non-social housing</b>		
Market rented	80	81
Student accommodation	100	100
Leasehold properties	88	89
<b>Total owned and managed</b>	<b>36,330</b>	<b>36,036</b>
<b>Accommodation in development at the year end</b>	<b>1,054</b>	<b>1,221</b>

The group built and acquired 650 new units during the year for rent and low-cost home ownership. After a reduction in stock through sales and demolition, social housing units owned increased by 305 to 35,288.



# Notes to the financial statements

## 5. Operating surplus

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<b>This is arrived after charging:</b>				
Depreciation of social housing properties	28,661	27,412	28,661	27,412
Impairment/(release of impairment) of housing properties	1,040	(353)	1,040	(353)
Depreciation of other tangible fixed assets	5,824	5,713	5,824	5,690
Impairment/(release of impairment) of other tangible fixed assets and loans receivable	-	-	1,109	(209)
Impairment/(release of impairment) of current assets	(60)	(2,654)	(60)	-
Operating lease rentals				
- Land and buildings	419	439	419	439
- Office equipment and computers	52	48	52	48
- Motor vehicles	2,897	2,651	2,897	2,651
Auditors' remuneration (excluding VAT)				
- For audit services	284	277	284	277

Auditors' remuneration includes fees for all audited entities within Thirteen Housing Group.

## 6. Gain on disposal of fixed assets

Group	Proceeds £'000	Cost of sales £'000	2025 Total £'000	2024 Total £'000
Right to Buy	919	(525)	394	255
Right to Acquire	1,168	(415)	753	1,118
Low-cost home ownership staircasing	1,175	(915)	260	386
Other	1,709	(1,039)	670	9
Gain on disposal of housing property assets	4,971	(2,894)	2,077	1,768
Gain on disposal of other fixed assets	1	(2)	(1)	20
Surplus	4,972	(2,896)	2,076	1,788

Association	Proceeds £'000	Cost of sales £'000	2025 Total £'000	2024 Total £'000
Right to Buy	919	(525)	394	255
Right to Acquire	1,168	(415)	753	1,118
Low-cost home ownership staircasing	1,175	(915)	260	386
Other	1,709	(1,039)	670	9
Gain on disposal of housing property assets	4,971	(2,894)	2,077	1,768
Gain/(loss) on disposal of other fixed assets	1	(2)	(1)	(18)
Surplus	4,972	(2,896)	2,076	1,750

## 7. Interest receivable

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Interest receivable from current accounts	3	10	2	9
Interest receivable from investments	1,552	1,329	1,552	1,329
Loan interest receivable	-	9	303	760
	1,555	1,348	1,857	2,098
Net interest receivable on pension scheme assets	2,889	1,819	2,889	1,819
	4,444	3,167	4,746	3,917

Pension scheme net interest receivable represents the return on assets, less interest cost on defined benefit obligations. Further details are provided in note 26.

## 8. Interest payable and similar charges

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Interest payable on loans and overdrafts	20,386	18,227	20,386	18,227
Amortisation of borrowing costs	317	293	317	293
Interest payable charged to other activities	86	76	86	76
	20,789	18,596	20,789	18,596
Less: Interest capitalised on housing properties under construction	(2,427)	(1,698)	(2,427)	(1,698)
	18,362	16,898	18,362	16,898

Interest on borrowings is capitalised to housing properties during the period of construction, either on borrowings specifically taken to finance development, or on an average cost of borrowings based on net borrowings applied to the net development cost after deducting Social Housing Grant receivable.

The average interest rate used was 4.6% (2024: 4.8%).



# Notes to the financial statements

## 9. Employees

The average number of persons employed during the year expressed as full-time equivalents (37 hours per week) was:

	Group		Association	
	2025 Number	2024 Number	2025 Number	2024 Number
Administration	215	263	215	263
Regeneration and development	63	69	63	68
Housing, support and care	1,269	1,173	1,269	1,173
	<u>1,547</u>	<u>1,505</u>	<u>1,547</u>	<u>1,504</u>

Employee costs:

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Wages and salaries	58,883	55,269	58,883	55,181
Social security costs	6,003	5,593	6,003	5,583
Other pension costs	5,609	5,682	5,609	5,679
	<u>70,495</u>	<u>66,544</u>	<u>70,495</u>	<u>66,443</u>
Restructuring costs	314	150	314	150
	<u>70,809</u>	<u>66,694</u>	<u>70,809</u>	<u>66,593</u>

Other pension costs exclude current service costs and credits accounted for under section 28 of FRS 102. For the financial year, the cash contributions exceeded the current service cost by £2.8m (2024: £2.9m), resulting in a credit to expenditure.

The full-time equivalent number of staff who received remuneration over £60,000, including basic pay and pension contributions:

	Group		Association	
	2025 Number	2024 Number	2025 Number	2024 Number
£60,000 to £70,000	68	52	68	52
£70,001 to £80,000	28	21	28	21
£80,001 to £90,000	13	18	13	18
£90,001 to £100,000	6	5	6	5
£100,001 to £110,000	7	4	7	3
£110,001 to £120,000	3	1	3	1
£120,001 to £130,000	1	3	1	3
£130,001 to £140,000	3	2	3	2
£140,001 to £150,000	1	1	1	1
£150,001 to £160,000	1	-	1	-
£160,001 to £170,000	-	1	-	1
£170,001 to £180,000	2	2	2	2
£180,001 to £190,000	1	2	1	2
£190,001 to £200,000	1	-	1	-
£230,001 to £240,000	-	1	-	1
£240,001 to £250,000	1	-	1	-
	<u>136</u>	<u>113</u>	<u>136</u>	<u>112</u>

## 10. Key management personnel

Key management personnel are defined as the chief executive and the executive directors:

	2025 £'000	2024 £'000
Aggregate amount payable to directors (including benefits in kind)	1,205	1,081
Pension contributions	132	153
	<u>1,337</u>	<u>1,234</u>

The chief executive was the highest paid director during the reporting period (2024: chief executive). The remuneration of the chief executive, excluding pension contributions, was £221,550 (2024: £210,000).

During the year, the chief executive, was an ordinary member of the defined contribution pension scheme. The group did not make any further contribution to an individual pension arrangement for the chief executive.

Non-executive directors

Emoluments paid to non-executive directors of the group amounted to £174,988 (2024: £193,846). An analysis of these payments is shown below:

Non-Executive Directors

	2025 £'000	2024 £'000		2025 £'000	2024 £'000
Andrew Wilson	12	12	Lee Ali	9	5
Annette Clark	-	7	Mark Simpson	-	6
Anthony Riley	15	16	Martha Shields	5	-
Barry Cummins	5	-	Neil Pattison	-	3
Behzad Parniani	-	1	Nicholas Taylor	5	6
Caroline Anne Moore	3	4	Richard Buckley	3	9
Catherine Harte	4	4	Robert Cuffe	12	11
Catherine Wilburn	12	12	Robert Goward	12	13
Christopher Newton	4	9	Russell Jameson	4	4
Claire Bell	-	1	Ryan Davis	4	4
Dawn Keogh	4	4	Salma Yasmeen	9	9
Gogu Vishnu Reddy	7	7	Stuart Duthie	5	5
Gustavo Imhof	4	4	Winsome Small	6	6
Jane Earl	22	22	Ya Adam Sarr	-	2
Kayleigh Fuller	-	1	Total	<u>175</u>	<u>194</u>
Laura Donelly	2	-			
Laura Mack	7	7			

# Notes to the financial statements

## 11. Tax on surplus on ordinary activities

	Group		Association	
	2025	2024	2025	2024
Current tax	£'000	£'000	£'000	£'000
UK corporation tax on surplus for the year	-	-	-	-
Total current tax charge	-	-	-	-
<b>Deferred tax</b>				
Origination and reversal of timing differences	-	-	-	-
Changes in tax rates	-	-	-	-
Total deferred tax credit	-	-	-	-
<b>Total charge/(credit) for the year</b>	-	-	-	-
<b>Deferred tax (credited)/charged to other comprehensive income</b>	-	-	-	-

### Factors affecting tax charge for the current year

The tax charge for the year is lower (2024: lower) than the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Surplus on ordinary activities before tax	34,140	29,020	33,619	28,439
Theoretical tax at UK corporation tax rate of 25% (2024: 25%)	8,535	7,110	8,405	7,193
Effects of:				
Charitable activities not taxable	(8,665)	(7,193)	(8,405)	(7,193)
Deferred tax not provided	198	91	-	-
Income not taxable (capital)	-	(8)	-	-
Post cessation relief carried forward	(68)	-	-	-
<b>Total charge/(credit) for the year</b>	-	-	-	-
<b>Corporation Tax Liability</b>	-	-	-	-

## 11. Tax on surplus on ordinary activities (continued)

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
<b>Deferred tax liability/(asset)</b>				
Short term timing differences	-	-	-	-
Deferred tax:				
1 April 2024	-	-	-	-
Charge/(Credit) to the income statement	-	-	-	-
Charge/(Credit) to other comprehensive income	-	-	-	-
31 March 2025	-	-	-	-

The tax charge for the year is no different to the standard rate of Corporation Tax in the UK of 25% (2024: 25%). There is an unrecognised deferred tax asset of £1,567,023 (2024: £1,534,469) which is measured at 25% (2024: 25%).

## 12. Tangible fixed assets – housing properties

### Housing properties

Housing properties are classified as property, plant and equipment where they are held for social benefit. Housing properties are principally properties available for rent and properties subject to shared ownership leases.

As a result of the group restructure that took place on 1 July 2017, housing properties, as with all assets and liabilities, were transferred to Thirteen Housing Group Limited at their carrying value and are subsequently held at deemed cost, rather than being adjusted to fair value in accordance with section 19.29 of FRS 102.

Land is initially recognised at cost and considered annually for any indicators of impairment. The group holds no speculative land with a carrying value.

The association measures additions to existing properties, and properties under construction, at cost. Costs include the direct costs of acquisition including fees, development staff costs, development period interest, and expenditure incurred on improvements.

Expenditure on improvements that enhance the economic benefits of an asset by increasing its rental stream, reducing future maintenance costs, or significantly extending its useful economic life; or expenditure on improvements that restore or replace a component that has been treated separately for depreciation purposes, is capitalised.

### Shared ownership and other shared equity schemes

The cost of unsold shared ownership properties, including those under construction, are split proportionally between current and fixed assets according to the expected percentage of the first tranche sale. The cost of the expected first tranche is included in current assets in stock with the remainder being included in fixed assets. The remainder is reclassified to fixed assets if a first tranche sale is lower than expected.



# Notes to the financial statements

## 12. Tangible fixed assets – housing properties (continued)

### Depreciation of housing properties

Freehold land and assets under construction are not depreciated. Depreciation of buildings is provided on the cost to write down the net book value of housing properties to their estimated residual value. Depreciation is calculated on a straight-line basis over the useful economic life. Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

Major components are treated as separable assets and depreciated over their expected useful economic lives, or the lives of the structure to which they relate if shorter. The lives for components in year are as follows:

Component	Years	Component	Years
Land	Not depreciated	Electrical	30-50
Structure	25-125	Heating	30
Structural works	25-125	Boiler only	15
Short leasehold	Over life of lease	Compliance and security	12
Roofs	50	Aids and adaptations	15
Kitchens	20	Environmental works	15
Bathrooms	30	Air Source Heat Pumps	20
Windows	30	Solar/PV panels	25
Doors	30		

### Impairment

Indicators of impairment are considered annually for cash-generating units and the recoverable amount assessed if an indicator exists. Where there is evidence of impairment, fixed assets are written down to their recoverable amount, being the higher of fair value less costs to sell and the value in use. Management use the depreciated replacement cost method for estimating value in use for properties held for social benefit. Any such write down is charged to the Statement of Comprehensive Income unless it is a reversal of a past revaluation surplus.

Management must apply judgement in determining the level of cash-generating units and consider size, tenure and geographical location when doing so.

Key indicators included in the management’s review include materially higher development costs not identified during planning, changes in governmental policy, demand for properties, the market value of properties, and obsolescence of properties.

Dawson House has been fully impaired at 31 March 2025 in addition to individually insignificant impairments recognised on a small number of properties. The aggregate impairment is a credit of £3.2m, comprising £1.3m new impairments offset by a £4.5m release of impairments (2024: £nil).

### Borrowing costs

Interest on borrowings is capitalised to housing properties during the period of construction, either on borrowings specifically taken to finance development, or an average cost of borrowings based on net borrowings applied to the net development cost after deducting Social Housing Grant receivable. The average interest rate used was 4.6% (2024: 4.8%).

The cumulative amount of interest capitalised to the reporting date is £19.2m (2024: £16.6m).

## 12. Tangible fixed assets – housing properties (continued)

Group and association	Social housing properties held for letting £'000	Housing properties for letting under construction £'000	Completed shared ownership housing properties £'000	Shared ownership properties under construction £'000	Total housing properties £'000
<b>Historical or deemed cost</b>					
At 1 April 2024	1,355,278	108,429	107,233	16,476	1,587,416
Development of new properties	-	44,220	-	2,426	46,646
Newly built properties acquired	-	36,074	-	50,022	86,096
Buyback additions	-	434	-	-	434
Works to existing properties	-	33,568	-	5	33,573
Interest capitalised	-	2,030	-	355	2,385
Schemes completed	97,003	(97,003)	42,416	(42,416)	-
Disposals	(12,642)	-	(999)	-	(13,641)
Transfer between classes	634	(330)	(634)	330	-
Transfer to current assets	(310)	(54)	(234)	(15,824)	(16,422)
At 31 March 2025	1,439,963	127,368	147,782	11,374	1,726,487
<b>Accumulated depreciation and impairment</b>					
At 1 April 2024	244,562	3,795	5,048	-	253,405
Depreciation charged in year	27,887	-	722	-	28,609
Impairment charged in year	1,286	-	-	-	1,286
Depreciation released on disposal	(7,267)	-	(67)	-	(7,334)
Impairment released on disposal	(4,458)	-	-	-	(4,458)
Transfer between classes	103	-	(103)	-	-
Transfer to current assets	(106)	-	(8)	-	(114)
At 31 March 2025	262,007	3,795	5,592	-	271,394
<b>Net book value</b>					
At 31 March 2025	1,177,956	123,573	142,190	11,374	1,455,093
At 31 March 2024	1,110,716	104,634	102,185	16,476	1,334,011

# Notes to the financial statements

## 12. Tangible fixed assets – housing properties (continued)

Group and association	2025 £'000	2024 £'000
<b>Total accumulated government grant receivable at 31 March was:</b>		
Held as deferred income	292,929	232,664
Recognised in the Statement of Comprehensive Income	83,113	80,995
	<u>376,042</u>	<u>313,659</u>
<b>Housing properties book value, net of depreciation</b>		
Freehold	1,441,714	1,319,060
Long leasehold	13,237	13,919
Short leasehold	142	1,032
	<u>1,455,093</u>	<u>1,334,011</u>
<b>Expenditure on works to existing properties</b>		
Improvement works capitalised	33,573	33,539
Components capitalised to other fixed assets	9,143	8,899
Amounts charged to expenditure	16,939	14,157
	<u>59,655</u>	<u>56,595</u>

## 13. Tangible fixed assets – other

### Other tangible fixed assets

Other fixed assets are measured at cost. Only costs that can be directly attributed to acquiring the asset and bringing it into use are capitalised. Other fixed assets are depreciated over their useful economic lives on a straight-line basis to their residual value. Freehold land is not depreciated.

The principal useful economic lives used for the depreciation of other fixed assets are:

Component	Years	Component	Years
Freehold buildings	25-125	Motor vehicles	5
Leasehold property	Life of lease	Other plant and equipment	10
Furniture and fittings	5	Market rented equipment	10
Computers	5	Service chargeable fittings	3-35

### Impairment

Assets held at Dawson House have been fully impaired at 31 March 2025 in addition to individually insignificant impairments on a small number of properties and garages. The aggregate impairment is a cost of £0.2m comprising £0.6m new impairments offset by a £0.4m release of impairments (2024: £0.1m impairment release).

## 13. Tangible fixed assets – other (continued)

Group and association	Freehold land and buildings  £'000	Furniture fittings and ICT / office equipment  £'000	Other plant and equipment  £'000	Motor vehicles  £'000	Total  £'000
<b>Cost</b>					
At 1 April 2024	17,170	60,645	567	-	78,382
Additions	22	12,833	113	47	13,015
Disposals	(823)	(4,896)	-	-	(5,719)
At 31 March 2025	<u>16,369</u>	<u>68,582</u>	<u>680</u>	<u>47</u>	<u>85,678</u>
<b>Accumulated depreciation</b>					
At 1 April 2024	3,084	22,279	343	-	25,706
Charged in year	216	5,515	91	2	5,824
Impairment adjustment	3	658	-	-	661
Released on disposal	(733)	(4,540)	-	-	(5,273)
Impairment released on disposal	(90)	(355)	-	-	(445)
At 31 March 2025	<u>2,480</u>	<u>23,557</u>	<u>434</u>	<u>2</u>	<u>26,473</u>
<b>Net book value</b>					
<b>At 31 March 2025</b>	<u><b>13,889</b></u>	<u><b>45,025</b></u>	<u><b>246</b></u>	<u><b>45</b></u>	<u><b>59,205</b></u>
At 31 March 2024	<u>14,086</u>	<u>38,366</u>	<u>224</u>	<u>-</u>	<u>52,676</u>

Other fixed assets contain investment works undertaken to our properties, such as communal areas, door entry systems and CCTV systems. There was £3.5m (2024: £3.0m)) depreciation charged in year relating to assets in our housing properties.



# Notes to the financial statements

## 14. Investment properties

### Investment property

Investment property consists of properties not held for social benefit and office accommodation that is leased commercially. Investment property is carried at fair value which is considered to be its open market value. Changes in fair value are recognised in income and expenditure.

External valuation of all investment properties held by the association was carried out at 31 March 2025 by Align Property Partners Limited. Valuations are completed in accordance with the RICS Valuation Standards 2014 ('The Red Book'). The valuations were undertaken on the basis of market value as individual units with the assumption of vacant possession or that the tenant who is in occupation occupies under an assured shorthold tenancy, is not a protected tenant and vacant possession can be secured if required.

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
At 1 April	9,006	8,931	9,006	8,931
Disposals	2	(57)	2	(57)
Transfer from housing properties	-	718	-	718
Transfer from other fixed assets	-	1,586	-	1,586
Gain/(loss) from adjustment in fair value	999	(2,172)	999	(2,172)
At 31 March	<u>10,007</u>	<u>9,006</u>	<u>10,007</u>	<u>9,006</u>

## 15. Homebuy loans receivable

The association received Homebuy grant representing a percentage of the market value of a property to advance interest free loans to a homebuyer. The loans meet the definition of concessionary loans and are shown as a fixed asset investments on the Statement of Financial Position.

Group and Association	2025 £'000	2024 £'000
At 1 April	770	800
Interest charged	1	8
Payments received	(12)	(38)
Provision for bad debts	(294)	-
At 31 March	<u>465</u>	<u>770</u>

## 16. Investments in subsidiaries

Association	2025 £'000	2024 £'000
<b>Cost</b>		
At 1 April	50	50
Additions	-	-
At 1 April and 31 March	<u>50</u>	<u>50</u>

## 16. Investments in subsidiaries (continued)

The association has the following investments in subsidiaries at 31 March 2025, all of which have been consolidated into the group financial statements:

Name	Regulated / Non-regulated	Nature of business	Ownership 2025	Ownership 2024
Thirteen Homes	Non-regulated	Property development	100%	100%
Thirteen Commercial Services	Non-regulated	Property management	100%	100%
Thirteen Property Development	Non-regulated	Build and design	100%	100%
Thirteen Social Enterprise	Non-regulated	Community investment	100%	100%
Gus Robinson Developments	Non-regulated	Property development	100%	100%
Gus Robinson Homes	Non-regulated	Property development	100%	100%

All subsidiaries are directly owned by the association apart from Gus Robinson Developments which is indirectly owned through Thirteen Homes and Gus Robinson Homes which is indirectly owned through Gus Robinson Developments. The association has the right to appoint members to the Boards of the subsidiaries and thereby exercises control over them. Thirteen Social Enterprises and Gus Robinson Homes were dormant throughout the financial year. Gus Robinson Homes was dissolved during 2025/26.

The registered address for all entities is 2 Hudson Quay, Windward Way, Middlesbrough TS2 1QG.

None of the subsidiary entities are registered providers of social housing.

During the financial year the association provided services to the above unregistered group companies as follows:

Company	Nature of the transaction	2025 £'000	2024 £'000
Thirteen Commercial Services	Management services	134	91
Thirteen Commercial Services	Commercial property income	182	-
Thirteen Commercial Services	Repair and cleaning services	-	20
Thirteen Homes	Management services	33	77
Gus Robinson Developments	Management services	-	58
		<u>349</u>	<u>246</u>

In addition, interest was chargeable by the association on intra-group loans, as follows:

Company	Nature of the transaction	2025 £'000	2024 £'000
Thirteen Homes	Interest on intra-group loan	302	559
Gus Robinson Developments	Interest on intra-group loan	-	192
		<u>302</u>	<u>751</u>

Interest is charged on the intra-group loans at a fixed rate of 4.5%.

Thirteen Commercial Services provided services to the association as follows:

Company	Nature of the transaction	2025 £'000	2024 £'000
Thirteen Housing Group	Management Services on a cost sharing basis with no profit element	134	128
		<u>134</u>	<u>128</u>

Thirteen Property Development provided services to the association as follows:

Company	Nature of the transaction	2025 £'000	2024 £'000
Thirteen Housing Group	Build and design services on an agreed fee with no profit element	-	124
		<u>-</u>	<u>124</u>

# Notes to the financial statements

## 17. Stock

### Stocks and properties for sale

Properties for sale are valued at the lower of cost and net realisable value and include units developed for outright sale and first tranches of shared ownership properties and work in progress. Net realisable value is based on estimated sales price after allowing for further costs of completion and disposal.

Stocks of raw materials are valued at the lower of cost and net realisable value.

Other properties for sale represent former general needs social housing stock, which is being marketed for sale.

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<b>First tranche shared ownership properties:</b>				
Completed	7,328	8,375	7,328	8,375
Works in progress	-	-	-	-
<b>Outright sale properties:</b>				
Completed	621	-	-	-
Works in progress	1,353	1,494	-	-
Other housing properties for sale	807	1,358	807	1,358
	<u>10,109</u>	<u>11,227</u>	<u>8,135</u>	<u>9,733</u>

## 18. Trade and other debtors

### Bad debts

The recoverability of each customer's rent arrears is estimated based on their payment history over the preceding year. Former customer arrears are provided for in full. Where there is a policy in the organisation not to collect 100% of the income chargeable, the amount not collectable is provided immediately.

The provision for bad debts on the sales ledger are estimated based on historic recoverability based on the age of the debts at the reporting date, adjusted for any known reasons that might affect recoverability for specific debtors.

Write-offs must be approved by the board and are only considered once all avenues for collection have been exhausted.

### Intra-group loans

The association has extended revolving credit facilities to Thirteen Homes and Gus Robinson Developments which collectively will not exceed £25m at any given time. The facilities have a fixed interest rate of 4.5% and are repayable in November 2027 and January 2030 respectively.

The association has continued to impair the loan made to Gus Robinson Developments (cumulatively £8.8m, 2024: £8.7m). Board considers it prudent to impair, but not write off, because the recovery of the loan is uncertain and dependent upon the as yet unknown conditions that will exist on wind-up of the company.

The association has also impaired the loan to Thirteen Homes Limited by £12.2m (2024: £9.6m). Board considers it prudent to impair the loan because the profitability of the company is expected to be reduced due to the write-off of a significant value of work in progress. As a result, the recoverability of the loan is in doubt.

## 18. Trade and other debtors (continued)

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<b>Due within one year</b>				
Rent and service charges arrears	7,381	7,836	7,333	7,783
Less: provision for bad debts	(2,840)	(3,327)	(2,793)	(3,275)
	<u>4,541</u>	<u>4,509</u>	<u>4,540</u>	<u>4,508</u>
Other debtors	2,126	2,736	1,675	1,796
Social Housing Grant receivable	12,500	12,000	12,500	12,000
VAT reclaimable	160	315	156	214
Amounts owed by group undertakings	-	-	4	62
Prepayments and accrued income	<u>11,108</u>	<u>11,446</u>	<u>11,004</u>	<u>11,278</u>
	30,435	31,006	29,879	29,858
<b>Due after more than one year</b>				
VAT reclaimable	-	188	-	188
Amounts owed by group undertakings	-	-	2,330	1,037
	<u>30,435</u>	<u>31,194</u>	<u>32,209</u>	<u>31,083</u>

## 19. Cash and cash equivalents

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Money market investments	11,586	14,586	11,586	14,586
Deposit accounts	7,414	2,647	7,414	2,648
Cash at bank and in hand	<u>1,123</u>	<u>107,531</u>	<u>224</u>	<u>107,048</u>
	<u>20,123</u>	<u>124,764</u>	<u>19,224</u>	<u>124,282</u>



# Notes to the financial statements

## 20. Creditors: amounts falling due within one year

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Loans and overdrafts (note 24)	15,401	14,096	15,401	14,096
Rents and service charges received in advance	5,861	5,372	5,849	5,366
Social Housing Grant received in advance	83,149	50,594	83,149	50,594
Deferred capital grant (note 22)	1,674	1,653	1,674	1,653
Development creditors	6,040	3,664	6,040	3,664
Building safety provision	1,322	1,493	1,322	1,493
Other taxation and social security	1,412	1,308	1,412	1,308
Other creditors	10,130	7,404	9,741	6,877
Amounts owed to group undertakings	-	-	1,512	1,458
Accruals and deferred income	14,551	15,684	13,665	13,472
Leaseholder sinking funds	958	923	958	923
	<u>140,498</u>	<u>102,191</u>	<u>140,723</u>	<u>100,904</u>

Group and association loans and overdrafts include accrued interest payable of £2.9m (2024: £3.4m).

All properties in the group's portfolio were built in accordance with building regulations and accepted practices at the time of being built. The group is committed to ensuring continued compliance with the latest health and safety standards. The group provides for the costs of building safety works to the extent that it has a legal or constructive obligation. The cost of the remediation works has been estimated internally, and the works are expected to be completed within 12 months of the reporting date. No reimbursement is expected.

Group and association Building safety provision	£'000
At 1 April 2024	1,493
Released	(171)
At 31 March 2025	<u>1,322</u>

## 21. Creditors: amounts falling due after more than one year

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Loans (note 24)	399,358	471,956	399,358	471,956
Borrowing costs unamortised	(3,550)	(3,598)	(3,550)	(3,598)
Deferred capital grant (note 22)	208,106	180,417	208,106	180,417
Recycled capital grant fund (note 23)	2,134	1,702	2,134	1,702
	<u>606,048</u>	<u>650,477</u>	<u>606,048</u>	<u>650,477</u>

## 22. Deferred capital grant

### Social Housing Grant

Social housing grant (SHG) is receivable from Homes England and is used to support the build and development of housing properties. It is held on the Statement of Financial Position and amortised to the Statement of Comprehensive Income over the life of the property asset which the grant was received for under the accruals method.

SHG due, or received in advance, is included as a current asset or liability. SHG is subordinated to the repayment of loans.

SHG released on the sale of a property may be repayable but is normally available to be recycled and is credited to the recycled capital grant fund (RCGF). The individual disposal of components does not create a relevant event for recycling purposes. Should the entire property be disposed, the association must recycle the full related grant, and a contingent liability would be disclosed to reflect this.

### Other grants

Other grants may be receivable from local authorities and other organisations. Capital grants are utilised to reduce the capital costs of housing properties, including land costs. The accounting treatment for capital grants is dependent upon the source of the funding:

- Grants from government sources are held on the Statement of Financial Position as a deferred capital grant and amortised to the Statement of Comprehensive Income over the life of the structure of the property.
- Grants from non-government sources are recognised in the Statement of Comprehensive Income once any conditions attached to the receipt of the funding has been met.

Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same financial year as the expenditure to which they relate.

	Group £'000	Association £'000
<b>Cost</b>		
At 1 April	205,267	205,267
Received during the period	30,208	30,208
Disposals	(419)	(419)
At 31 March	<u>235,056</u>	<u>235,056</u>
<b>Accumulated amortisation</b>		
At 1 April	23,197	23,197
Released to income in the period	2,118	2,118
Released on disposal	(39)	(39)
At 31 March	<u>25,276</u>	<u>25,276</u>
<b>Net book value</b>		
<b>At 31 March 2025</b>	<u><b>209,780</b></u>	<u><b>209,780</b></u>
At 31 March 2024	<u>182,070</u>	<u>182,070</u>

	Group £'000	Association £'000
Amounts to be released within one year	1,674	1,674
Amounts to be released in more than one year	208,106	208,106
	<u>209,780</u>	<u>209,780</u>

# Notes to the financial statements

## 23. Recycled capital grant fund

Group and association	2025 £'000	2024 £'000
At 1 April	1,702	1,565
Inputs to the RCGF: Grant Recycled	346	695
Interest accrued	86	76
Recycling of grant: New build	-	(634)
At 31 March	2,134	1,702
Amounts 3 years old or older	-	-

## 24. Analysis of changes in net debt

Group	At 1 April 2024 £'000	Cash Flows £'000	Non-Cash Movements £'000	At 31 March 2025 £'000
Cash and cash equivalents	(124,764)	104,641	-	(20,123)
Housing loans due in one year	14,096	(14,096)	15,401	15,401
Housing loans due after one year	471,956	(60,078)	(12,520)	399,358
	361,288	30,467	2,881	394,636

Association	At 1 April 2024 £'000	Cash Flows £'000	Non-Cash Movements £'000	At 31 March 2025 £'000
Cash and cash equivalents	(124,282)	105,058	-	(19,224)
Housing loans due in one year	14,096	(14,096)	15,401	15,401
Housing loans due after one year	471,956	(60,078)	(12,520)	399,358
	361,770	30,884	2,881	395,535

## 25. Non-equity share capital

Shares of £1 each issued, but not fully paid:

Group and association	2025 £	2024 £
At 1 April	11	11
Issued during the year	-	-
Cancelled during the year	-	-
At 31 March	11	11

The shares do not have a right to any dividend of distribution in a winding-up and are not redeemable. Each share has full voting rights. All shares are fully paid up.

## 26. Pension provisions

The group participates in the following pension schemes:

Scheme	Description
Teesside Pension Fund (LGPS)	Multi-employer defined benefit scheme
Thirteen Housing Group Pension Scheme (THGPS)	Defined benefit pension scheme
Gus Robinson Developments Limited Pension & Assurance Scheme (GRD)	Closed defined benefit scheme
Thirteen Defined Contribution Scheme	Defined contribution scheme for Thirteen Housing Group employees
Peoples pension	Defined contribution scheme for Gus Robinson employees

The Trustee of the THGPS (The Pensions Trust) has performed a review of the changes made to the Scheme's Trust Deed and Rules and the benefits of all schemes in the Trust. As a result, there is uncertainty surrounding some of these changes and therefore the Trustee is seeking clarification from the High Court, with the Trustee presenting the case that the schemes should be administered as they are now and if successful, there will be no change to members' benefits. However, if the outcome of the Court case is that some changes to Scheme Rules have not been validly made, this may increase benefits for some members, resulting in arrears being due in respect of benefits that have already been paid. The Trustee estimates that additional liabilities resulting from this would be circa £2m. The court hearing commenced in February 2025 and the outcome has not yet been determined.

On 5 June 2025 the government announced that it will legislate to allow Section 37 confirmations to be issued retrospectively in order to mitigate the effect of the Virgin Media Section 37 case. There is no timeline for when the government will introduce the legislation or when it will take effect. The relevant financial impact, if any, will be assessed once the legislation is introduced.

### Defined benefit schemes

Plan assets are measured using market values. Defined benefit obligations are measured using a projected unit method that are discounted at the current rate of return on high quality corporate bond yields of equivalent term and currency to the liability.

Material pension scheme assets are recognised to the extent that they are realisable through a refund or reduction in future contributions. To be prudent, assets that management judge not to be realisable through a refund or reduced future contributions, and all deficits, are recognised in full. Service and finance costs are recognised in the income and expenditure with actuarial changes in the fair value of plan assets and obligations being recognised in other comprehensive income.

AA+ corporate bond yields are used to determine the FRS102 discount rate. These have continued to rise year-on-year, reducing the value of pension scheme liabilities.

The THGPS and LGPS reported a surplus for the year ended 31 March 2025. In accordance with the group's policy, a pension asset is only recognised to the extent that it is realisable through a refund or by a reduction in future contributions. As management do not consider it possible for Thirteen Housing Group to obtain a refund or reduction in future contributions for these pension schemes, the surplus is restricted to £nil, with the restriction recognised in other comprehensive income.

The results of the defined benefit schemes are presented in aggregate.



# Notes to the financial statements

## 26. Pension provisions (continued)

### Breakdown of amounts recognised in profit and loss

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Current service credit	(2,435)	(2,637)	(2,435)	(2,637)
<b>Amounts charged to operating costs</b>	<u>(2,435)</u>	<u>(2,637)</u>	<u>(2,435)</u>	<u>(2,637)</u>

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Net interest (credit)/cost	(2,889)	(1,819)	(2,889)	(1,819)
<b>Amounts charged to other finance costs</b>	<u>(2,889)</u>	<u>(1,819)</u>	<u>(2,889)</u>	<u>(1,819)</u>

### Analysis of amounts recognised in other comprehensive income

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Cumulative actuarial gain/(loss)	89,584	53,937	89,584	53,937
Restriction of surplus	(94,986)	(58,393)	(94,986)	(58,393)
	<u>(5,402)</u>	<u>(4,456)</u>	<u>(5,402)</u>	<u>(4,456)</u>
<b>Cumulative actuarial gain/(loss)</b>	<u>33,825</u>	<u>39,227</u>	<u>33,825</u>	<u>38,958</u>

### Reconciliation of funded status to statement of financial position

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Present value of scheme liabilities	(187,455)	(220,637)	(187,455)	(220,634)
Fair value of assets	282,363	279,030	282,363	279,027
<b>Net surplus on defined benefit pension schemes</b>	<u>94,908</u>	<u>58,393</u>	<u>94,908</u>	<u>58,393</u>
Restriction of surplus	(94,986)	(58,393)	(94,986)	(58,393)
<b>Net liability recognised in the statement of financial position</b>	<u>(78)</u>	<u>-</u>	<u>(78)</u>	<u>-</u>

### Changes to the present value of the defined benefit obligation

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Opening scheme liabilities	(220,634)	(222,011)	(220,634)	(222,008)
Current service cost	(2,781)	(3,068)	(2,781)	(3,068)
Interest cost	(10,757)	(10,566)	(10,757)	(10,566)
Actuarial gains on scheme liabilities	41,914	9,787	41,914	9,787
Benefits paid	7,287	7,981	7,287	7,981
Contributions by participants	(2,527)	(2,783)	(2,527)	(2,783)
Expenses paid	46	23	46	23
<b>Closing defined benefit obligation</b>	<u>(187,452)</u>	<u>(220,637)</u>	<u>(187,452)</u>	<u>(220,634)</u>

## 26. Pension provisions (continued)

### Changes to the fair value of assets

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Opening fair value of scheme assets	279,027	258,995	279,027	258,992
Interest income on assets	13,646	12,385	13,646	12,385
Remeasurement gains on assets	(10,723)	7,166	(10,723)	7,166
Contributions by employer	5,556	5,920	5,556	5,920
Contributions by participants	2,527	2,783	2,527	2,783
Expenses	(386)	(238)	(386)	(238)
Benefits paid	(7,287)	(7,981)	(7,287)	(7,981)
<b>Closing fair value of scheme assets</b>	<u>282,360</u>	<u>279,030</u>	<u>282,360</u>	<u>279,027</u>
<b>Restriction of surplus</b>	<u>(94,986)</u>	<u>(58,393)</u>	<u>(94,986)</u>	<u>(58,393)</u>
<b>Closing fair value after restriction of surplus</b>	<u>187,374</u>	<u>220,637</u>	<u>183,374</u>	<u>220,634</u>

### Plan assets

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Equity	163,111	171,903	163,111	171,903
Bonds	7,077	3,850	7,077	3,850
Property	64,319	60,611	64,319	60,611
Cash	21,395	11,950	21,395	11,950
Other assets	26,458	30,716	26,458	30,713
	<u>282,360</u>	<u>279,030</u>	<u>282,360</u>	<u>279,027</u>

### Group and Association reconciliation of asset ceiling

	GRD	THGPS	LGPS	Total
	£'000	£'000	£'000	£'000
Asset ceiling restriction of surplus brought forward 1 April 2024	213	932	57,248	58,393
Change in the irrecoverable surplus attributable to interest charged to profit and loss	10	46	2,805	2,861
Change in the irrecoverable surplus attributable to remeasurement recognised in other comprehensive income	(223)	4,544	29,411	33,732
<b>Asset ceiling restriction of surplus carried forward 31 March 2025</b>	<u>-</u>	<u>5,522</u>	<u>89,464</u>	<u>94,986</u>

# Notes to the financial statements

## 26. Pension provisions (continued)

### Actuarial assumptions

	LGPS		THGPS		GRD	
	2025	2024	2025	2024	2025	2024
	% pa	% pa	% pa	% pa	% pa	% pa
Discount rate	5.8	4.9	5.9	4.9	5.7	4.8
RPI inflation	n/a	n/a	3.0	3.1	3.2	3.2
CPI inflation	2.8	2.8	2.8	2.8	2.4	2.4
Salary growth	2.8	2.8	2.8	2.8	3.0	3.0

### Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the fund and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below.

Future lifetime from age 65:

	LGPS		THGPS		GRD	
	2025	2024	2025	2024	2025	2024
	Years	Years	Years	Years	Years	Years
Aged 65 at 31 March						
Males	20.4	20.5	20.6	20.6	19.6	19.5
Females	23.4	23.5	23.0	22.9	22.0	21.5
Aged 45 at 31 March						
Males	21.2	21.3	22.2	22.2	20.9	20.7
Females	24.9	25.0	24.4	24.4	23.4	23.0

The above ages represent the latest fund valuation at the balance sheet date.

### Sensitivity to assumptions

The effect of movements in the main assumptions on the value of liabilities are shown in the table below:

	2025	2025	2025	2024	2024	2024
	LGPS	THGPS	GRD	LGPS	THGPS	GRD
Discount rate -0.1%	2.0%	2.1%	1.2%	2.0%	2.1%	1.2%
Pay Inflation +0.1%	0%	1.3%	0.6%	0%	1.3%	0.6%
CPI +0.1%	2.0%	1.1%	0.6%	2.0%	1.1%	0.6%

## 26. Pension provisions (continued)

### Non-cash impact of pension schemes on Operating Surplus

	2025	2024
	£'000	£'000
<b>THGPS</b>		
Current service cost	316	270
Contributions paid during year	(2,619)	(2,878)
<b>Teesside Pension Fund</b>		
Current service cost	2,419	2,775
Contributions paid during year	(2,894)	(2,999)
<b>GRD</b>		
Current service cost	46	23
Contributions paid during year	(43)	(43)
<b>Non-cash pension (credit) to operating surplus</b>	<u>(2,775)</u>	<u>(2,852)</u>

### Defined contributions schemes

Payments to the defined contribution schemes are recognised as an expense in the income and expenditure account when they fall due. Amounts not paid at 31 March 2025 are shown as a liability in the Statement of Financial Position. During the year, employer contributions of £1,042k (2024: £709k) were made to defined contribution schemes.

## 27. Capital commitments

### Capital expenditure commitments were as follows:

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Capital expenditure contracted for, but not provided for	150,072	183,559	149,695	183,559
Capital expenditure authorised, but not contracted	152,802	87,837	152,694	86,129
	<u>302,874</u>	<u>271,396</u>	<u>302,389</u>	<u>269,688</u>

The capital commitments for the development of new property assets will be financed from the association's cash balance (£19m), drawing on approved loan facilities, and social housing grants. The balance of funding is determined as the development schemes occur and commitments are realised.



# Notes to the financial statements

## 28. Contingent liabilities

### ARCC Consortium

#### Group and association

The Achieving Real Change in the Community (ARCC) was set up in 2015 to deliver the Ministry of Justice’s (MoJ) rehabilitation contract in Durham and Tees Valley. The consortium consists of eight partners, including three local authorities and Thirteen Housing Group. The contract ended in June 2021 and provision has been made by ARCC to cover the parent company guarantee liability and any potential liabilities should HMRC make a claim. There is very minimal risk to Thirteen of any future liability and therefore no provision has been made in the financial statements.

### Social Housing Grant

#### Group and association

The group has an obligation to recycle or repay social housing grant if properties are disposed of. In addition to the amount disclosed in creditors, £82.9m of grant has been credited to reserves to date through amortisation (2024: £80.8m). The timing of any future repayment, if any, is uncertain.

## 29. Net cash generated from operating activities

Group	2025 £'000	2024 £'000
<b>Surplus for the year</b>	34,140	29,020
<b>Adjustments for non-cash items:</b>		
Depreciation of tangible fixed assets	34,518	33,125
Impairment of tangible fixed assets	1,701	(140)
Amortisation of intangible fixed assets	-	21
Impairment of intangible fixed assets	-	24
Increase/(decrease) in stock	18,819	11,077
(Increase)/decrease in trade and other debtors	1,259	450
Increase/(decrease) in trade and other creditors	(2,878)	(1,294)
Pension costs less contributions payable	(5,324)	(4,456)
Carrying amount of fixed assets disposals	1,849	3,901
Revaluation on investment property	(999)	2,172
Reversal of stock impairment	(712)	(2,654)
Stock impairment	652	-
<b>Adjustments for investing or financing activities:</b>		
Proceeds from sale of assets	(23,853)	(19,975)
Government grants utilised in the year	(2,095)	(1,490)
Interest and financing costs	18,362	16,898
Interest received	(1,555)	(1,348)
<b>Net cash generated from operating activities</b>	<u>73,884</u>	<u>65,331</u>

## 30. Operating leases

### Group and association

*Operating leases where the group and association is the lessee*

The future minimum lease payments which the group and association is committed to make under non-cancellable operating leases are as follows:

	2025 £'000	2024 £'000
<b>Land and buildings</b>		
Payments due:		
Not later than one year	434	360
Later than one year and not later than five years	1,293	831
Later than five years	585	926
	<u>2,312</u>	<u>2,117</u>

### Office and other equipment

Payments due:		
Not later than one year	49	48
Later than one year and not later than five years	54	60
Later than five years	-	-
	<u>103</u>	<u>108</u>

### Motor vehicles

Payments due:		
Not later than one year	2,176	2,218
Later than one year and not later than five years	5,342	7,476
Later than five years	-	-
	<u>7,518</u>	<u>9,694</u>

*Operating leases where the group and association is the lessor*

The group owns 55 (2024: 45) retail units that are leased to third parties on non-cancellable leases. Rents are set in accordance with market conditions. The latest expiry date is June 2034. The group also leases two properties to specialist housing providers on a non-cancellable lease.

The future minimum rentals receivable under non-cancellable operating leases are as follows:

Where the company is the lessor, lease rentals receivable for non-cancellable leases:

	2025 £'000	2024 £'000
<b>Land and buildings</b>		
Payments due:		
Not later than one year	594	471
Later than one year and not later than five years	1,562	1,196
Later than five years	107	412
	<u>2,263</u>	<u>2,079</u>

# Notes to the financial statements

## 31. Related party transactions

### Group and association

Disclosures in relation to key management personnel are included within note 10.

The group participates in five pension schemes, Thirteen Housing Group Pension Scheme; a multi-employer defined benefit scheme, Teesside Pension Fund; a multi-employer defined benefit pension scheme, Gus Robinson Developments Limited Pension & Assurance Scheme (of which Matt Forrest, chief executive officer of Thirteen Housing Group Limited, is a Trustee); a closed defined benefit pension scheme, Thirteen Defined Benefit Contribution Scheme; a defined contribution pension scheme, and the People's Pension scheme; a defined contribution pension scheme. Transactions between the group and the pension schemes are detailed in Note 26. The balances included in creditors as due to the pension providers is £310,746 (2024: £684,914). Balances outstanding at year end will be settled in cash by 22nd after the month they relate to.

Through declarations of interest from key management personnel, the following related party transactions are required to be disclosed:

- Northern Housing Consortium Limited was paid £31,529 (2024: £20,567) by the association during the year, for which a credit note of £855 remained outstanding at 31 March 2025. Matt Forrest, chief executive officer, is a board member of Northern Housing Consortium Limited.
- Middlesbrough College was paid £899 (2024: £1,259) by the association in respect of course fees during the year; there were no outstanding balances owed by the association (2024: £nil). The association received £nil (2024: £3,000) from Middlesbrough College during the year and £nil (2024: £500) was owed by Middlesbrough College as at 31 March 2025. Jane Castor, chief resources officer, is a governor at Middlesbrough College.
- Homefair Blinds UK Limited was paid £1,503 (2024: £1,884) by the association for goods and services received in the year. No balances were outstanding as at 31 March 2025 (2024: £nil). The spouse of David Ripley, executive director of customer services (to 30 April 2025), is the owner of Homefair Blinds UK Limited.
- Storm Tempest Property Consultancy was paid £300,756 (2024: £144,125) by the association and £nil (2024: £624) by Gus Robinson Developments Limited, for services during the year. The association owed the company £40,851 at 31 March 2025 (2024: £6,210). The partner of Joy Whinnerah, executive director of development and partnerships (until 5 January 2025), is a director of Storm Tempest Property Consultancy.

The association has applied the exemptions available under paragraph 33.1A of FRS 102 not to disclose transactions with other group companies. Transactions between unregistered group companies are disclosed in note 16.

## 32. Agreements to improve existing properties

### Group and association

Agreements to purchase improved properties from the local authority and separately to deliver those improvements transferred to Thirteen Housing Group between 2008-12. Whilst the local authority retained an obligation to improve the properties, the group was contracted to deliver those improvements. The underlying substance is that the properties were purchased in their existing condition at the agreed price to which the group would undertake the specified improvements. Management have offset the asset arising from the local authorities' obligation to improve the properties against the group's liability to perform the improvement works.

At the point of entering the agreement, the estimated gross value of the improvements for Erimus Housing and Housing Hartlepool were £185m and £86m respectively, which have been completed.

The estimated gross value of the improvements for Tristar Homes was £217m. At 31 March 2025 the gross value of invoiced work on which VAT had been reclaimed was £102.2m (2024: £98m).

## 33. Joint ventures

### Group and association

The association accounts for its own share of assets, liabilities, and cash flows in joint arrangements, measured in accordance with the terms of the arrangement.

## 34. Financial assets and liabilities

### Financial instruments

The group has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments and to follow the disclosure requirements of FRS 102 Section 11 and 12.

The group has not elected to hold any financial instruments at fair value through profit or loss.

#### Financial assets

The group and association initially recognises financial assets at fair value. Financial assets are classified at initial recognition and on any subsequent reclassification event in one of four primary categories:

- Financial assets at fair value through profit or loss**  
These are either: held for trading because they acquired for the purpose of selling or are a derivative; or are designated as such. They are initially recognised fair value, excluding transaction costs. At each reporting date, they are re-measured at fair value with change being recognised in the Statement of Comprehensive Income as interest receivable or payable. The group has not designated any non-derivatives as fair value through profit or loss.
- Loans and receivables**  
These are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market and have not been designated as either fair value through profit or loss or as available for sale. Such assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Comprehensive Income when loans and receivables are derecognised or impaired.
- Held to maturity**  
These are non-derivative financial assets with fixed and determinable payments and a fixed maturity date where the group or association has an intention and ability to hold them to maturity. Gains and losses are recognised in the Statement of Comprehensive Income when loans and receivables are derecognised or impaired.
- Available for sale**  
These are non-derivative financial assets that are designated as such or are not classified in any of the other categories. These are held at fair value with gains or losses being recognised in the Statement of Changes in Equity. If there is no active market for a financial asset and it is not appropriate to determine fair value using valuation techniques, financial assets are carried at amortised cost.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. Impairment provisions for bad and doubtful debts are calculated based on customer payment history with 100% of former tenant arrears being provided for.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.



# Notes to the financial statements

## 34. Financial assets and liabilities (continued)

### Financial instruments

#### Financial liabilities

The group and association classify financial liabilities at initial recognition and on any subsequent reclassification event into one of two primary categories:

- Financial liabilities at fair value through profit or loss  
These are derivatives initially measured at fair value, excluding transaction costs. At each reporting date, they are re-measured at fair value with change being recognised in the Statement of Comprehensive Income as interest receivable or payable. The group has not designated any non-derivatives as fair value through profit or loss.
- Other financial liabilities  
All other financial liabilities are held at amortised cost using the effective interest rate method, this includes loans, overdrafts and trade payables. Loans include un-amortised issue costs.

#### Embedded derivatives

Embedded derivatives are identified upon initial recognition of a financial instrument. Embedded derivatives are held at amortised cost if their economic characteristics and risks are closely related to the host contract and the host contract is not held at fair value through profit or loss. Embedded derivatives that are not closely related to the host contract and the host contract itself is not held at fair value through profit or loss are accounted for separately to the host contract at fair value through profit or loss.

#### Hedge accounting

The group does not have any hedges in place.  
The group's policy on managing financial risk is explained in the strategic report.  
The financial instruments may be analysed for group and association as follows:

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	-	-	-	-
Financial assets that are debt instruments measured at amortised cost				
- Rent receivable	4,541	4,509	4,540	4,508
- Amounts owed by group undertakings	-	-	2,334	1,099
- Other receivables and prepayments	25,894	26,685	25,335	25,476
- Cash and cash equivalents	20,123	124,764	19,224	124,282
	<u>50,558</u>	<u>155,958</u>	<u>51,433</u>	<u>155,365</u>

## 34. Financial assets and liabilities (continued)

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<b>Financial liabilities</b>				
Financial liabilities measured at fair value through profit or loss				
- Derivative financial instruments (a)	-	-	-	-
Financial liabilities measured at amortised cost				
- Loans and overdrafts (b)	414,759	486,052	414,758	486,052
- Rent in advance	5,861	5,372	5,849	5,366
- Amounts owed to group undertakings	-	1,512	1,458	
- Other creditors and accruals	<u>325,930</u>	<u>261,246</u>	<u>324,651</u>	<u>258,507</u>
	<u>746,550</u>	<u>752,670</u>	<u>746,770</u>	<u>751,383</u>

- (a) Loan notes issued by the association include a prepayment option that is not closely related to the host loan. The embedded derivative has been accounted for separately from the host loan, but its fair value at the reporting date is nil (2024: nil). The value of the host loan is £100.0m and is itself measured at amortised cost.
- (b) The loan portfolio includes loans with prepayment options, all of which are considered closely related to the loan itself and would compensate the lender for lost interest, apart from the loan notes issuance described in (a).

### Liquidity

Loans of £345.7m (2024: £366.7m) have fixed rates of interest between 2.3% and 11.8%.  
Loans of £66.2m (2024: £115.9m) have variable rates of interest up to 1.8% over SONIA.  
Final instalments fall to be repaid in the period from 2025 to 2056.  
All loans are secured by fixed charges over the group's properties.  
At the reporting date, the group and association had undrawn loan facilities of £196.6m (2024: £136.5m).

Loans are repayable as follows:

	2025 £'000	2024 £'000
Within one year or on demand	12,520	10,714
One year or more but less than two years	9,018	12,520
Two years or more but less than five years	46,523	96,397
Five years or more	<u>343,817</u>	<u>363,038</u>
	411,878	482,669
Accrued interest due within one year	<u>2,881</u>	<u>3,383</u>
	<u>414,759</u>	<u>486,052</u>

# Notes to the financial statements

## 35. Post balance sheet events

Gus Robinson Homes was dissolved on 26 August 2025.

## 36. Ultimate parent undertakings and controlling party

The ultimate parent undertaking and controlling party is Thirteen Housing Group Limited, a community benefit society registered under the Co-operative and Community Benefit Societies Act 2014 and a registered provider of social housing with the Regulator of Social Housing (RSH).

Thirteen Housing Group Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at the reporting date. The consolidated financial statements of Thirteen Housing Group Limited are available from the group’s registered office at 2 Hudson Quay, Windward Way, Middlesbrough TS2 1QG.

# Other Company information

## Registrations

Registered as a community benefit society under the Co-operative and Community Benefit Societies Act 2014, number 7522.

Registered by the Regulator of Social Housing, number L4522.

## Board

Chair	Jane Earl
Other Members	Andrew Wilson Anthony Riley Barry Cummins (from September 2024) Catherine Wilburn Christopher Newton (to September 2024) Lee Ali Martha Shields (from September 2024) Richard Buckley (to June 2024) Robert Cuffe Rob Goward Salma Yasmeen Stuart Duthie (to October 2024)

## Executive Directors

Group Chief Executive	Matt Forrest
Deputy Chief Executive	Christine Smith (to 31 July 2025)
Chief Resources Officer and Company Secretary	Jane Castor
Chief Information and Technology Officer	Matt Cavanagh
Chief Investment and Property Officer	Sharon Thomas (from 21 July 2025)
Executive Director of Customer Services	David Ripley (to 30 April 2025)
Executive Director of Asset	Paul Jenkins (to 31 May 2024)
Executive Director of Development	Joy Whinnerah (to 5 January 2025)

## Registered Office

2 Hudson Quay  
Windward Way  
Middlesbrough  
England  
TS2 1QG

## Independent Auditor

KPMG LLP  
Chartered Accountants  
1 St Peter’s Square  
Manchester  
M2 3AE

## Solicitor

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
BS3 2ES

## Banker

NatWest  
124 High Street  
Stockton-on-Tees  
TS18 1NW



**thirteen**

**[www.thirteengroup.co.uk](http://www.thirteengroup.co.uk)**

**in @thirteen-group**

**f @thirteengroup**

Thirteen Housing Group is a registered society under the Co-operative and Community Benefit Societies Act 2014, registration number 7522.