Railway Housing Association and Benefit Fund

Annual Accounts

for the year ended 31 March 2026

BOARD

The Board comprises a sole corporate trustee:

Railway Housing Association and Benefit Fund (Registered Charity Number 1188450)
(Resigned on 28 November 2025)

Railway Housing Association (Community Benefit Society Number 9650)
(Appointed on 28 November 2025)

EXECUTIVE TEAM

Matthew Sugden	Chief Executive
Joanne Watson	Chief Finance Officer
Christopher Marshall	Chief Operating Officer

Registered Office

Maple House, 11 Tillage Green, Westpark Village, Darlington DL2 2GL

Telephone 01325 482125

Registered Charity Number

1216185

Registered Provider of Social Housing Number

A1855

Bankers:

Lloyds Bank plc
21-23 Northgate
Darlington
Co Durham
DL1 1TL

External Auditor:

Menzies LLP
Suite 9b
The Beehive
Lions Drive
Shadsworth Business Park
Blackburn
B1 2QS

Insurance Brokers:

Marsh Ltd
Ground Floor West
300 TVP2
Thames Valley Park Drive
Reading
RG6 1PT

CHAIR AND CHIEF EXECUTIVE'S REVIEW

2025/26 has been a positive and productive year for Railway Housing as we have continued to drive significant change within the organisation. To support the delivery of our 'On the Right Track' strategy, the board also made three additional appointments in January 2026 and April 2026 as we continue to drive improvements across the organisation. Over the last three years we have established strong foundations across our four strategic pillars, and we are well positioned to meet the continued challenges that the operating environment presents.

Financial position and pressures

The association continued to experience significant financial pressures during the year ended 31 March 2026, primarily driven by a combination of rising costs, limitations on rental income, and substantial investment requirements. While overall inflation rates remained above 3.0% during the year, the association continued to experience increases in costs for repairs and maintenance that outpaced inflation, with expenditure on day-to-day and empty homes repairs rising steeply due to both increased volume and cost. The rent increase meanwhile did not keep pace with cost increases, due to a limit of 2.7% applying based on September 2024 CPI plus 1%. In addition, although there were some cuts to base rate in 2025, interest rates have remained higher than in previous years.

The surplus for the year on ordinary activities was £106,622 compared with £442,698 for the previous year.

There was an actuarial gain of £81,558 for the year in respect of the pension scheme, compared to £83,362 for the previous year, and there was a decrease in the pension fund liability from £956,444 at 31 March 2025 to £631,476 at 31 March 2026. Further information is provided in note 24 to the financial statements.

The amount of cash at bank and in hand decreased by £720,603 during the year to £6,185,155 due mainly to increased capitalised major repairs expenditure following the development of an investment programme based on the information from the stock condition surveys carried out during the previous year.

Current rent arrears as a percentage of debit remain low, decreasing to 1.20% at 31 March 2026 (2025 – 1.37%), and rent written off (bad debts) was 0.15% (2025 – 0.11%) of net rents receivable, demonstrating the association's continuing success in collecting rent from our tenants.

Performance in re-letting empty homes improved during the year due to an increased focus on contractor management and the percentage of rent lost due to voids reduced to 1.09% for the year (2025 – 1.68%).

For the financial year 2026/27 the Board has agreed to increase rents in accordance with the annual rent increase limit set out in the Regulator of Social Housing's April 2026 rent standard. The association's fair and assured base rents are the same for similar properties in each locality. Affordable rents represent 80% of market rent, including any service charges, and will also increase in line with the government's rent increase policy. The Board is of the opinion that the association can achieve its intended financial objectives through the current rent strategy.

Governance

In August 2023, we undertook an external review of our governance arrangements that identified a number of opportunities for improvement. Following the review, we established a clear governance improvement plan which was formally signed off as complete by the board in January 2025. This plan has seen the establishment of a new resident committee, chaired by a board member with lived experience, and has a resident majority. This has continued to make a positive impact on hearing the resident voice throughout the governance framework. The Board and executive team were delighted to return to G1 status following an inspection by the Regulator of Social Housing in 2025/26 and remain committed to ensuring strong governance across Railway.

On 28 November 2025, the corporate trustee of Railway Housing Association and Benefit Fund, a charitable company limited by guarantee of the same name, converted to a charitable community benefit society with the name Railway Housing Association. Further details of the conversion are provided in note 1 to the financial statements.

Resident focus and involvement

As part of our commitment to improving resident engagement, we undertook an external review following the first year of our resident engagement strategy. This external review, undertaken by

CHAIR AND CHIEF EXECUTIVE'S REVIEW (CONTINUED)

Altair, highlighted that we had driven significant improvements in listening and acting upon the resident voice which was a key driver in Railway attaining its C1 consumer rating in May 2026.

Our homes

The association's rented housing stock remained at 1,561 units during the year, and leasehold properties for the elderly remained at 73 units. Further progress has been made in 2025/26 on our understanding of the condition of our homes, and over 96% of homes had a valid stock condition report by the end of March 2026. The team continue to pursue the remaining 61 homes and deliver the rolling five-year programme as set out in the association's Asset Management Strategy.

Technology

We have continued to progress the actions from the health check of our housing management system that are resulting in improvements in processes across our business.

A data strategy was approved by the Board in September 2025 that aims to automate, systemise and protect all our data collection and storage, and enable data to be accessed, analysed and reported to drive decision making, through a 3-year improvement plan. The strategy sets out some significant changes that are urgently required; the replacement of the housing management and finance systems with a single consolidated solution, and the procurement of a new managed service provider due to the current provider, Civica, leaving the market. The first stage of this combined project has been completed, with the current provision and the future needs for the ICT architecture, managed service, and housing and finance systems defined, options for future provision appraised, and specifications developed.

Our People

In 2024/25 we undertook a review of our total operating model, which resulted in a substantial organisational restructure. This has seen us reduce the size of the executive team and strengthen our operational management team in both size, knowledge and expertise. Our structure is now fully aligned to the delivery of our On the Right Track strategy and is driving strong performance improvement. Colleague engagement remains high with our final quarterly pulse survey of 2025/26 registering an employee net promotor score of +87, placing us in the outstanding category.

The future

Looking to the coming year, we are clear on our priorities and will continue to build on the strong foundations we have established through On the Right Track. The change we are continuing to deliver within Railway is a direct reflection of the collective hard work and dedication of the Railway team. We are committed to delivering a better experience for Railway residents and excited for the improvements that we will deliver in 2026/27.

Signed by:
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Yvonne Castle

Chair of the Board

Signed by:
Matthew Sugden
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Matt Sugden

Chief Executive

STRATEGIC REPORT (CONTINUED)

Principal activities

The principal activity of the association is the provision of affordable rented housing accommodation for elderly persons in housing need throughout the North East of England and in Hereford. Additionally, in the Darlington and York areas, similar accommodation is provided for general needs.

Purpose and corporate strategy

Our purpose is clear; to provide high quality, affordable homes to residents in housing need.

We have pursued this mission for over 100 years and strongly anchored in our core purpose and mission. Our foundation in 1919 by North Eastern Railway workers, supports the core of our operating bases in Newcastle, Darlington, Hull, York, Leeds and Doncaster. We remain proud of our past and the legacy that the organisation carries, whilst being committed to driving continued improvements for our residents into the future.

During the last year we have refined the priorities within our business strategy, through the On the Right Track delivery plan. This focuses our strategy on four key areas:

- **Our resident experience** – to provide an outstanding resident experience, reflecting our residents' needs and aspirations
- **Our homes** – to provide safe, affordable and energy efficient properties that residents are proud to call home
- **Our organisation** – to be a well governed, financially strong and digitally enabled organisation and
- **Our people** – to create a high performing, resident focused culture that attracts and retains talented colleagues.

We believe that this delivery plan will help us to set strong foundations to deliver our vision of becoming the country's best small housing provider.

Operational performance

The association monitors operational performance using a performance scorecard that focuses on the key performance indicators that would cause a significant issue if below target for a period of time, and that are not already reported to the board through other routine reports. The scorecard reflects the regulatory shift to a proactive approach to regulating the consumer standards and is based on the themes of our strategic delivery plan.

All indicators on the scorecard for 2025/26 are measured at least quarterly so that performance can be tracked across the year.

It is acknowledged that performance is below where it should be in relation to the number of ASB cases per 1,000 homes, emergency repairs completed within target timescales, operating margin, re-lets and therefore empty homes loss.

The number of ASB cases recorded has increased significantly during the year due to additional resident engagement, for example through Railway on Tour, where we visited every community and knocked on every door to find out what matters to residents, along with an improved awareness and training for colleagues. It is likely that ASB has been under-reported in previous years.

Our repairs data has continued to improve in 2025/26 following the implementation of a contractor portal for the housing management system that has enabled contractors to supply completion dates directly. Additional controls have also been introduced to track and manage emergency repairs, with daily reviews of repairs reported, daily chasing of contractors, and daily check ins with residents. This strategy has resulted in the percentage of emergency repairs completed on time, i.e. within 24 hours, improving from 64% in 2024/25 to 87% in 2026/27. We are continuing to work with contractors to improve completion timescales and resident satisfaction with the repairs service that they provide.

Operating margin is a key measure of VFM and is one of the regulatory metrics required by the Regulator of Social Housing's VFM standard. Performance declined during the year due to increased expenditure on repairs and maintenance while turnover has remained relatively stable.

STRATEGIC REPORT (CONTINUED)

Re-let times have improved during the year following the introduction of weekly meetings to improve the turnaround of empty homes and minimise rent loss through bringing together the community housing and property teams with the contractors in order to manage performance. The average re-let time target was exceeded in quarters 1-3 however the re-letting of some longer-term empty homes in quarter 4 has negatively affected the overall result for the year.

Further information about performance is included in the value for money statement below.

The scorecard indicators are:

Performance indicator		**Actual**	**Target**		**Quartile**
Our resident experience					
Number of ASB cases per 1,000 homes		19.9	7.1	↓	1
Number of ASB cases involving hate crime per 1,000 homes		0.0	1.0	■	1
Our homes					
Percentage of residents satisfied with the repairs service (transactional survey)		94.3%	78.0%	↑	-
Percentage of homes that do not meet the DHS		0.5%	0.0%	↓	3
Percentage of repairs completed within target timescale	Emergency	86.6%	100.0%	↑	4
	Non-emergency	79.6%	76.2%	↑	4
Our organisation					
Operating margin		8.02%	14.66%	↓	4
Average re-let time (days)		50.47	46.27	↑	3
Empty homes loss (£)		103,953	87,610	↑	-
Current rent arrears as a percentage of debit		1.20%	1.18%	↑	1
Our people					
Colleague eNPS		+84	+30	↑	-

Value for money (VFM)

The On the Right Track strategic delivery plan sets out our long-term vision of being the country's best small housing provider, which will be achieved when we score highest for resident satisfaction when compared to similar organisations with between 1,000 and 2,000 homes. The 'our organisation' foundation includes the ambition of improving value for money throughout our organisation, but value for money underpins all four of our foundations.

Our VFM strategy was approved by the Board in May 2025 and sets out how the association will optimise the use of resources to deliver our strategic objectives, enhance services for residents, and improve financial performance. The strategy is underpinned by the following strategic objectives, aligned with our four foundation themes:

- **Our resident experience** – enhance resident satisfaction and engagement while optimising service delivery costs
- **Our homes** – maximise the long-term value of our housing stock while minimising lifecycle costs
- **Our organisation** – improve value for money throughout our organisation to maximise the impact of our resources and
- **Our people** – empower our colleagues to deliver high-quality services efficiently and effectively.

A core objective of the strategy is to improve our operating margin which is a key indicator of business health and financial efficiency, with a longer-term target of moving the association into the second quartile in comparison to similar housing associations with between 1,000 and 2,000 homes.

The On the Right Track strategic delivery plan and the VFM strategy reflect the Board's decision to pause the development programme and focus on improving existing assets. The association remains committed to developing new homes in the future but acknowledges that the focus must be on investing in existing homes to continue to meet the Decent Homes Standard, improve energy efficiency and ensure the safety of residents in the short term.

Residents' views are central to our business and to improving VFM and we will conduct regular resident feedback surveys to identify areas for service improvement and cost reduction. We will also implement digital solutions to streamline resident interactions and empower residents through self-service options.

ICT is key to our VFM strategy; we aim to maximise service efficiency, reduce costs and increase resident satisfaction through the introduction of new technologies where beneficial, and through maximising the potential of existing systems. During the year we continued to enhance our housing management system, and we completed the first preparatory stage of the combined project to replace the housing management and finance systems with a single consolidated solution, and to procure a new managed service provider. The delivery of our data strategy will streamline data collection and management processes, by enhancing the digital architecture to deliver an improved resident experience, modernising the application architecture which will in turn improve the data architecture, and by assigning data owners through a new data governance framework to ensure the quality of data is maintained.

The association must meet the regulatory standards determined by the Regulator of Social Housing, including the VFM standard. The VFM standard requires that the association reports on its performance against its own VFM targets with comparisons to other similar providers. In addition, there are seven regulatory metrics required to be reported on by all providers, to enable cross-sector comparisons.

The association's performance is benchmarked against a bespoke peer group of traditional English housing associations with between 1,000 and 2,000 units.

The regulatory metrics are set out below with our actual performance for the last three years and forecasts of performance for the next three years. The quartiles reflect the association's performance compared to the above peer group for 2024/25 (the latest data available), with quartile 1 representing top quartile performance.

STRATEGIC REPORT (CONTINUED)

Metric	2023/24 actual	2024/25 actual	2025/26 actual	2025/26 forecast	2024/25 quartile
1 Reinvestment %	4.74%	1.62%	3.02%	3.26%	3
2a New supply delivered (social housing) %	0.86%	0.00%	0.00%	0.00%	2
2b New supply delivered (non-social housing) %	0.00%	0.00%	0.00%	0.00%	1
3 Gearing %	17.70%	16.83%	17.15%	17.09%	1
4 EBITDA MRI interest cover %	239.17%	248.14%	137.65%	157.58%	2
5 Headline social housing cost per unit £	4,072	4,504	5,597	5,232	1
6a Operating margin (social housing lettings) %	14.51%	11.50%	7.16%	16.14%	3
6b Operating margin (overall) %	14.70%	12.34%	7.60%	14.66%	3
7 Return on capital employed %	2.01%	1.85%	1.22%	2.26%	4

Metric	2026/27 forecast	2027/28 forecast	2028/29 forecast
1 Reinvestment %	4.92%	5.37%	4.47%
2a New supply delivered (social housing) %	0.00%	0.00%	0.00%
2b New supply delivered (non-social housing) %	0.00%	0.00%	0.00%
3 Gearing %	19.73%	22.60%	22.71%
4 EBITDA MRI interest cover %	-15.88%	-35.64%	62.98%
5 Headline social housing cost per unit £	6,736	6,996	6,804
6a Operating margin (social housing lettings) %	5.67%	9.86%	10.02%
6b Operating margin (overall) %	5.36%	9.61%	10.35%
7 Return on capital employed %	0.93%	1.91%	1.94%

In addition to the above regulatory metrics, the following performance indicators have been identified by the association as being important to the achievement of VFM:

Indicator	2023/24 actual	2024/25 actual	2025/26 actual	2025/26 target	2024/25 quartile	2026/27 target
Percentage of residents satisfied with overall service (perception survey)	83.5%	82.0%	84.2%	83.0%	2[1]	85.0%
Current tenant arrears %	1.19%	1.37%	1.20%	1.18%	1	1.20%
Percentage of rent collected	100.5%	99.6%	99.1%	100.2%	3	100.0%
Average re-let time	54.80	72.57	50.47	46.27	3	40.00
Ratio of responsive repairs to planned maintenance	1.89	2.59	1.41	0.68	4	0.65

[1]The quartile for the percentage of residents satisfied with the overall service relates to 2025/26

Outcomes delivered

Reinvestment improved significantly for 2025/26 and was just slightly lower than planned. Major repairs to existing properties were based on the data from the programme of stock condition surveys carried out over the previous two years and developed into a long-term stock investment plan that ensures that the level of investment is affordable and that the decent homes standard continues to be met by every property.

There was no development activity during the year, with resources now being focused on improving our existing properties.

Overall satisfaction improved by more than 2% again in 2025/26 while remaining in quartile 2 when compared to the association's peer group of traditional English housing associations with between 1,000 and 2,000 units.

Business health

Gearing increased in line with the forecast due to cash held reducing at a greater pace than debt as a result of the increased investment in existing homes.

EBITDA MRI interest cover is lower than expected due to increased repairs and maintenance expenditure resulting in a lower operating surplus.

The operating margin also declined again in 2025/26, also due to the reduced operating surplus. It is expected that the operating margin will improve marginally over the next few years however it will remain on average below 10% due to increased repairs and maintenance expenditure, and the association acknowledges that performance against these metrics needs to improve.

Operating efficiencies

The headline social housing cost per unit remained in quartile 1 for 2024/25 due to the reduced spend in that year on capitalised major repairs. The cost per unit has increased by 24.3% in 2025/26 due to the increase in repairs and maintenance expenditure and the increased investment in capitalised major repairs.

The average re-let time improved consistently over quarters 1-3, achieving 36.47 in quarter 3 due to improved contractor management. There were three longer-term relets in quarter 4 however that have resulted in the target for the year not being achieved. Empty homes will be managed more efficiently through the housing management system from 2026/27 to ensure that performance continues to improve.

The percentage of current tenant rent arrears improved during the year and quartile 1 has been maintained, while the percentage of rent collected remained stable at just under 100% for the year, with total tenant arrears reducing while prepayments increased. Residents that are experiencing problems are offered advice and support to ensure that they can access any benefits or financial assistance that they are entitled to.

Effective asset management

The return on capital employed declined further in 2025/26 due to the reduced operating surplus but is expected to improve in 2026/27 and beyond.

The ratio of responsive repairs to planned maintenance declined a little further in 2025/26 as the costs of responsive and empty homes repairs increased by significantly more than inflation, and the planned programme had a delayed start while the stock condition survey results were being reviewed and developed into the investment plan.

The net present value (NPV) of each property was updated during the year and now includes the results of the recent programme of stock condition surveys. The NPV results enable us to identify the highest and lowest performing assets, providing a clear and data-driven foundation for strategic decision making. All except seven schemes (35 homes) are generating a positive return. There is a wide range of results, with an average value of £18,745, the lowest value being -£7,248 and the highest £74,619. The asset management strategy sets out our priority of developing a decision-making framework for future investment and divestment during 2026/27.

REPORT OF THE BOARD

The Board is pleased to present its report together with the audited financial statements for the year ended 31 March 2026.

Risk management and principal risks

The association recognises that it has a responsibility to manage both internal and external risks as a key component of good corporate governance and is committed to embedding risk management into its daily operations from the setting of objectives to service and financial planning through to departmental processes. The association believes that effective risk management will help it to achieve its corporate objectives and provide better services.

Potential risks to the aims of the association may arise strategically from the association's priorities, board decisions and major projects, or operationally from service delivery and change initiatives, and are recorded on the risk register. All appropriate categories of risk are considered in relation to the specific objectives of any option or decision.

The association uses a template for all board and committee reports that includes a section on risk. This ensures that the board assesses risk in relation to any decisions that are taken throughout the year, and enables any significant risks identified that are not on the risk register to be added. In addition, there is a standing item on the board agenda of risk, to allow a wider discussion to take place regarding emerging issues that are not yet on the risk register or included as specific items on the agenda, such as regulatory and statutory changes.

Each risk is assigned a risk area which determines the association's risk appetite for that risk. Each risk is then scored for impact and likelihood using advisory scoring criteria on a gross basis (before considering what existing risk actions and controls are in place), and on a net basis (considering existing risk actions and controls), and a target score is also determined where the risk is outside of the association's risk appetite and can be controlled.

The current principal strategic risks faced by the association are:

Financial capacity – the data from the programme of stock condition surveys has now been developed into an investment plan that is affordable while ensuring that properties are safe and well maintained and that they meet the needs of residents. This investment is affordable because capacity was increased during the year by changing the interest cover covenants applicable to two loans so that major repairs expenditure is excluded from the calculation. However, cost increases continue to outpace rent increases and the financial implications of the revised decent homes standard and minimum energy efficiency standard have not yet been confirmed.

Health and safety – the health and safety of our residents, colleagues and contractors is more important than anything else. 96% of homes now have valid stock condition surveys including an assessment of HHSRS, and the remaining 4% have been risk assessed to mitigate any risks to residents. A revised damp and mould process is now live, with more emphasis on assessing the vulnerability of residents and triaging cases effectively. We have also improved performance monitoring during the year including Voicescape automated check ins. Fire risk assessments have been completed for all schemes and an action plan is in place to carry out remedial works, along with an additional project manager to oversee their delivery. Compartmentation surveys have also been completed, and the programme of work will be carried out in 2026/27. We will also improve the way we manage damp and mould by using our housing management system better, and we will review and strengthen colleague health and safety arrangements.

Contractor failure – the repairs and maintenance service is provided by a range of contractors that are based according to the geographical spread of our homes, and this leads to inconsistency in service delivery, difficulty in letting some contracts, intensive contractor management and an increased risk of contractor failure. A strategic options appraisal was carried out during 2025/26, and the outcomes will be considered further in 2026/27.

Cyber security – cyber security risks are constantly changing and increasing globally. During the year we have trained all colleagues and specified our requirements from a new managed service provider, which will ensure an improved service while strengthening our response to threats and failures.

Governance and regulatory compliance

Railway Housing Association and Benefit Fund is a registered charity (number 1216185 and formerly number 1188450), operating under the Trust Deed of 18 February 1921 and subsequent amendments and also a registered provider of social housing under the Housing Act 1996 and Housing and Regeneration Act 2008.

Our corporate strategy aims to set strong foundations to deliver our vision of becoming the country's best small housing provider. The Board has set a clear statement of intent to prioritise a focus on delivering an excellent experience to current and future residents.

To monitor the implementation of our corporate strategy and ensure that our business delivers operationally the Board has put in place a committee structure. This committee structure, and its effectiveness, is reviewed annually by the board as part of an annual governance effectiveness review. Following the annual review in 2025/26 further changes to the committee structure were implemented.

The current committee structure comprises:

- Audit committee – supports the Board in relation to the broad audit and risk function and provides reassurance that internal control arrangements across the association are appropriate and operate to the highest standards
- People and governance committee – supports the Board through its oversight of ensuring appropriate governance arrangements are in place in respect of organisational development, people strategy implementation, executive and non-executive appointments, succession plans, performance assessments, development plans, and colleague reward and remuneration.
- Resident committee – supports the Board through its oversight of operations and consumer standards compliance, ensuring that the residents voice is heard and acted upon in all elements of our service delivery.

The process for reviewing individual board and committee members performance has been improved with a revised approach to appraisal following the recent governance review. The appraisal meetings will continue to appraise contribution, attendance, and training and development needs. All board and committee members are required to provide an annual governance declaration, including declarations of interest, to ensure ongoing independence.

The National Housing Federation (NHF) 2020 Code of Governance has been adopted by the Board as a formal framework to underpin its governance arrangements. This particular code of governance was selected as it is bespoke to the housing sector and it is a widely recognised example of best practice. Compliance with this code ensures Railway will:

- Adhere to all relevant laws
- Ensure that its constitutional documents are, and remain, fit for purpose
- Be accountable to residents and relevant stakeholders
- Safeguard taxpayers' interests and the reputation of the housing sector and
- Have an effective risk management and internal controls assurance framework.

Through the annual governance effectiveness review, the Board has assessed compliance through self-assessment processes which have included a detailed examination of the effectiveness of the internal control framework, a comprehensive review of compliance with both economic and consumer regulatory standards, including an external review of consumer standards, and an assessment of compliance with the NHF 2020 Code of Governance. An external review of governance, as outlined above, was last undertaken by external consultants, DTP, within 2023/24. As a result of the effectiveness review, the Board has assessed that it fully complies with its chosen code of governance. The Board extended the term of one member in line with the code to smooth the boards succession plan, and the six-year maximum was exceeded by one year by Carl Makin, who retired on 30 June 2025. This was considered to be in the best governance interests of the association.

The Board of Directors certifies compliance with the Governance and Financial Viability Standard issued by the Regulator of Social Housing.

REPORT OF THE BOARD (CONTINUED)

Statement of the Board's Responsibilities

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

The Charities Act 2011 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 association and of the income and expenditure for the period of account.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) for Registered Social Housing Providers update 2018, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association and association will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable it to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2023.

It also has general responsibility for taking reasonable steps to safeguard the assets of the association and association and to prevent and detect fraud and other irregularities.

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

Statement on internal control

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

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the association's assets and interests.

In meeting its responsibilities, the Board has taken a risk-based approach to the adoption of internal controls which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of the risks to which the association is exposed and is consistent with recognised good practice.

The process adopted by the board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

- *Identification and evaluation of key risks*
  Functional managers have a clear, ongoing responsibility for the identification and evaluation of significant key risks and for putting in place control procedures to mitigate and monitor those risks. The Audit Committee reviews the association's risk management framework. The executive team considers significant risks facing the association and the Chief Executive is responsible for reporting to the Board any significant changes affecting key risks.

- *Monitoring and corrective action*
  All departments are expected to comply with control procedures and there is a rigorous approach to tracking and reporting on control issues that provides assurance to senior leaders and to the Board. This process enables corrective action to be taken and weaknesses to be remedied quickly, if necessary, in relation to any significant control issues, particularly those with a material impact on the financial statements.

- *Control environment and control procedures*
  The Board retains responsibility for a range of issues covering strategic, operational, financial and compliance issues including the treasury strategy and new investment projects. A code of governance sets out the association's policies with regard to the quality, integrity and ethics of its employees. It is supported by comprehensive policies and procedure manuals with which employees must comply. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data protection and fraud prevention and detection.

- *Information and financial reporting systems*
  Financial reporting systems include annual budgeting, quarterly reporting of financial results and comparisons with budget, cash flow reporting, rolling 30-year financial planning and quarterly reporting on treasury management operations. These are reviewed and approved by the Board as appropriate. The Board also reviews key performance information quarterly to assess progress towards the achievement of key business objectives, targets and outcomes.

- *Fraud*
  The Board has a current policy on fraud which covers the prevention, detection and reporting of fraud and the recovery of assets. Fraud awareness training is provided for all board members and all members of staff regularly.

The internal control framework and the risk management process are subject to review by internal audit who are responsible for providing independent assurance to the Board via the Audit Committee. The Audit Committee considers internal control systems and risk at each of its meetings during the year and reports annually to the Board setting out the committee's work and performance during the year, including how it has met its terms of reference.

Changes in fixed assets

Details of fixed assets are set out in notes 11, 12 and 13 to the financial statements.

Public benefit

The Board members have due regard to the Charity Commission's public benefit guidance when exercising their powers and performing their duties, including in developing the association’s mission, values and strategic goals set out in the business strategy. The Board members consider that the association's activities reflect its purpose of providing affordable rented housing for the relief of those in need.

Reserves

Reserves are retained at levels that allow the association to continue to provide the services that the reserves are intended to support while managing the risks associated with long term expenditure plans. A budget and 30-year forecast for reserves is set each year to achieve this objective, and the level of each reserve is monitored throughout the year by the Board. The association held £23,941,321 in the income and expenditure reserve at 31 March 2026, and £1,940,445 in designated reserves. Free reserves, i.e. unrestricted funds excluding tangible fixed assets net of grant, were (£13,672,056) at 31 March 2026, as £37,613,377 can only be realised by disposing of tangible fixed assets.

Employees

Details of employee costs are set out in note 7 to the financial statements. The association operates an equal opportunity and diversity policy in the advertising of vacancies, and in the appointment and employment of staff.

Executive officers

The Board delegates day-to-day management and takes advice from the Chief Executive and the executive directors who form the executive team of the association. The executive team also delegate financial and operational matters to other members of the association's staff, as they deem appropriate.

The Board determines senior pay and terms and conditions. Salaries and certain benefits are benchmarked against the association’s peer group of similar registered providers annually and benchmarked more widely by an independent consultant every three years.

Insurance

The association has renewed an insurance policy to indemnify its Board members and officers against liability when acting solely on behalf of the association.

Disclosure of information to auditor

The Board members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the association’s auditor is unaware; and each Board member has taken all the steps that they ought to have taken as a Board member to make themselves aware of any relevant audit information and to establish that the association’s auditor is aware of that information.

REPORT OF THE BOARD (CONTINUED)

Auditor

Menzies LLP (formerly Beever and Struthers LLP) were appointed as independent auditor for the association in August 2018.

The Board's Report was approved on 18 September 2026 and signed on its behalf by:

Signed by:

9F908ACC0172439...

Yvonne Castle
Chair of the Board

Role of the audit committee

The primary role of the audit committee is to ensure that the association has effective arrangements in place for risk management, internal audit, external audit, internal control and assurance.

The main responsibilities of the audit committee are:

- Overseeing the effectiveness of the internal control system
- Monitoring and advising on the risk management framework
- Recommending the appointment and remuneration of the external auditors, and reviewing external audit's effectiveness and independence
- Recommending the appointment and remuneration of the internal auditors, and reviewing the internal audit programme and the effectiveness of internal audit
- Ensuring effective coordination between internal and external audit
- Reviewing the integrity of the statutory accounts

The internal and external auditors have direct access to the chair of the audit committee and meet regularly with the audit committee without management being present to ensure the independence of the audit functions.

Any member of the board or employee with serious concerns has the right of access to the chair of the audit committee to raise those concerns.

The detailed terms of reference for the audit committee are available to board members on Onboard or from the Chief Finance Officer on request.

In preparing this report, the audit committee is satisfied that it has fulfilled its terms of reference.

Composition of the audit committee

There are four members of the audit committee. Until January 2026, the committee was composed of three board members and a co-opted member. From 26 January 2026, the co-opted committee member also became a board member. The names, appointment dates and attendance records of the chair and members of the committee during the year are as follows:

Name	date appointed to the audit committee	date resigned/ retired from the audit committee	meetings attended during year (max 4)
P Dunn (Chair)	Aug 2020	-	4
F Gordon	Jan 2025	-	4
M Grandfield	Aug 2022	-	4
A McColl	Sep 2023	-	3

All members were appointed to the committee by the board because of their skills and experience, and three members are qualified accountants.

There were four meetings of the audit committee during 2025/26.

There are no dedicated resources available to the committee members, although the committee is supported by the Chief Finance Officer and administration is provided by the Corporate Support Manager. The committee may obtain independent professional advice or expertise to assist in fulfilling its responsibilities, however other than in respect of internal and external audit, external advisors were not used during the year.

The audit committee members attend relevant and topical updates and training sessions as required, and all committee members that were board members attended a treasury briefing from the association's retained treasury management advisors in September 2025.

Internal financial control and risk management systems

The audit committee is responsible for establishing and overseeing the systems of delegation and internal control, keeping under constant review the effectiveness of those internal control systems, and recommending the annual statement on internal control to the board.

The committee considered a review of the effectiveness of the system of internal control for 2025/26 in June 2026. This review informed the statement on internal control which was recommended to the board by the audit committee for inclusion in the annual accounts for the year ended 31 March 2026.

The audit committee is also responsible for establishing policies, strategies and procedures for the identification and management of risk, and recommending these to board for approval, and for continuously monitoring the association's risk register to identify new risks and changes to risks already identified.

This assurance is provided to the board by the committee through the review of the strategic risk register and risk matrices at each meeting, and the regular review of the risk management policy and risk appetite, and their recommendation to the board. The committee also undertakes a deep dive of a strategic risk regularly, focusing on the highest scoring risks and going beyond the usual surface level review. This improves the committee's understanding of constraints and opportunities to adjust risk management strategies and practices, and provides assurance that management completely understand the risk, the risk is being managed, and that any gaps are identified, flagged and scheduled for resolution.

External audit

Menzies (formerly Beever and Struthers) were appointed as external auditor from the 2018/19 financial year. Mark Bradley is the partner responsible for the engagement for the 2024/25 and 2025/26 financial years.

In August 2025 and March 2026, the committee received details from Menzies of the external audit team's qualifications, skills, resources, effectiveness and independence, and the rotation of staff and partners, through the audit management letter for 2024/25 and the audit plan overview for 2025/26.

The committee oversees the external audit process by reviewing a plan of the programme of external audit work and receiving any reports and audit management letters for recommendation to the board.

A thorough assessment of the effectiveness of the external auditor is made annually by the audit committee and recommended to the board, for consideration in relation to the re-appointment of the auditor if applicable. The committee assessed the performance of the external auditor as satisfactory in August 2025.

The audit committee recommends the fees and terms of engagement of the external auditor to the board for approval.

The external auditor provides non-audit services in respect of service charge statement reporting for the association's four leasehold schemes, and taxation compliance. These services are pre-approved through the association's policy for the provision of non-audit services by the external auditor, subject to the fees being less than £5,000 for each assignment and the cumulative annual total of non-audit services being less than 50% of that year's audit fee. The fee for the service is within the approved thresholds, and the taxation services are provided by a separate team that is not involved in the audit process.

The committee has not proposed to the board a policy in relation to the employment of former employees of the external auditor as the association has not employed any former employees of the external auditor and the committee considers that it is unlikely that it will do so in the future.

Internal audit

RSM were appointed to provide the internal audit service in November 2024 following a full tender process.

The internal audit plan for 2025/26 was approved by the audit committee in March 2025. Internal audit reviews of anti-social behaviour, data integrity, void management and repairs and maintenance (responsive) were completed during the year, in addition to a follow-up review of previous recommendations.

Internal audit recommendation tracking reports were considered by the committee at each meeting, which provided the committee with updates on the progress of high and medium priority recommendations that had been received.

The committee received the annual internal audit report for 2025/26 in June 2026. This provided the following opinion:

> ‘The organisation has an adequate and effective framework for risk management, governance and internal control.
>
> However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.’

The committee assesses the effectiveness of the internal audit arrangements every year using a framework that considers the audit process, the effectiveness and performance of the audit team, and the output, quality and cost effectiveness of the audit service, with areas of the assessment completed by the audit committee, the Chief Executive and the Chief Finance Officer. The committee assessed the performance of the internal auditor as satisfactory in August 2025.

Financial statements

The audit committee’s terms of reference include the review, and challenge where necessary, of the actions and judgements of management in relation to the financial statements, prior to their approval by the board.

The audit committee reviewed the annual accounts for Railway Housing Association and Benefit Fund for the financial year 2024/25 in August 2025 and recommended them to the board for approval.

Performance

The audit committee completes a self-assessment review of performance each year to inform the annual report and identify any training or development requirements.

Thirty actions have been identified through reviews in previous years. Two actions, identified in 2025, remain in progress:

Action	Progress
A member of the audit committee to attend the NHF audit and risk conference each year	This action was not achieved in 2025 due to the conference being on the same day as a board meeting
One meeting to be in person each year	The March meeting was scheduled to be in person however it was moved online due to committee member availability

The audit committee completed its latest self-assessment review of performance in June 2026. This review resulted in the following action being agreed:

- Restrict audit committee membership in the audit committee terms of reference to a term no longer than three years (extendable by no more than one additional three-year period).

Progress in completing the actions will be monitored by the audit committee, assessed as a part of the self-assessment review of performance for the 2026/27 financial year, and reported in the annual report for that year.

Signed by:

Faye Gordon

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Faye Gordon
Chair of the Audit Committee
18 September 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAILWAY HOUSING ASSOCIATION AND BENEFIT FUND

Opinion

We have audited the financial statements of Railway Housing Association and Benefit Fund ("the Association") for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Cash Flows Statement and the notes to the financial statements, including a summary of significant accounting policies in note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022 and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAILWAY HOUSING ASSOCIATION AND BENEFIT FUND (CONTINUED)

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Under the Housing and Regeneration Act 2008, we are required to report to you if, in our opinion:

- proper accounting records of its transactions and its assets and liabilities in relation to its housing activities have not been kept; and
- a satisfactory system of control of those records, its cash holdings and its receipts and remittances in relation to those activities has not been maintained.

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on pages 11, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

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

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

- We obtained an understanding of laws and regulations that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Charities Act 2011, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022 health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAILWAY HOUSING ASSOCIATION AND BENEFIT FUND (CONTINUED)

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

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulation 2008 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members 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 and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Menzies LLP

Menzies LLP
Statutory Auditor
Suite 9b
The Beehive
Lions Drive
Shadsworth Business Park
Blackburn
B1 2QS
Date: 18 September 2026 | 16:19 BST

Menzies LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2026

	Note	2026 £	2025 £
Turnover	3	9,958,408	9,443,512
Operating expenditure	3	(9,201,971)	(8,278,499)
Operating surplus		756,437	1,165,013
Interest receivable and similar income	5	236,997	272,276
Interest payable and similar charges	8	(886,812)	(994,591)
Surplus for the year	9	106,622	442,698
Actuarial gain in respect of pension scheme	24	81,558	83,362
Total comprehensive income		188,180	526,060

The results for the year relate wholly to continuing operations.

The notes on pages 26 to 44 form an integral part of these financial statements

The financial statements on pages 22 to 44 were approved and authorised for issue by the Board on 18 September 2026 and were signed on its behalf by:

Signed by:

9F908ACC0172439...

Y Castle
Chair of the Board

DocuSigned by:

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A Bell
Senior Independent Director

STATEMENT OF FINANCIAL POSITION as at 31 March 2026

	Note	2026 £	2025 £
Fixed assets			
Intangible assets	11	107,037	142,116
Housing properties	12	57,038,100	57,475,203
Other tangible fixed assets	13	598,190	628,249
Total fixed assets		57,743,327	58,245,568
Current assets			
Debtors	14	1,154,939	712,298
Cash at bank and in hand		6,185,155	6,905,758
		7,340,094	7,618,056
Creditors:			
Amounts falling due within one year	15	(2,963,382)	(2,930,355)
Net current assets		4,376,712	4,687,701
Total assets less current liabilities		62,120,039	62,933,269
Creditors:			
Amounts falling due after more than one year	16	(35,606,797)	(36,283,239)
Defined benefit pension liability	24	(631,476)	(956,444)
Net assets		25,881,766	25,693,586
Capital and reserves			
Income and expenditure reserve		23,941,321	23,941,600
Designated reserves		1,940,445	1,751,986
Total reserves		25,881,766	25,693,586

The notes on pages 26 to 44 form an integral part of these financial statements

The financial statements on pages 22 to 44 were approved and authorised by the Board on 18 September 2026 and were signed on its behalf by:

Signed by:
9F908ACC0172439...
Y Castle
Chair of the Board

DocuSigned by:
0C7EFD19D54A4CD...
A Bell
Senior Independent Director

STATEMENT OF CHANGES IN RESERVES for the year ended 31 March 2026

	Income and expenditure reserve £	Designated reserves £	Total £
At 1 April 2024	23,618,004	1,549,522	25,167,526
Surplus for the year	442,698	-	442,698
Actuarial gain in respect of pension scheme	83,362	-	83,362
Transfers between reserves	(202,464)	202,464	-
At 31 March 2025	23,941,600	1,751,986	25,693,586
At 1 April 2025	23,941,600	1,751,986	25,693,586
Surplus for the year	106,622	-	106,622
Actuarial gain in respect of pension scheme	81,558	-	81,558
Transfers between reserves	(188,459)	188,459	-
At 31 March 2026	23,941,321	1,940,445	25,881,766

The notes on pages 26 to 44 form an integral part of these financial statements

CASH FLOW STATEMENT for the year ended 31 March 2026

	2026	**2025**
	£	**£**
Cash flows from operating activities		
Surplus for the year	106,622	442,698
Adjustments for:		
Depreciation and amortisation	2,249,227	2,158,301
Pension costs less contributions payable	(290,850)	(433,042)
Interest receivable and similar income	(236,997)	(272,276)
Interest payable and similar charges	886,812	994,591
	2,714,814	2,890,272
(Increase) in trade and other debtors	(447,993)	(24,640)
Decrease in trade and other creditors	(350,607)	(302,167)
Net cash from operating activities	1,916,214	2,563,465
Cash flows from investing activities		
Interest received	242,349	282,198
Grants received	-	-
Purchase of fixed assets	(1,413,843)	(1,100,934)
Net cash flows from investing activities	(1,171,494)	(818,736)
Cash flows from financing activities		
Interest paid	(831,378)	(1,014,788)
Repayment of borrowings	(633,945)	(561,964)
Net cash flows from financing activities	(1,465,323)	(1,576,752)
Net (decrease)/increase in cash and cash equivalents	(720,603)	167,977
Cash and cash equivalents at beginning of year	6,905,758	6,737,781
Cash and cash equivalents at end of year	6,185,155	6,905,758

The notes on pages 26 to 44 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2026

1. LEGAL STATUS

Railway Housing Association and Benefit Fund is a registered charity (number 1216185 and formerly number 1188450), operating under the Trust Deed of 18 February 1921 and subsequent amendments and a registered provider of social housing under the Housing Act 1996 and Housing and Regeneration Act 2008.

The corporate trustee of Railway Housing Association and Benefit Fund, a charitable company limited by guarantee incorporated in February 2020 of the same name, converted to a charitable community benefit society registered with the Financial Conduct Authority (society number 9650) on 28 November 2025 and changed name to Railway Housing Association. Railway Housing Association and Benefit Fund, the charity, was subsequently deregistered on 4 December 2025 by the Charity Commission and re-registered on 12 December 2025 with a new number, 1216185.

In the current structure, Railway Housing Association acts as the corporate trustee of Railway Housing Association and Benefit Fund, the charity. This means that all fiduciary duties, strategic oversight and decision-making responsibilities are exercised by the board of Railway Housing Association in its capacity as trustee and Railway Housing Association and Benefit Fund, the charity, remains a separate legal entity, regulated independently and holding its own charitable status and registered provider of social housing designation.

All assets, property interests, contracts, employees and operational liabilities remain with Railway Housing Association and Benefit Fund as the operating entity. Railway Housing Association as corporate trustee does not carry out operational activities but provides the governance framework through which those activities are authorised, overseen and monitored.

The use of Railway Housing Association as a corporate trustee provides limited liability protection for the board members, while ensuring that the charitable purposes continue to be delivered through Railway Housing Association and Benefit Fund as a trust.

2. ACCOUNTING POLICIES

Basis of accounting and going concern

The financial statements of the association are prepared under the historical cost convention in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice: Accounting for Registered Social Housing Providers 2018 (the SORP), the Accounting Direction for Private Registered Providers of Social Housing 2022 and the Charities Act 2011. The association is a public benefit entity.

The association's business activities, together with the factors likely to affect its future development, are set out in the Chair and Chief Executive's Review, the Strategic Report and the Report of the Board on pages 2 to 14.

The association meets its day to day working capital requirements through the current account. As at 31 March 2026 the association has cash at bank and in hand of £6,185,155. The association has met its development programme requirements through a combination of grant and debt funding and note 17 to the accounts sets out the current level of debt and repayment terms. The current economic conditions create uncertainty particularly over the longer-term availability of grant and bank finance.

The association's forecasts and projections, taking into account reasonably possible changes in performance, show that the association should be able to continue to operate within the level of its current facilities and no matters have been drawn to its attention to suggest that future funding may not be forthcoming on acceptable terms. The level of current tenant arrears has decreased during the year due to an increased focus on debt management, and empty homes have taken 30% less time to re-let, and it is not expected therefore that there will be any issues with liquidity.

After making enquiries, the Board has a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

The financial statements are presented in £ sterling.

2. Accounting policies (continued)

Turnover

Turnover comprises:

a) rent and service charges receivable;
b) other income from housing activities;
c) income from the benefit activity; and
d) amortised government grant.

Turnover is recognised using the accruals method, on a straight-line basis, in accordance with the terms of tenancy and leasehold agreements.

Rental and service charge income is recognised from the point when properties under development reach practical completion or otherwise become available for letting net of any voids.

Development costs

Where development costs are incurred on schemes that are not expected to proceed, they are written off in operating costs.

Housing properties

The classification of properties as investment property or property plant and equipment is based upon the intended use of the property. Properties held to earn commercial rentals or for capital appreciation or both are classified as investment properties; properties that are used for administrative purposes or that are held for the provision of social housing are treated as property plant and equipment. All housing properties are held for the provision of social housing, are principally properties available for rent and are stated at cost less accumulated depreciation. Cost includes the cost of acquiring land and buildings, directly attributable development costs and expenditure incurred in respect of improvements which comprise modernisation and extension of existing properties.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Freehold land is not depreciated.

Depreciation of freehold housing properties is charged so as to write down the cost by component on a straight-line basis over the estimated useful economic lives of component categories.

Useful economic lives for identified components are as follows:

Component	**UEL (years)**	**De minimis level for expenditure (£)**
Kitchens	20	3,500
Bathrooms	30	3,700
Roofs	70	10,000
Windows	25-30	3,200
External doors	25-30	1,100
Heating/mechanical systems	20	3,200
Electrics	20	3,400
PV	25	3,500
Lifts	30	10,000
Structure	100	1,500

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

2. Accounting policies (continued)

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, the cost associated with any works to improve such properties is recharged to the leaseholder and recognised in the surplus or deficit in the Statement of Comprehensive Income along with any corresponding income from the leaseholder or tenant.

Impairment of social housing properties

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in surplus or deficit in the Statement of Comprehensive Income.

Social Housing Grant and other Government grants

Where grants are received from government agencies such as Homes England, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

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

Recycling of capital grant

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

Other tangible fixed assets and depreciation

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged evenly over the expected useful lives of the assets on the following basis:

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2026 (continued)

2. Accounting policies (continued)

Leasehold offices	-	over 110.5-year term of lease
Computer equipment	-	20% per annum
Office furniture	-	20% per annum
Office equipment	-	$33^1/_3$% per annum
Motor vehicles	-	25% per annum

Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is charged on a straight-line basis over the expected economic useful life of the asset as follows:

Computer software	-	20% per annum

Lease obligations

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

Financial instruments

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly. A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred. If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial. A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

2. Accounting policies (continued)

Designated reserves

The association establishes designated reserves where reserves are earmarked for a particular purpose.

Maintenance reserve – leasehold housing for older people

The reserve comprises amounts set aside from service charges recoverable, to provide for future maintenance, including external decoration.

Reserve for replacement of major equipment – rented

The reserve comprises amounts set aside from service charges recoverable, to provide funds for major repairs to, or the replacement of, major on-site equipment.

Reserve for replacement of major equipment – leasehold housing for older people

The reserve comprises amounts set aside for major repairs to, or replacement of, major on-site equipment. Amounts deducted from proceeds arising from resales in any year are transferred to the reserve.

Benefit reserve

The benefit reserve was created from surpluses arising from the benefit activities and is available to meet expenditure which falls within the association's objectives, but for which statutory finance is not available.

Pensions

The association participates in an industry wide multi-employer defined benefit pension scheme, the Social Housing Pension Scheme (SHPS).

The assets of the scheme are invested and managed independently of the finances of the association in separate trustee administered funds. Pension scheme assets are measured at fair value, and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained triennially and are updated at each Statement of Financial Position date. Further details of the assumptions and the pension scheme are set out in note 24.

Holiday pay accrual

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

Works to existing housing properties

The costs of day to day and cyclical repairs are included in operating costs together with expenditure incurred on planned maintenance.

Works which result in an enhancement of economic benefits of the assets, viewed as an increase in the net rental income stream over the life of the property, are deemed to be improvements and capitalised. An increase in the net rental income stream may arise through an increase in rental income, a reduction in future maintenance costs or a significant extension of the life of the property.

Taxation

The association is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and it therefore meets the definition of a 'charitable company' for UK corporation tax purposes.

2. Accounting policies (continued)

Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

The following are management judgements in applying the accounting policies of the association that have the most significant effect on the amounts recognised in the financial statements:

Impairment of social housing properties

The association must make an assessment as to whether an indicator of impairment exists. In making the judgement, management consider the detailed criteria set out in the SORP.

Following a trigger for impairment the association is required to make the following disclosure in accordance with paragraphs 14.43 to14.45 of the Housing SORP 2018:

a) Judgements made in defining the CGU
b) Estimation technique and judgement used in measuring the recoverable amount
c) When VIU-SP is used to estimate the recoverable amount, the key assumptions used and details of the method used.

The association estimates the recoverable amount of its housing properties as follows:

a) Determining the level at which the recoverable amount is to be assessed (i.e. the individual asset level or at cash-generating unit (CGU) level) – the CGU has been determined to be an individual scheme
b) Estimating the recoverable amount of the CGU
c) Calculating the carrying amount of the CGU and
d) Comparing the carrying amount to the recoverable amount to determine if an impairment loss had occurred.

There is no indicator of impairment at 31 March 2026.

Estimation uncertainty

The association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The critical underlying assumptions in relation to the estimate of the defined benefit pension scheme obligation include standard rates of inflation, property valuations, mortality, discount rates and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

3 TURNOVER, OPERATING EXPENDITURE & OPERATING SURPLUS

	2026		
	Turnover	Operating expenditure	Operating surplus
	£	£	£
Income and expenditure from lettings			
Social housing lettings (note 4)	9,741,589	9,043,904	697,685
Other social housing activities	216,719	158,067	58,652
Other non-social housing activities	100	-	100
Total	9,958,408	9,201,971	756,437

	2025		
	Turnover	Operating expenditure	Operating surplus
	£	£	£
Income and expenditure from lettings			
Social housing lettings (note 4)	9,232,129	8,170,844	1,061,285
Other social housing activities	211,206	105,899	105,307
Other non-social housing activities	177	1,756	(1,579)
Total	9,443,512	8,278,499	1,165,013

4 SOCIAL HOUSING LETTINGS - INCOME & EXPENDITURE

Income from social housing lettings	General needs 2026 £	Housing for older people 2026 £	Total 2026 £	Total 2025 £
Rent receivable net of identifiable service charges and net of voids	2,916,207	4,927,683	7,843,890	7,471,274
Service charge income	99,344	1,499,964	1,599,308	1,466,876
Amortised government grant	102,264	196,127	298,391	293,979
Turnover from social housing lettings	3,117,815	6,623,774	9,741,589	9,232,129
Void Losses	30,174	73,779	103,953	152,454

Expenditure on social housing lettings	General needs 2026 £	Housing for older people 2026 £	Total 2026 £	Total 2025 £
Management	537,813	961,342	1,499,155	1,316,941
Service charge costs	175,868	1,591,809	1,767,677	1,671,561
Routine maintenance	1,437,401	2,053,937	3,491,338	2,807,577
Planned maintenance	29,027	35,863	64,890	251,895
Rent losses from bad debts	7,439	19,856	27,295	24,350
Property depreciation	775,144	1,385,569	2,160,713	2,055,903
Lease costs	2,552	4,561	7,113	27,145
Other costs	8,641	17,082	25,723	15,472
Operating expenditure on social housing lettings	2,973,885	6,070,019	9,043,904	8,170,844
Operating surplus on social housing lettings	143,930	553,755	697,685	1,061,285

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2026 (continued)

5 INTEREST RECEIVABLE

	2026 £	2025 £
Interest receivable from short term deposits	236,997	272,276

6 KEY MANAGEMENT PERSONNEL REMUNERATION

	2026 £	2025 £
The directors (key management personnel) of the association are the Board, the Chief Executive and the Executive Team. No emoluments were paid to the Board by the association. The aggregate emoluments including pension contributions paid to or receivable by the Chief Executive and the Executive Team were	410,378	434,112
The emoluments paid to the highest paid senior executive of the group excluding pension contributions	119,594	130,063

The Chief Executive is an ordinary member of the pension scheme (note 24). There is no individual pension arrangement for the Chief Executive to which the association contributes and no enhanced or special terms apply to the Chief Executive's pension.

	2026 £	2025 £
Expenses re-imbursed to board members not chargeable to United Kingdom income tax (to 30 November 2025):		
Yvonne Castle	631	363
Faye Gordon	91	111
Mark Grandfield	-	355
Matt Lewer	213	-
Carl Makin	57	337
Sonija Savage	396	361
Richard Wilkinson	134	108
	1,522	1,635
Payment to the corporate trustee (from 1 December 2025):	11,217	-

The number of senior staff who received emoluments, including pension contributions and benefits in kind, in the following ranges was:

	2026	2025
£60,000 to £70,000	1	-
£70,000 to £80,000	1	-
£80,000 to £90,000	-	-
£90,000 to £100,000	-	-
£100,000 to £110,000	1	1
£110,000 to £120,000	-	-
£120,000 to £130,000	1	1
£130,000 to £140,000	1	-
£140,000 to £150,000	-	-
£150,000 to £160,000	-	1
	5	3

7 EMPLOYEE INFORMATION

	2026	2025
The average number of persons employed by the association during the year expressed as full time equivalents of 35 hours per week	35	32

7 EMPLOYEE INFORMATION (continued)

	2026	2025
The actual number of persons employed by the association at 31 March:		
Full time	27	29
Part time	10	10
	37	39

	2026	2025
Staff costs	**£**	**£**
Wages & salaries	1,630,362	1,487,337
Social security costs	209,470	150,221
Other pension costs (see note 24)	137,350	41,702
Other staff costs	62,614	74,742
Total staff costs	2,039,796	1,754,002

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2026	2025
	£	£
Interest payable on financial liabilities at amortised cost	839,372	935,773
Net interest payable on pension liability	47,440	58,818
	886,812	994,591

Interest payable includes non-cash issue costs of £26,032.
(2025: £26,032)

9 SURPLUS ON ORDINARY ACTIVITIES

	2026	2025
	£	£
Surplus on ordinary activities is stated after charging/ (crediting):		
Depreciation:		
Housing properties	2,160,713	2,055,903
Tangible owned fixed assets	30,059	30,058
Amortisation	58,455	72,340
Auditor's remuneration (excluding VAT):		
External auditor (Menzies):		
- Audit	29,650	19,000
- Service charges	2,664	2,566
- Taxation services	1,107	1,074
Internal auditor (RSM)	26,000	26,450
Bad debts	27,295	24,350
Amortisation of government grant	(298,391)	(293,979)

10 BENEFIT ACTIVITY

	2026	2025
	£	£
The following amounts are included in the statement of comprehensive income at page 22:		
Income		
Members contributions	100	177
	100	177
Expenditure		
Grants to beneficiaries	-	(1,756)
Surplus/(deficit) for the year	100	(1,579)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2026 (continued)

11 INTANGIBLE ASSETS

	Computer software £
Cost	
At 1 April 2025	665,248
Additions	23,376
At 31 March 2026	688,624
Amortisation	
At 1 April 2025	523,132
Charge for year	58,455
At 31 March 2026	581,587
Net book value	
At 31 March 2026	107,037
At 1 April 2025	142,116

12 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Completed properties £	Under construction £	Total £
Cost			
At 1 April 2025	97,462,202	-	97,462,202
Additions	1,723,610	-	1,723,610
Disposals	(893,760)	-	(893,760)
At 31 March 2026	98,292,052	-	98,292,052
Depreciation and impairment			
At 1 April 2025	39,986,999	-	39,986,999
Charge for year	2,160,713	-	2,160,713
Disposals	(893,760)	-	(893,760)
At 31 March 2026	41,253,952	-	41,253,952
Net book value			
At 31 March 2026	57,038,100	-	57,038,100
At 1 April 2025	57,475,203	-	57,475,203

Housing properties comprise:

	2026 £	2025 £
Freehold properties	57,038,100	57,475,203

Freehold land and buildings with a carrying amount of £22,434,782 *(2025: £22,736,152)* have been pledged to secure borrowings of the association.

12 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES (continued)

Additions to housing properties comprise £1,723,610 in respect of existing properties. The total expenditure on works to existing housing properties is shown below:

	2026	**2025**
	£	**£**
Capitalised major repairs	1,723,610	833,601
Charged to income and expenditure account	64,890	251,895
	1,788,500	1,085,496

13 TANGIBLE FIXED ASSETS - OTHER

	Computer hardware	**Furniture & equipment**	**Leasehold offices**	**Total**
	£	**£**	**£**	**£**
Cost				
At 1 April 2025	123,144	45,298	600,000	768,442
Additions	-	-	-	-
At 31 March 2026	123,144	45,298	600,000	768,442
Depreciation				
At 1 April 2025	73,176	45,298	21,719	140,193
Charge for year	24,629	-	5,430	30,059
At 31 March 2026	97,805	45,298	27,149	170,252
Net book value				
At 31 March 2026	25,339	-	572,851	598,190
At 1 April 2025	49,968	-	578,281	628,249

14 DEBTORS

	2026	**2025**
	£	**£**
Arrears of rent	125,931	118,548
Less: provision for bad debts	(94,500)	(91,300)
Net rental debtors	31,431	27,248
Prepayments & accrued income	518,896	473,478
Other debtors	604,612	211,572
	1,154,939	712,298

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026	**2025**
	£	**£**
Housing loans (note 17)	642,840	633,945
Less: issue costs	(26,032)	(26,033)
	616,808	607,912
Trade creditors	729,484	1,070,375
Capital expenditure on housing properties	368,026	40,796
Accruals & receipts in advance	952,034	924,229
Deferred government grants (note 18)	297,030	287,043
	2,963,382	2,930,355

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2026 (continued)

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2026	2025
	£	£
Housing loans (note 17)	15,479,207	16,122,047
Less: issue costs	(127,173)	(153,205)
	15,352,034	15,968,842
Government grants (note 18)	19,725,883	19,758,051
Loan premium	528,880	556,346
	35,606,797	36,283,239

17 HOUSING LOANS

Housing loans are secured by fixed charges on the association's properties and are repayable at varying rates of interest in instalments due as follows:

	2026	2025
	£	£
In one year or less	642,840	633,945
Between one & two years	652,710	642,840
Between two & five years	6,582,338	6,902,897
In five years or more	8,244,159	8,576,310
	16,122,047	16,755,992
Less: issue costs	(153,205)	(179,238)
	15,968,842	16,576,754

The loans bear interest at fixed rates ranging from 3.48 to 10.67 per cent. The final instalments fall to be repaid in the period 2028 to 2042.

The loans were secured on 556 of the association's freehold housing properties at the balance sheet date.

18 DEFERRED INCOME - GOVERNMENT GRANTS

	2026	2025
	£	£
At 1 April	20,045,094	20,339,073
Grants receivable	276,210	-
Amortisation to statement of comprehensive income	(298,391)	(293,979)
At 31 March	20,022,913	20,045,094
Due within one year	297,030	287,043
Due after one year	19,725,883	19,758,051

The total accumulated amount of capital grant received or receivable at the balance sheet date is £35,357,611 *(2025: £35,081,401)*

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2026 (continued)

19 ANALYSIS OF CHANGES IN NET DEBT

	at beginning of the year £	cash flows £	non-cash movements £	at end of the year £
Cash and cash equivalents	6,905,758	(720,603)	-	6,185,155
Housing loans due in one year	(607,912)	(8,896)	-	(616,808)
Housing loans due after one year	(15,968,842)	642,840	(26,032)	(15,352,034)
	(9,670,996)	(86,659)	(26,032)	(9,783,687)

20 DESIGNATED RESERVES

	Benefit £	Maintenance leasehold schemes £	Replacement of major on-site equipment Rented £	Replacement of major on-site equipment Leasehold £	Total £
At 1 April 2025	177	56,835	1,051,231	643,743	1,751,986
Transferred from income & expenditure account	100	9,337	176,725	61,925	248,087
Transferred to income & expenditure account	-	(26,834)	(32,794)	-	(59,628)
Transfers between reserves	-	10,000	-	(10,000)	-
At 31 March 2026	277	49,338	1,195,162	695,668	1,940,445

21 CAPITAL COMMITMENTS

	2026 £	2025 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	1,673,306	91,099
Capital expenditure that has been authorised by the Board but has not yet been contracted for	2,331,420	1,761,900

The above capital expenditure will be funded from the association's reserves and mortgage loan.

22 OPERATING LEASES

Total commitments under non-cancellable operating leases are as

	2026 £	2025 £
Motor vehicles		
Payments due:		
Not later than one year	2,001	8,010
Later than one year and not later than five years	-	2,001
	2,001	10,011

23 HOUSING STOCK

The number of units of social housing accommodation in management at 31 March was:

	Units in management 2026	2025
Housing accommodation for letting		
General needs	560	560
Housing for older people	1,001	1,001
	1,561	1,561
Home ownership accommodation		
Leasehold schemes for the elderly	73	73

There were no units under development.

The association has no non-social housing units.

24 PENSIONS

TPT Retirement Solutions – Social Housing Pension Scheme

Railway Housing Association and Benefit Fund participates in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit scheme in the UK administered by TPT Retirement Solutions (TPT).

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

The scheme is classified as a 'last-man standing arrangement'. Therefore, the association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The association was notified in 2021 by the trustee of the scheme that it has performed a review of the changes made to the scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The trustee is seeking clarification from the court, and the hearing concluded on 28 March 2025, with the court's determination expected no earlier than quarter 2 of 2026. It has been estimated that this could potentially increase the value of the full scheme liabilities by £155m. This estimate was calculated as at 30 September 2022 on the scheme's technical provisions basis. Until the court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

Fair value of plan assets, present value of defined benefit obligation, and defined benefit liability

	31 March 2026 £	31 March 2025 £
Fair value of plan assets	5,930,114	5,510,234
Present value of defined benefit obligation	(6,561,590)	(6,466,678)
Deficit of plan	(631,476)	(956,444)
Unrecognised surplus	-	-
Defined benefit liability to be recognised	(631,476)	(956,444)

Reconciliation of opening and closing balances of the defined benefit obligation

	Period ended 31 March 2026 £	Period ended 31 March 2025 £
Defined benefit obligation at start of period	6,466,678	7,115,025
Current service cost	68,394	10,791
Expenses	10,135	8,220
Interest expense	373,358	340,265
Member contributions	46,631	103,820
Actuarial (gains)/losses due to scheme experience	(48,720)	220,989
Actuarial losses due to changes in demographic assumptions	53,362	-
Actuarial gains due to changes in financial assumptions	(124,002)	(847,705)
Benefits paid and expenses	(284,246)	(484,727)
Defined benefit obligation at end of period	6,561,590	6,466,678

24 PENSIONS (continued)

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

	Period ended 31 March 2026 £	**Period ended 31 March 2025 £**
Fair value of plan assets at start of period	5,510,234	5,700,995
Interest income	325,918	281,447
Experience on plan assets (excluding amounts included in interest income) – (loss)	(37,802)	(543,354)
Employer contributions	369,379	452,053
Member contributions	46,631	103,820
Benefits paid and expenses	(284,246)	(484,727)
Fair value of plan assets at end of period	5,930,114	5,510,234

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2025 to 31 March 2026 was £286,000 (2025: (£261,907)).

Defined benefit costs recognised in statement of comprehensive income (SOCI)

	Period ended 31 March 2026 £	**Period ended 31 March 2025 £**
Current service cost	68,394	10,791
Expenses	10,135	8,220
Net interest expense	47,440	58,818
Defined benefit costs recognised in statement of comprehensive income (SoCI)	125,969	77,829

Defined benefit costs recognised in other comprehensive income

	Period ended 31 March 2026 £	**Period ended 31 March 2025 £**
Experience on plan assets (excluding amounts included in net interest cost) – loss	(37,802)	(543,354)
Experience gains and losses arising on the plan liabilities – gain/(loss)	48,720	(220,989)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – loss	(53,362)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	124,002	847,705
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain	81,558	83,362
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain/(loss)	-	-
Total amount recognised in other comprehensive income – gain	81,558	83,362

24 PENSIONS (continued)

Assets

	31 March 2026 £	31 March 2025 £
Global equity	657,129	617,290
Liquid alternatives	1,055,958	1,021,770
Insurance-linked securities	8,820	16,987
Property	289,470	276,017
Infrastructure	242	934
Private equity	12,774	4,886
Real assets	558,365	659,656
Private credit	715,957	674,386
Credit	236,101	210,734
Investment grade credit	348,716	169,661
Cash	1,135	74,804
Long lease property	-	1,585
Secured income	179,923	91,947
Liability driven investment	1,808,047	1,668,832
Currency hedging	(223)	8,829
Net current assets	57,700	11,916
Total assets	5,930,114	5,510,234

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

Key assumptions

	31 March 2026 % per annum	31 March 2025 % per annum
Discount rate	6.14%	5.85%
Inflation (RPI)	3.29%	3.09%
Inflation (CPI)	3.03%	2.79%
Salary growth	4.03%	3.79%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The assumptions applied are the central actuarial assumptions.

The mortality assumptions adopted imply the following life expectancies at age 65 (years):

	31 March 2026	31 March 2025
Male retiring in 2026 (2025)	20.9	20.5
Female retiring in 2026 (2025)	23.2	23.0
Male retiring in 2046 (2045)	22.2	21.7
Female retiring in 2046 (2045)	24.6	24.5

24 PENSIONS (continued)

TPT Retirement Solutions – The Growth Plan

The association participates in the Growth Plan scheme, a multi-employer defined benefit scheme in the UK which provides benefits to some 521 non-associated participating employers. It is not possible for the association to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme, therefore it accounts for the scheme as a defined contribution scheme.

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

The scheme is classified as a 'last-man standing arrangement'. Therefore, the association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme of £2.1m per annum from 1 April 2025 to 31 March 2028. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

The following schedule details the deficit contributions agreed between the association and the scheme at each year end period:

Deficit contributions schedule

Year ending	31 March 2026 £	31 March 2025 £	31 March 2024 £
Year 1	52	52	78
Year 2	52	52	-
Year 3	-	52	-

Railways Pension Scheme

The association no longer has any employees who are members of the Railways Pension Scheme (BR Section) but has a small number of retired members. The scheme is a defined benefit final salary pension scheme which is accounted for as if it were a defined contribution pension scheme on the basis that it is not possible to identify the association’s share of the scheme’s assets in accordance with FRS 102.

The association is no longer a participating employer and there will be no further liabilities in respect of the Railways Pension Scheme.

There was no pension costs charge during the accounting period or the previous accounting period.

25 RELATED PARTY TRANSACTIONS

Railway Housing Association and Benefit Fund became a subsidiary of Railway Housing Association on 28 November 2025. Railway Housing Association, the parent, acts as the corporate trustee of Railway Housing Association and Benefit Fund, and Railway Housing Association and Benefit Fund paid £11,217 to the corporate trustee during the year ended 31 March 2026 in relation to payment of board members (2025: nil).