



Annual Report & Financial Statements

For The Year Ended 31 March 2026



Contents

▶ Chair's Statement	06
▶ Chief Executive Officer's Statement	08
▶ Strategic Report	10
Our Mission & Values	12
Our Objectives and Strategy	14
Our Performance	26
Our Financials	26
Our Homes	30
Our Customers	38
Our People	48
Technology & Data	50
Value for Money	54
▶ Governance	64
Governance & Committees	66
Board & Executive Directors	70
Bankers & Advisors	73
Risks and Uncertainties	74
Statement of Internal Control	78
Modern Slavery Statement	82
Statement of the Board's Responsibilities	86
▶ Financial Statements	88
Independent Auditor's Report to the Members of Hightown Housing Association Ltd	90
Statement of Comprehensive Income	94
Statement of Changes in Reserves	95
Statement of Financial Position	96
Statement of Cash Flows	97
Notes to the Financial Statements	98

Hightown Highlights

2025/26



Our Financials

Turnover
£131m

Surplus
£8.8m

Gross margin
36%

Total assets less
current liabilities
£1.3bn



Our Ratings

Credit rating
(Moody's)
A3

Governance
rating
G1

Viability
rating
V2



Our Homes

Homes in
management
9,519

Homes with up-to-date
stock condition data
92.3%

Emergency repairs
completed on time
98.1%

Invested in routine
and planned repairs
£11.93m

Repairs satisfaction
88.9%

New homes delivered
276

Homes rated EPC
Band B or above
70.8%



Our Customers

Customers
19,000

Tenants satisfied with
our overall service
75.1%

Stage 1 complaints
handled on time
88.6%

Stage 2 complaints
handled on time
93.5%

Cases referred to
tenancy support team
283

Support claimed for
customers
£564k

Care and supported
housing (C&SH)
schemes
83

Regulated care services
rated good by CQC
100%



Our People

Colleagues
1,200

New permanent
employees
189

Invested in learning and
development
£406.5k

Spent from
Apprenticeship Levy pot
£68.4k

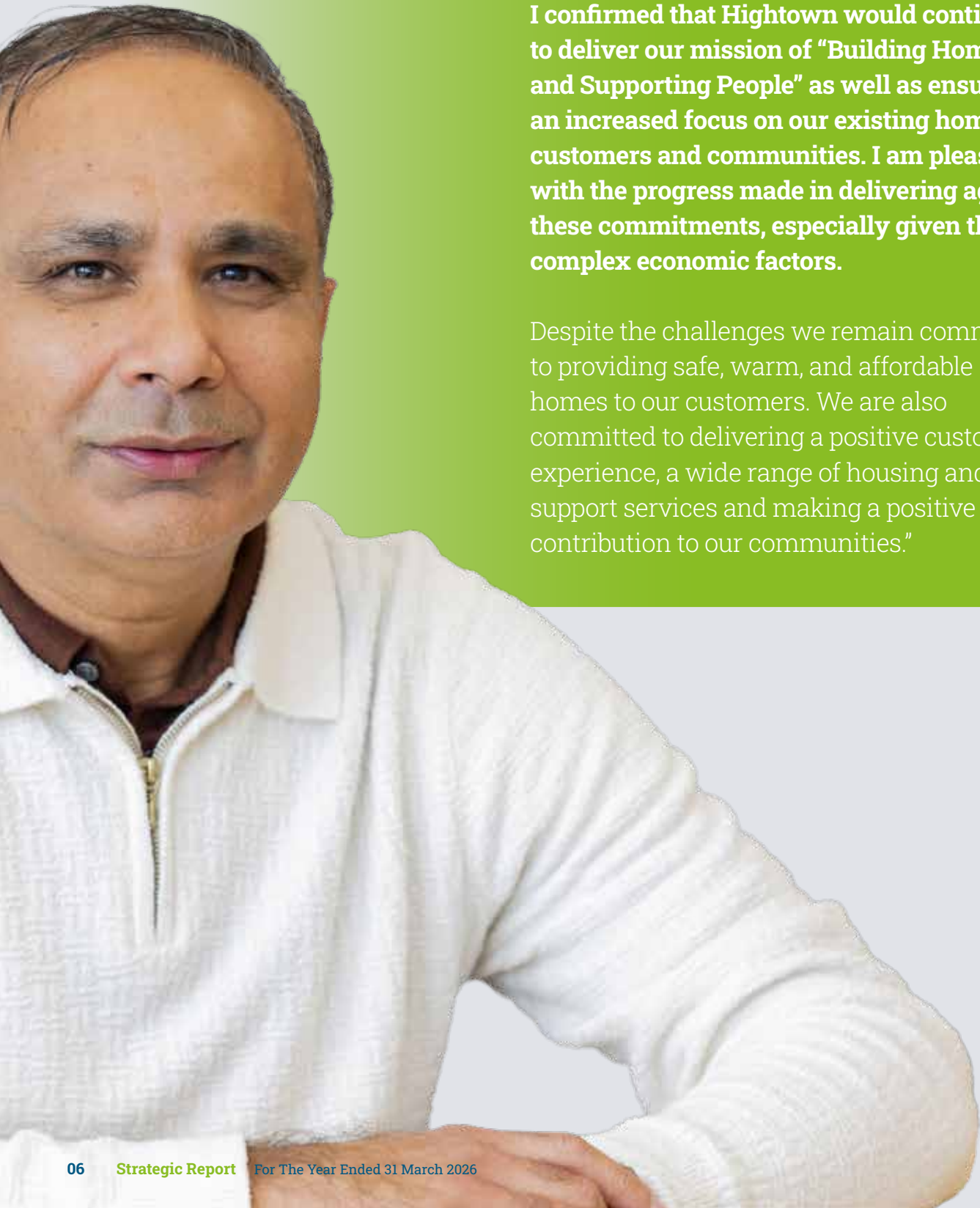
Apprenticeships
supported
29

Colleagues completed
an apprenticeship
13

We remain committed to providing safe, warm, and affordable homes to our customers. We are also committed to delivering a positive customer experience, a wide range of housing and support services and making a positive contribution to our communities.



Chair's Statement



“ In my 2024/25 annual report statement, I confirmed that Hightown would continue to deliver our mission of “Building Homes and Supporting People” as well as ensuring an increased focus on our existing homes, customers and communities. I am pleased with the progress made in delivering against these commitments, especially given the complex economic factors.

Despite the challenges we remain committed to providing safe, warm, and affordable homes to our customers. We are also committed to delivering a positive customer experience, a wide range of housing and support services and making a positive contribution to our communities.”

I am proud that over the past 12 months Hightown provided social housing to 8,320 households and delivered care and supported housing to 771 people. Throughout this year, our customers have once again continued to experience the impact of the cost-of-living increases, and our housing and our care and support housing services continue to respond to growing levels of need and complexity.

Strengthening our customer voice is a key priority and in 2025, I was pleased to welcome two shared owners and one tenant as independent members of our Operations Committee. We launched our Thriving Together Group for customers with lived experience of disability to help ensure our services are accessible and inclusive and our care and supported housing VoiceBox group and our Resident Voice and Scrutiny Panel (RVSP) came together to share experiences and learning. We also launched a neighbourhood award to recognise those who make a real difference to our communities.

Supported by the Tenant Participation and Advisory Service (TPAS), our RVSP launched a review to better understand the barriers to engagement and to re-shape the way in which scrutiny and influence is organised and delivered across Hightown. The review proposes some key changes which the RVSP will present to the Board in 2026 and this will form a key part of our first customer strategy.

During the year we completed £100m of funding through the Affordable Homes Guarantee Scheme (AHGS). This transaction, alongside our wider funding portfolio, is enabling us to deliver our ambitions to develop much-needed affordable homes and to improve our existing homes to make them more energy efficient, comfortable and affordable. It was pleasing that our Moody's credit rating remained unchanged at A3 with a stable outlook and the Regulator of Social

Housing re-confirmed our G1 V2 rating in the 2025 stability check, testament to the hard work of all at Hightown.

We have seen changes to our Board membership with three members stepping down in 2025/26. Cordelia Pace, Sarah Barton, and Alan Head all made significant and valued contributions to Hightown. Cordelia was the Vice Chair and Chair of Remuneration and Nominations Committee, Sarah was the Chair of Risk and Audit Committee and Alan was the Chair of the Investment Committee. I am very grateful for their commitment to Hightown and support for me in my first 12 months as Chair.

I am delighted that we also welcomed two new Board members in September 2025. Jude Cross brings her significant sector knowledge of care and supported housing, and Felicity Cooper adds extensive experience from the financial services industry having held roles in digital transformation, HR, risk management and audit. In January 2026 we became a Unitary Board with the appointment of our CEO as an Executive Board member. Maxine adds her leadership and knowledge to complement the diverse experience of our existing Board. This also strengthens our collaborative and transparent approach to decision-making, to respond to the needs of customers and the wider organisation.

I want to thank all our colleagues, Executive and Board members for their hard work and contributions to achieving so much in 2025/26. I look forward to working in partnership with all key stakeholders in the year ahead and beyond.

Qadeer Kiani OBE
Chair
16 July 2026

Chief Executive Officer's Statement

"I have enjoyed my first year as CEO of Hightown and want to thank everyone for the very warm welcome I received and the support over the past 12 months."

I am proud that Hightown has a strong legacy of providing homes to those in housing need, delivering specialist care and supported housing and working in partnership with our communities. We continue to deliver our mission and strategic objectives whilst adapting to the changing environment."

Over the past 12 months many of our customers have needed additional support and advice. Our tenancy support team received 283 referrals and assisted customers to claim over £564,000 in support. The team also issued 63 foodbank vouchers, and spent almost £15,000 providing white goods, carpets, emergency support for fuel and food.

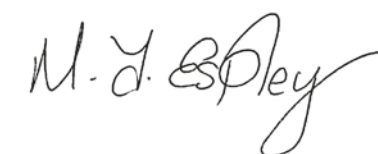
Overall, our performance remains strong with good progress and during 2025/26 we also launched several key programmes of work to further strengthen our delivery and our customer experience. Some of the highlights include:

- We created our "Tell us more campaign" to increase our customer data to improve our customer contact, further meet the diverse needs of our customers and provide more personalised services
- We continue to focus on improving customer satisfaction and satisfaction recorded through the Tenancy Satisfaction Measures (TSMs) increased from 66% in 2024/25 to 75% in 2025/26
- We continued to increase our stock data, with 92.31% of our homes now having a stock condition survey within the last 5 years. This has enabled us to strengthen our capital investment planning
- We introduced a new in-house Healthy Homes Team to respond to Awaab's Law and ensure we are effectively managing cases of damp and mould

- We continue to contribute to meeting housing need and completed and took into management 276 new homes in 2025/26, with a further 225 new homes started on site
- We continue to improve our repairs service and 88.9% of customers, who responded to our repairs survey, said they were satisfied with the service they received
- 100% of our services regulated by the Care Quality Commission have a Good rating, and several of our care and supported housing services and colleagues have received award recognition
- We launched our new Hightown values created by our colleagues and customers
- Our colleague satisfaction increased from 67% in 2024 to 81% in 2025

During the coming 12 months we will continue to further strengthen our performance, and ahead of our 60th anniversary in 2027 we are refreshing our Corporate Strategy, to set out our vision for 2027-2032. The Strategy will be informed by our customers, colleagues and stakeholders and help Hightown shape our future customer offer and increase our resilience and sustainability.

Thank you to everyone who has helped Hightown to continue to make a huge difference every day.



Maxine Espley MBE
CEO
16 July 2026



Strategic Report

For The Year Ended
31 March 2026

► Strategic Report

Our Mission & Values

Mission

**Building homes.
Supporting People.**

Values

Empower

Respect

Inclusion

Compassion

Collaboration



In collaboration with colleagues and customers, our values were refreshed in 2025/26 to represent the spirit of our work and the people behind it. The renewed values shape our culture and guide how colleagues interact with each other and with our customers and communities.

Empower

- Trust staff to make decisions and act with integrity
- Provide opportunities for professional growth and learning
- Encourage initiative and support new ideas

Respect

- Listen actively to colleagues, residents and people we support
- Value diverse perspectives and treat people with dignity
- Communicate openly, honestly and courteously

Inclusion

- Ensure everyone feels welcomed and valued, regardless of background
- Actively communicate with and seek input from under-represented groups
- Challenge exclusionary behaviour and promote equal opportunities

Compassion

- Show understanding and patience in all interactions
- Offer help and support to those facing challenges
- Be approachable, empathetic and respond to the needs of others with care and kindness

Collaboration

- Actively share information, ideas, lessons learnt and constructive feedback
- Work as one to strive for excellence, respond to change and overcome challenges
- Celebrate and take pride in successes

► Strategic Report

Our Objectives & Strategy

We are a charitable housing association with a proud heritage dating back to 1967. Founded during the social reform movement of the Cathy Come Home era, our purpose remains as relevant today as it was then: to provide affordable, safe homes and services that support people to live well and strengthen our communities. That commitment continues to guide how we work today.

Over nearly six decades we have grown to provide 9,519 homes for around 19,000 customers across Hertfordshire, Bedfordshire and Buckinghamshire, alongside 83 specialist care and supported housing schemes. As the social housing landscape evolves, we remain focused on delivering excellent services, responding to changing needs and directing investment into the homes, services and communities that matter most to our customers.

Our primary objectives are:

- to provide excellent services to our existing customers; and
- to increase the supply of and access to affordable housing and support services; reducing homelessness and supporting independent living.



Our 2024-27 Corporate Strategy, produced in collaboration with the Board, colleagues and customers, focuses on four key themes:

Service

To focus on our residents and people we support through positive engagement and co-design of standards, delivering well-maintained homes and high-quality services in diverse communities.

Viability

To safeguard Hightown's future through strong governance and effective financial controls and risk management – maintaining the agility to learn and adapt to change and challenge.

Needs

To increase the supply of quality, affordable and sustainable homes and services – enhancing community resilience and reducing homelessness.

People

To maintain a high performing working culture through values-based recruitment, fair pay, specialist training and refining our wellbeing and recognition offer.

While our purpose remains clear, the past year marked the beginning of targeted transformation. We have made further progress against our priorities, strengthening building safety and compliance, enhancing customer engagement and scrutiny, developing our organisational

capability and values-led culture, and continuing to deliver new affordable homes. We have begun building the foundations needed to deliver our long-term ambitions and respond to future opportunities and challenges.

Strategic Report

Our Objectives & Strategy

Strategic Aim & Core Ambitions

SERVICE

To focus on our resident and service users through positive engagement and co-design of standards, delivering well-maintained homes and high- quality service in diverse communities.

ID	Outcomes	Monitoring / reporting	RAG	Status as of 31 March 2026
S1	Safe, decent well-maintained homes	Stock Condition Survey Reporting		Stock condition compliance improved significantly to 92.3% (2025: 74%). At the 31/3/26, nine homes required works to meet the Decent Homes Standard. Surveys continue and the data is driving our investment programme.
S2	Co-designed management, maintenance and support standards	Resident/ People we support engagement		A proactive, partnership-led customer engagement programme was delivered, using feedback to shape services and policies, focusing on anti-social behaviour (ASB), accessibility and inclusion, scrutiny and governance, service improvement and community engagement, with clear evidence of customer feedback informing services, policies and delivery approaches. Targeted ASB work increased reporting, strengthened enforcement action and reduced incidents in priority areas, improving customer confidence and trust. Accessibility and inclusion improved through the customer-led Thriving Together Group, which influenced digital accessibility and communication, including the introduction of translation services and telephone support for deaf and hard-of-hearing customers. Customer scrutiny was strengthened through the restructured Customer Experience Panel, which reviewed performance, policies and organisational strategy and undertook a customer-led review of barriers to resident engagement. Two new members joined the Complaints Scrutiny Group, with targeted engagement broadening representation to reflect customer base. Work progressed to improve customer data quality, with the launch of the <i>Tell Us More</i> telephone census and planned follow-up through outreach events, with Customer Experience Panel oversight. Additional engagement included <i>Let's Talk</i> webinars on key topics, with plans to expand the programme. Three independent resident members were also co-opted to the Operations Committee. In Care & Supported Housing (C&SH), a terminology consultation concluded, with a majority of 39% preferring 'people we support', now adopted across the organisation. VoiceBox, our C&SH co-production group, was restructured and now comprises five groups with an overarching VoiceBox Improvement Panel (VIP). The VIP worked alongside senior leaders to shape our co-production strategy and action plan, as well as creating an action plan based on feedback from a satisfaction survey of the people we support, reviewing progress against the actions plans at its quarterly meetings. Co-production is now embedded across key areas such as recruitment, training, service assurance and organisational values, supported by a new Co-production Audit Tool.

ID	Outcomes	Monitoring / reporting	RAG	Status as of 31 March 2026																																																								
S3	Customer feedback and an enhanced digital offering driving service improvements	Tenant Satisfaction Measures (TSM)		The 2025/26 Tenant Satisfaction Measures (TSM) survey was completed in December 2025 by external specialist Acuity, with outcomes reported to Operations Committee and Board. Headline performance: among tenants, overall satisfaction is 75%, up from 68% in 2024/25, while homeowner satisfaction is 47%, up from 41%. Broad improvement evidenced across all perception measures; strengths remain in repairs and safety, while complaints handling continues to be a key area for improvement. Perception survey outcomes were reviewed by the Customer Experience Panel (CEP) and an action plan developed to improve customer satisfaction. TSM Perception Measures – 2025/26: <table><tr><th colspan="2">Measure</th><th>2024/25*</th><th>2025/26**</th></tr><tr><td colspan="4">Low-Cost Rental Accommodation</td></tr><tr><td>TP01</td><td>Overall Satisfaction</td><td>68%</td><td>75.1%</td></tr><tr><td>TP02</td><td>Satisfaction with repairs in last 12 months</td><td>79%</td><td>80.8%</td></tr><tr><td>TP03</td><td>Satisfaction with time taken to complete most recent repair</td><td>77%</td><td>79.1%</td></tr><tr><td>TP04</td><td>Satisfaction that the home is well maintained</td><td>74%</td><td>79.0%</td></tr><tr><td>TP05</td><td>Satisfaction that the home is safe</td><td>74%</td><td>79.3%</td></tr><tr><td>TP06</td><td>Satisfaction that the landlord listens to tenant views and acts upon them</td><td>59%</td><td>65.5%</td></tr><tr><td>TP07</td><td>Satisfaction that the landlord keeps tenants informed about things that matter to them</td><td>66%</td><td>74.3%</td></tr><tr><td>TP08</td><td>Agreement that the landlord treats tenants fairly and with respect</td><td>74%</td><td>78.2%</td></tr><tr><td>TP09</td><td>Satisfaction with the landlord’s approach to handling complaints</td><td>31%</td><td>33.9%</td></tr><tr><td>TP10</td><td>Satisfaction that the landlord keeps communal areas clean and well maintained</td><td>63%</td><td>72.7%</td></tr><tr><td>TP11</td><td>Satisfaction that the landlord makes a positive contribution to neighbourhoods</td><td>55%</td><td>63.2%</td></tr><tr><td>TP12</td><td>Satisfaction with the landlord’s approach to handling anti-social behaviour</td><td>51%</td><td>54.7%</td></tr></table>	Measure		2024/25*	2025/26**	Low-Cost Rental Accommodation				TP01	Overall Satisfaction	68%	75.1%	TP02	Satisfaction with repairs in last 12 months	79%	80.8%	TP03	Satisfaction with time taken to complete most recent repair	77%	79.1%	TP04	Satisfaction that the home is well maintained	74%	79.0%	TP05	Satisfaction that the home is safe	74%	79.3%	TP06	Satisfaction that the landlord listens to tenant views and acts upon them	59%	65.5%	TP07	Satisfaction that the landlord keeps tenants informed about things that matter to them	66%	74.3%	TP08	Agreement that the landlord treats tenants fairly and with respect	74%	78.2%	TP09	Satisfaction with the landlord’s approach to handling complaints	31%	33.9%	TP10	Satisfaction that the landlord keeps communal areas clean and well maintained	63%	72.7%	TP11	Satisfaction that the landlord makes a positive contribution to neighbourhoods	55%	63.2%	TP12	Satisfaction with the landlord’s approach to handling anti-social behaviour	51%	54.7%
Measure		2024/25*	2025/26**																																																									
Low-Cost Rental Accommodation																																																												
TP01	Overall Satisfaction	68%	75.1%																																																									
TP02	Satisfaction with repairs in last 12 months	79%	80.8%																																																									
TP03	Satisfaction with time taken to complete most recent repair	77%	79.1%																																																									
TP04	Satisfaction that the home is well maintained	74%	79.0%																																																									
TP05	Satisfaction that the home is safe	74%	79.3%																																																									
TP06	Satisfaction that the landlord listens to tenant views and acts upon them	59%	65.5%																																																									
TP07	Satisfaction that the landlord keeps tenants informed about things that matter to them	66%	74.3%																																																									
TP08	Agreement that the landlord treats tenants fairly and with respect	74%	78.2%																																																									
TP09	Satisfaction with the landlord’s approach to handling complaints	31%	33.9%																																																									
TP10	Satisfaction that the landlord keeps communal areas clean and well maintained	63%	72.7%																																																									
TP11	Satisfaction that the landlord makes a positive contribution to neighbourhoods	55%	63.2%																																																									
TP12	Satisfaction with the landlord’s approach to handling anti-social behaviour	51%	54.7%																																																									

Strategic Report

Our Objectives & Strategy

ID	Outcomes	Monitoring / reporting	RAG	Status as of 31 March 2026			
S3	Customer feedback and an enhanced digital offering driving service improvements	Tenant Satisfaction Measures (TSM)		Measure		2024/25*	2025/26**
				Low-Cost Home Ownership			
				TP01	Overall Satisfaction	41%	47.2%
				TP05	Satisfaction that the home is safe	60%	69.1%
				TP06	Satisfaction that the landlord listens to tenant views and acts upon them	30%	35.3%
				TP07	Satisfaction that the landlord keeps tenants informed about things that matter to them	44%	53.4%
				TP08	Agreement that the landlord treats tenants fairly and with respect	52%	60.3%
				TP09	Satisfaction with the landlord's approach to handling complaints	17%	20.2%
				TP10	Satisfaction that the landlord keeps communal areas clean and well maintained	35%	44.7%
				TP11	Satisfaction that the landlord makes a positive contribution to neighbourhoods	29%	36.7%
				TP12	Satisfaction with the landlord's approach to handling anti-social behaviour	23%	28.2%
				<i>*rounded figures</i>			
				<i>** to one decimal point as required by RSH</i>			
A comprehensive suite of validated, monthly Key Performance Indicators (KPIs), incorporating all TSM landlord performance measures, was created to support greater accountability and drive continuous improvement. Data around complaints and the 'Big Six' landlord health and safety measures was transitioned to Power BI to enhance KPI tracking and data-driven decision-making. We also invested in staff resource, establishing a dedicated Head of Landlord Health & Safety role within the senior leadership team to lead building safety strategy and programme delivery, including service improvement plans.							

ID	Outcomes	Monitoring / reporting	RAG	Status as of 31 March 2026		
S3	Customer feedback and an enhanced digital offering driving service improvements	Tenant Satisfaction Measures (TSM)		TSM Landlord Measures – 2025/26:		
				Measure		
				2024/25		
				2025/26		
				All Stock (Low-Cost Rental & Low-Cost Home Ownership Accommodation)		
				BS01	Proportion of homes for which all required gas safety checks have been carried out	100%
				BS02	Proportion of homes for which all required fire risk assessments have been carried out	95.2%
				BS03	Proportion of homes for which all required asbestos management surveys or re-inspections have been carried out	92.2%
				BS04	Proportion of homes for which all required legionella assessments have been carried out	98.3%
				BS05	Proportion of homes for which all required communal passenger lift safety checks have been carried out	96.7%
				NM01 (pt 1)	Number of anti-social behaviour cases opened per 1,000 homes	36.4
				NM01 (pt 2)	Number of anti-social behaviour cases that involve hate incidents opened per 1,000 homes	0
				Low-Cost Rental Accommodation		
				RP01	Proportion of homes that did not meet the Decent Homes Standard	0
				RP02 (pt 1)	Proportion of non-emergency responsive repairs completed within the landlord's target timescale	93.7%
				RP02 (pt 2)	Proportion of emergency responsive repairs completed within the landlord's target timescale	97.8%

► Strategic Report

Our Objectives & Strategy

ID	Outcomes	Monitoring / reporting	RAG	Status as of 31 March 2026
S3	Customer feedback and an enhanced digital offering driving service improvements	Tenant Satisfaction Measures (TSM)		Low-Cost Rental Accommodation
				CH01 Number of stage one complaints made by tenants in the relevant stock type during the reporting year per 1,000 homes 42.4 56.9
				CH01 Number of stage two complaints made by tenants in the relevant stock type during the reporting year per 1,000 homes 8.4 15.9
				CH02 Proportion of stage one complaints responded to within Complaint Handling Code timescales 74.1% 88.4%
				CH02 Proportion of stage two complaints responded to within Complaint Handling Code timescales 60.3% 94.7%
				Low-Cost Home Ownership Accommodation
				CH01 Number of stage one complaints made by tenants in the relevant stock type during the reporting year per 1,000 homes 32.6 36.3
				CH01 Number of stage two complaints made by tenants in the relevant stock type during the reporting year per 1,000 homes 8.9 13.1
				CH02 Proportion of stage one complaints responded to within Complaint Handling Code timescales 75% 92.0%
				CH02 Proportion of stage two complaints responded to within Complaint Handling Code timescales 41.7% 83.3%
				The Technology and Data Roadmap presented to Board in November 2024 is driving improvements in IT security and digital services.
				A new customer portal was launched in January 2025, providing a secure online area for customers to self-serve, including checking rent account information, making rent payments and reporting or tracking repairs. Further enhancements to the functionality of the portal are planned for 2026/27.
				The Thriving Together customer group, with lived experience of disability, reviewed website accessibility tools, resulting in a video guide and wider promotion to improve digital access.
S4	Fair access and meaningful EDI engagement	Annual EDI resident and staff data report		Annual Equality Diversity & Inclusion (EDI) report for 2024/25 presented to Board in Q1. Staff EDI data initiative to increase data resulted in fuller data on the individuals who have chosen to share.

ID	Outcomes	Monitoring / reporting	RAG	Status as of 31 March 2026				
S5	Respecting and supporting diverse community needs	Equality Impact reporting		2024/25 Annual Social Impact report was presented to Board on 25th September detailing Hightown's efforts to meeting community needs. Hightown Social Impact report 2024-25 tinyurl.com/bp5mx4vz				
S6	Quartile one service outcomes	Housemark benchmarking		Annual Housemark benchmarking for 2024/25 was submitted in September and finalised in January 2026.				
				Latest Housemark benchmarking data shows the following:				
				Area	Housemark Q1	Housemark 2024/25 Median	Hightown March 2025	Hightown March 2026
				Gas safety	100%	100%	100%	99.7%
				Legionella Risk Assessments	100%	100%	98.3%	99.6%
				Asbestos compliance	100%	100%	92.2%	99.8%
				Fire Risk Assessment	100%	100%	95.2%	98.1%
				Lift Safety (LOLER)	100%	100%	96.7%	98.5%
				Non-emergency repairs within target	89.2%	73.1%	93.7%	96.4%
				Emergency repairs within target	99.0%	96.2%	97.8%	98.1%
				Satisfaction with repairs*	92.8%	87%	88.0%	88.9%
				Detailed reports on compliance are presented at each Operations Committee meeting.				
<i>*Hightown transactional repairs survey</i>								
S7	Delivering social impact	Annual Social Impact report		2024/25 annual Social Impact report was presented to Board on 25th September detailing Hightown's efforts to meeting community needs. Hightown Social Impact report 2024-25 tinyurl.com/bp5mx4vz				
S8	Improving our carbon footprint	SHIFT survey and new scheme initiatives		The SHIFT environmental assessment was completed in July and reported to Investment Committee in October 2025, achieving Silver accreditation. A sustainability strategy is in development.				

Strategic Report

Our Objectives & Strategy

Strategic Aim & Core Ambitions				
VIABILITY				
To safeguard Hightown’s future through strong governance and effective financial controls and risk management – maintaining the agility to learn and adapt to change and challenge.				
ID	Outcomes	Monitoring / reporting	RAG	Status as of 31 March 2026
V1	Strong external ratings (G1/ V2 RSH and A3 Moody's)	IDA and Moody Review		Reports to Board on RSH IDA outcomes and annual stability checks. Moody's credit reviews. • RSH grading G1/V2 • Moody's rating - A3 Stable Outlook
V2	Golden Rules to preserve prudent headroom over loan covenants	Golden Rules Financial Reporting		Golden Rules are set to ensure that Hightown approves and delivers robust and appropriate budgets and business plans with sufficient headroom to accommodate significant stresses. These Golden Rules are reported against in Management Accounts and Treasury Management Activity Reports to ensure that headroom is maintained. These reports are presented to Risk and Audit Committee and the Funding and Investment Committee, and the position on headroom is summarised in the Chief Financial Officer Report that is a standing agenda item at each Board meeting.
V3	Effective financial controls, business planning and stress testing	Internal Assurance and Stress Testing reports		Stress testing carried out as part of the Business Plan process. Monitoring of risks and Board approved triggers takes place throughout the year. This is to identify whether there is a risk and need for escalation and mitigation.
V4	Robust risk and systems management backed by external assurance	Internal Audit Assurance		Internal Audit programme completed third contract year. Following a tender overseen by Risk & Audit Committee, new auditors appointed, commencing April 2026. Progress against actions arising from the internal audit programme monitored by the Risk & Audit Committee. Completed audits 2025-26 provide positive assurance levels.
V5	Pro-active stakeholder and funder engagement and accountability	Stakeholder Feedback and Engagement activities		The new Chief Financial Officer has met with all funders in his first six months and ensures regular dialogue throughout the year, with updates on performance and corporate strategy. Hightown has also engaged an external company that undertook a comprehensive stakeholder survey, which included financial stakeholders, the results of which will be shared with Board in FY27.

Strategic Aim & Core Ambitions				
NEEDS/GROWTH				
To increase the supply of quality, affordable and sustainable homes and services – enhancing community resilience and reducing homelessness.				
ID	Outcomes	Monitoring / reporting	RAG	Status as of 31 March 2026
N1	Targeting 10,000 homes in management by March 2027	Monthly reporting of units on site & completions plus 36 months projections	●	9,588 units as of 31 March 2026 (includes staff offices, tied units and four units owned that are in re-development). • New Home Completions 2024/25 = 364 • New Home Completions 2025/26 = 297 (includes 21 acquisitions) • Forecast Completions 2026/27 = 464 Forecast total homes by 2027 – 10,052 units
N2	Reducing homelessness and rough sleeping	Annual lettings report	●	Our ESG Report highlights achievements including 47% of lettings in the 2025/26 year made to those who were statutorily homeless, homelessness prevention through holistic, person-centred tenancy support and the provision of specialist supported housing.
N3	Meeting local housing needs	Annual lettings report	●	Our ESG Report highlights 202 homes were delivered for affordable rent tenures (social, affordable and intermediate) in 2025/26. In terms of affordability, the report also highlights that the median Hightown rent across our local authorities was 55% of median private sector rent and 79% of Local Housing Allowance.
N4	Prioritising building quality and safety, affordability and low carbon solutions	Building Safety reports	●	Regular Building Safety and Health & Safety Reports to Board and Committee highlight areas of success and prioritisation. Customer safety remains the Board's top priority and, during 2025/26, invested significant capacity in this area, including establishing a dedicated Head of Landlord Health & Safety role within the senior leadership team to lead building safety strategy and programme delivery and creating an Executive Director of Homes position within the Executive Leadership Team to oversee the development of our wider asset management strategy. Alongside investing in staff resource, we conducted an independent review of our strategic approach to building health and safety to strengthen compliance with our core statutory safety duties, the 'Big Six' of gas safety, fire safety, electrical safety, asbestos management, water hygiene and lift safety. The Building Safety Act 2022 introduced the 'golden thread' of information for higher-risk buildings: a secure, digital and continually updated record of building safety information. During 2025/26, we embarked on an upgrade to our asset management software, Integrator, to support this 'single source of truth' compliance, ensuring accurate, version-controlled and accessible records are readily available to our building safety team. Plans are also underway to introduce a dedicated health and safety compliance system in 2026/27.
N5	Sustainable growth in care and supported housing working in partnership with local commissioners	C&SH Strategy	●	Working in partnership with Bracknell Forest Council, we successfully opened Bridgewell, a 20 bed purpose-built learning disability supported living scheme. Six additional people moved in from their services with Dimensions and Choice along with their team of TUPE'd staff. Through bids on the new provider framework with the same council, we also secured a new one-person scheme at Juniper Drive, providing complex care and 24/7 support.

Strategic Report

Our Objectives & Strategy

Strategic Aims & Core Ambitions				
PEOPLE				
To maintain a high performing working culture through values-based recruitment, fair pay, specialist training and refining our well-being and recognition offer.				
ID	Outcomes:	Monitoring / reporting	RAG	Status as of 31 March 2026
P1	Continued sector leading performance	Annual Housemark Bench-marking		The table below details performance against Hightown KPI targets and median benchmark information. Performance is either better than target or better than benchmarking in all areas.
P2	High levels of staff satisfaction	Annual Staff Survey		Employee pulse survey completed in December 2025, resulting in 81% satisfaction, up from 67% in 2024. Follow up action plan in development.
P3	Values-based recruitment and effective succession planning	Recruitment reports and Succession Review		New company values co-created and launched in January 2026 and an aligned behaviour framework is in development. 189 new staff joined between April 2025 – March 2026. Workshops delivered to support recruitment process changes and improve training for hiring managers. The Management Development Programme has trained 67 managers, achieving 98% satisfaction. Both initiatives have led to improved recruitment practices.
P4	Well-resourced staff development with person-centred specialist training	Annual staff development/ training report		An in-depth learning needs analysis with Senior Managers and L&D identified current and future requirements within C&SH, leading to new role-specific mandatory training from April 2026. This year, 38 staff were supported through professional development - 29 via apprenticeships and 9 through Hightown-funded opportunities. Of the apprentices, 13 have successfully completed their end-point assessment.

P5	Strong wellbeing and EDI offer	Annual EDI report		EDI reporting and EDI and Wellbeing activities were publicised through Hightown intranet. Hightown became a signatory of the LGBTQ+ Housing Pledge and Pride (LGBTQ+) group was formed as a subgroup of the EDI Forum. Wellbeing initiatives included an art competition, chiropractor sessions, a mental health event and Mental Health First Aider training. A review of EDI mandatory training led to updated assessments and signposting to additional learning resources.
P6	Supportive and responsive working environment	Annual Staff Survey		An employee pulse survey was completed in December 2025, resulting in 81% satisfaction with Hightown as an employer, up from 67% in 2024. Satisfaction with positive cultural and policy changes was also high at 75%, and satisfaction with support for wellbeing improved significantly to 68%, from 57% in 2024. Senior Leaders are reviewing results to identify clear action points.
P7	Sector benchmarked pay and conditions with Real Living Wage as a minimum	Salary bench-marking and RLW review		Employee pay award of 3.8% approved by Board from April 2026. Biennial salary benchmarking exercise scheduled for summer 2026. The Board approved, effective from 1 April 2026, employee salaries will be fixed by reference to the median base salary, benchmarked against similar organisations. The Board has given approval for the Real Living Wage to be paid for FY27. With the agreed FY27 Pay Award, Hightown pays above the national living wage.

Strategic Report

Our Performance

Our Financials

Turnover has grown by 2.6% (2025: 5.5%), reflecting the growth in rental homes delivered by the development programme. Property rents in April 2025 were increased by 2.7% (April 2024: 7.7%) in line with the rent cap agreed with the Regulator of Social Housing. Our turnover from recurring activities excluding First Tranche Shared Ownership sales rose by £7.6m (6.9%) (2025: 12.2%) primarily reflecting the increase in social housing lettings, with the lower rate of growth compared to the prior year largely due to the reduced level of rent increase applied in April 2025.

A provision has been made in the accounts for £1.5m in respect of building safety and remediation works on one of our schemes. This has reduced the annual surplus for the year. Hightown continues to pursue all available avenues of recovery in respect of these costs, including warranty and insurance claims where

applicable. Surplus for the year was £8.8m (2025: £4.1m). Surplus before this provision was £10.3m. The comparative 2025 charge related to the impairment of a Hightown-owned land site at the south end of Maylands Avenue, Hemel Hempstead. Excluding provisions, margins are similar to the previous year. Interest cover and gearing remain above loan covenants with significant headroom.

The following tables and charts show how our annual turnover has risen over the last five years. Turnover has risen by 51.1% (2025: 41.6%) excluding First Tranche Shared Ownership sales.

Over the last five years, we have invested Total Comprehensive Income of £65.1m into the delivery of over 2,000 new affordable homes, aided by debt of £246.9m and social housing grant. The number of homes owned and managed has risen by 22.1% to 9,519.

5 Year Financial Summary	2026	2025	2024	2023	2022
	£'000	£'000	£'000	£'000	£'000
Turnover	130,977	127,594	120,969	111,914	103,887
First Tranche Shared Ownership sales <i>(included in turnover)</i>	13,299	17,529	22,891	26,828	25,992
Operating Surplus	47,187	40,915	42,454	38,646	34,666
Interest Payable	38,923	37,213	32,048	20,199	13,640
Surplus for the year	8,805	4,059	10,632	18,487	21,028
Total Comprehensive Income	9,911	4,345	9,804	17,999	23,002
Gross Margin %	36%	32%	35%	35%	33%
Net Margin %	7%	3%	8%	17%	20%
Interest cover*	1.2	1.1	1.3	1.9	2.5
Housing Properties at cost (GBV)	1,404,549	1,322,115	1,220,435	1,113,878	1,006,030
Housing Properties at cost (NBV)	1,285,298	1,216,580	1,127,802	1,032,534	934,750
Total Assets less current liabilities	1,304,517	1,210,921	1,155,861	1,065,584	974,697
Total Debt after fees	856,984	807,864	739,124	669,346	610,078
Total Reserves	230,355	220,444	216,099	206,295	188,295
Units Owned and managed	9,519	9,260	8,873	8,271	7,797

*(Operating surplus / interest payable).

Annual Turnover

£131m

2025 £127.6m 2024 £121m 2023 £111.9m 2022 £103.9m

Operating Surplus

£47.2m

2025 £40.9m 2024 £42.5m 2023 £38.6m 2022 £34.7m

Gross Margin %

36%

2025 32% 2024 35% 2023 35% 2022 33%

Net Margin %

7%

2025 3% 2024 8% 2023 17% 2022 20%

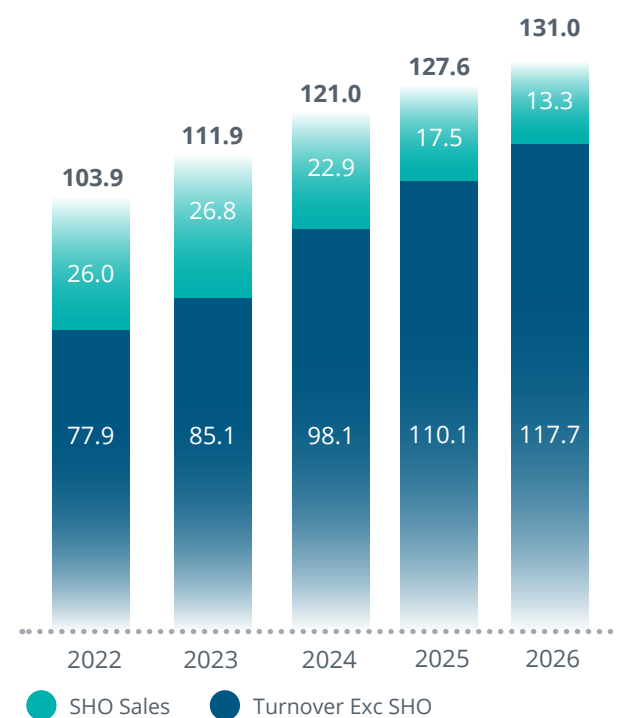
Strategic Report

Our Performance

Turnover

Turnover, excluding sales of First Tranche Shared Ownership (SHO) has steadily increased over the past five years. This upward trend is illustrated in the figures shown below and highlights the sustained commitment to new homes and related activities.

Turnover (£m)

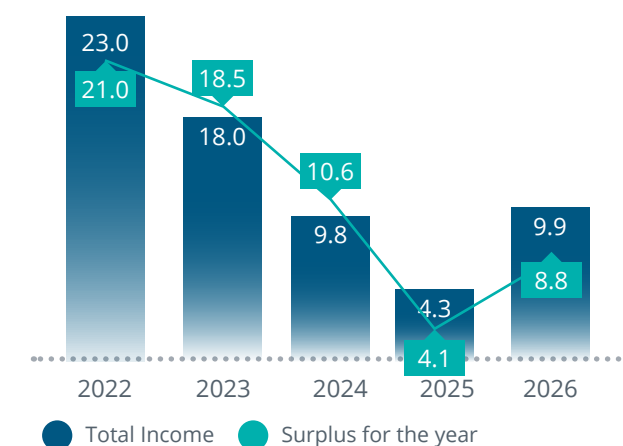


Turnover has seen continued growth, due to the delivery of new homes, annual increases in rents under the Rent Settlement and shared ownership unit leases, and the sales value of first tranche shared ownership units.

The total comprehensive income

The graph below shows the Total Comprehensive Income and the Surplus for the Year before pension provisioning:

Total Comprehensive Income & Surplus for the Year (£m)



The Total Comprehensive Income for the year continues to reflect volatility driven by the ongoing impact of high interest rates and elevated repair costs, and in previous years, volatile swings in the estimated position (surplus/deficit) of the Association's defined benefit pension schemes calculated in accordance with Financial Reporting Standard 102 (FRS 102). Measurement of the accounting provision for pension is particularly sensitive to movements in both the discount rate (the 10 year corporate bond rate) and future inflation assumptions. The pension provision at 31 March 2026 was £1.9 million (2025: £2.8 million). See Statement of Financial Position and Note 29A.

This year, the Statement of Comprehensive Income was impacted by increased costs of repairs and maintenance, reduced sales surplus and higher interest costs, together with a £1.5m provision in relation to remediation works. The surplus before this provision was £10.3m, similar to the previous year (excluding provisions).

Total surplus

£8.8m



Treasury

On 31 March 2026, £863m of funding was drawn against total facilities of £993m. During the year we entered into new facilities of £129.6m, and movement in net debt was £51.1m.

Alongside this debt has been restructured in line with our updated Treasury Policy. This delivered an increase in fixed debt to 73.6%.

The current liquidity position of 19 months meets our Treasury Management Policy of 18 months. This means that our committed development can be funded for this period, additional new funding is being raised based on our Treasury Strategy which would further improve our liquidity position in Q2 of 26/27. During the year, strong operational cashflow and sales covered a significant portion of our development expenditure after housing grants, with the remaining costs met by circa £43m of additional borrowing. As a result, our net drawn debt has increased to £849m (2025: £812m).

With an active new build development programme, we typically incur gross expenditure of £90m. This is funded through a combination

of capital grant from Homes England and local authorities, first tranche shared ownership property sales and Hightown's net cash surplus. The balance, typically around £70-£80m is funded through new borrowing each year. This borrowing is sourced from both banking partners and institutional investors via the capital markets.

Our loan covenants are predominantly based upon interest cover, asset cover and gearing ratios. Covenants are regularly monitored and were comfortably met throughout the year. Gearing has marginally increased to 65% (our strictest covenant) reflecting the scale of our recent development programme.

Our credit rating remains unchanged at **A3 (stable)**, reflecting our strong financial position, underpinned by robust operating margins. In addition, retention of our V2 viability rating through the stability check further reinforces our strong financial standing and puts us in a strong position to secure further funding as we enter the new calendar year and progress the emerging corporate strategy.



► Strategic Report

Our Performance

Our Homes

In 2025/26, we strengthened our focus on ensuring our homes and property services meet customer needs and the requirements of a more rigorous regulatory environment, so that every customer can enjoy a home that is safe, comfortable and well maintained. This included enhanced performance reporting, targeted investment in our stock condition survey programme and the continued development of skills and capability within our asset management team.

Amid a national housing crisis that continues to disproportionately affect low-income families, our ambition is to balance this investment in existing homes with a robust development programme.



Performance reporting

During 2025/26, a key priority was strengthening the accuracy and integrity of our asset management data. As part of our wider data strategy, our central data team has evolved a comprehensive suite of validated, monthly KPIs covering health and safety compliance areas alongside measures for repairs, stock condition surveys and compliance with the Decent Homes Standard. These KPIs are reviewed by our operational teams, the Executive Leadership Team and the Board, supporting effective oversight of statutory compliance and greater accountability to drive continuous improvement.

Understanding the condition of our homes

Accurate, up to date stock condition data enables us to plan and prioritise investment effectively, improve the quality and efficiency of repairs and maintenance services and support our decarbonisation and energy efficiency ambitions.

During 2025/26, we continued to work in partnership with external specialists to deliver a comprehensive stock condition survey programme, resulting in 92.31% of our homes having been assessed within the past five years by year end, against our goal of 100% compliance and compared to the sector average of 75%. Recognising that access to customers' homes is a sector wide challenge, we continue to improve customer communications and are introducing evening and weekend appointments to support delivery of the programme.

A clear understanding of the condition of our homes is fundamental to maintaining compliance with the updated Decent Homes Standard and enabling timely intervention where homes fall below the required standard. This is particularly important in supporting a preventative approach to issues such as damp and mould, as well as ensuring the ongoing safety and effectiveness of key health and safety components, including fire alarms and doors. By the end of 2025/26, only nine homes did not meet the Decent Homes Standard, across our portfolio of over 7,000 homes that fall within the standard's *scope.

Informed by our enhanced understanding of stock condition, we made targeted decisions on capital investment during the year, committing £2.5 million to major repairs to improve the comfort, safety and energy efficiency of homes.

*Note: Of the nine homes that did not meet the Decent Homes Standard at year end, remedial works have now been completed on four, bringing them into compliance. We continue to work proactively to resolve complex access issues and defects affecting the remaining five homes.

98.1%

of emergency repairs completed within our target timescale of one working day

5 Year Maintenance Expenditure (including overhead allocation)	2026	2025	2024	2023	2022
	£'000	£'000	£'000	£'000	£'000
SOCI Costs					
Routine maintenance	10,690	9,514	8,673	6,727	5,215
Planned maintenance	1,240	1,162	1,794	1,022	963
Major repairs expenditure	4,202	3,226	4,088	3,266	1,981
	16,132	13,902	14,555	11,015	8,159
Components Capitalised	5,822	4,665	2,055	2,159	2,346
Total	21,954	18,567	16,610	13,174	10,505

Repairs as a marker of customer satisfaction

Routine and planned repairs expenditure increased year-on-year to £10.7 million and £1.2m respectively, reflecting inflationary pressures on labour and materials and higher regulatory expectations around timely and effective repairs.

Our repairs service continued to perform strongly during 2025/26, with 98.1% of emergency repairs completed within our target timescale of one working day and 96.4% of non-emergency repairs completed within our target timescales of three days for urgent repairs and 20 days for routine repairs, against respective targets of 98% and 96%. Achieving a high rate of first-time fix is a key priority for customers; to support this, we worked proactively with our contractors to ensure vehicles are better stocked with a wider range of supplies.

We recognise that an effective and responsive repairs service is a significant driver of customer satisfaction, and this is reflected in customer feedback. The 2025/26 Tenant Satisfaction Measures (TSM) perception survey showed that

80.8% of tenants who had received a repair in the past 12 months were satisfied with the quality of the repair, up from 79% the previous year, while 79.1% were satisfied with the time taken to complete it, both representing an improvement from 77% the previous year. These findings are reinforced by our transactional repairs survey, which reported 88.91% satisfaction with the most recent repair, against a target of 92%.

The TSM perception and transactional repairs surveys have provided valuable insight into areas requiring targeted improvement. In response to customer feedback, we undertook a detailed review of contractor performance across trades and geographical areas to ensure greater consistency and value for money. We also analysed repeat repair calls to identify common themes, enabling us to focus improvement activity where it will have the greatest impact.

► Strategic Report

Our Performance



Positively, our 2025/26 Tenant Satisfaction Measures (TSM) survey revealed that eight out of ten tenants (79.3%) are satisfied with the safety of their home.

One key requirement of Awaab's Law is to provide feedback to customers within three working days of completing an inspection; in this area, we have achieved a strong compliance rate of

99.12%

Keeping homes safe

Resident safety remains the Board's top priority and, during 2025/26, invested significant capacity in this area, including establishing a dedicated Head of Landlord Health & Safety role within the senior leadership team to lead building safety strategy and programme delivery and creating an Executive Director of Homes position within the Executive Leadership Team to oversee the development of our wider asset management strategy.

Alongside investing in staff resource, we conducted an independent review of our strategic approach to building health and safety to strengthen compliance with our core statutory safety duties, the 'Big Six' of gas safety, fire safety, electrical safety, asbestos management, water hygiene and lift safety.

The Building Safety Act 2022 introduced the 'golden thread' of information for higher-risk buildings: a secure, digital and continually updated record of building safety information. During 2025/26, we embarked on an upgrade to our asset management software, Integrator, to support this 'single source of truth' compliance, ensuring accurate, version-controlled and

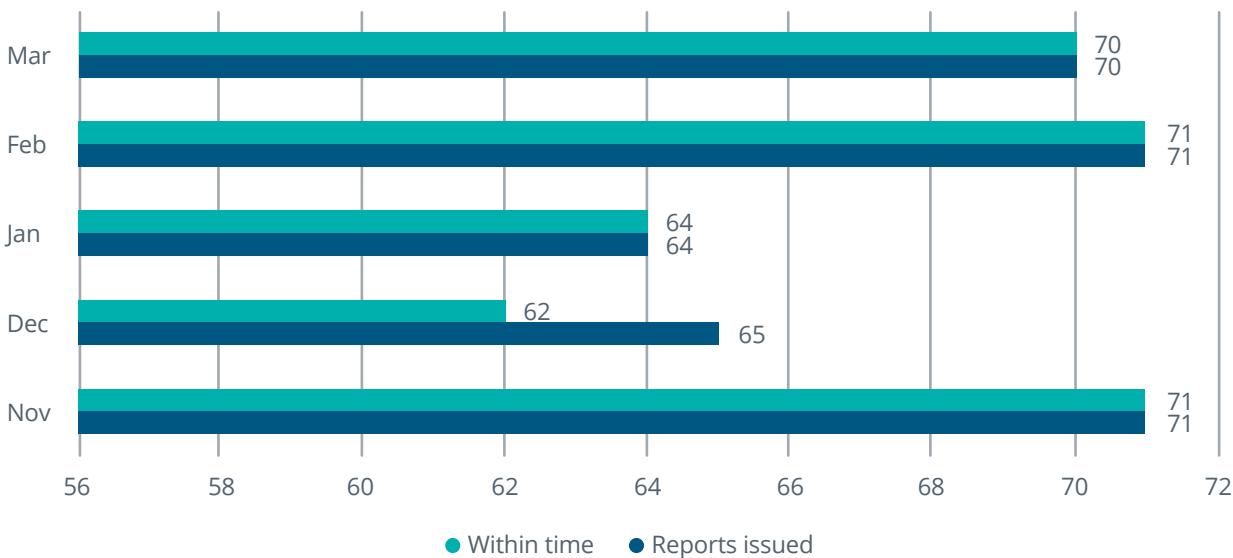
accessible records are readily available to our building safety team. Plans are also underway to introduce a dedicated health and safety compliance system in 2026/27.

Since the introduction of Awaab's Law in October 2025, which established statutory timescales for social landlords to respond promptly to reports of damp and mould, we have seen a sustained increase in reported cases. Approximately 96% of these have been classified as significant hazards.

One key requirement of the legislation is to provide feedback to customers within three working days of completing an inspection; in this area, we have achieved a strong compliance rate of 99.12%. We continue to learn and collaborate with both colleagues and customers to improve timely access to properties, which remains an ongoing challenge.

Positively, our 2025/26 Tenant Satisfaction Measures (TSM) survey revealed that eight out of ten tenants (79.3%) are satisfied with the safety of their home - up from 73.6% in 2024/25 - figures that are echoed in satisfaction relating to a well-maintained home, up from 73.5% in 2024/25 to 79.0% in 2025/26.

Damp and Mould inspection reports issued within time



► Strategic Report Our Performance

Case Study

A healthy homes operating model fit for Awaab's Law

In preparation for the new legislation, we restructured our operating model to establish a dedicated Healthy Homes team, incorporating specialist damp and mould inspectors, an in house remediation team and a dedicated customer liaison officer to support cases requiring temporary rehousing or additional customer support.

With accurate reporting fundamental to the effective delivery of Awaab's Law, we also enhanced our reporting systems to provide robust, time stamped case management, systematic recording of household vulnerabilities, clear hazard categorisation and comprehensive audit trails for remedial actions. Meanwhile, our Data team has embedded damp and mould metrics within our monthly KPI framework, ensuring consistent Executive and Board level visibility of risks and enabling early identification of emerging trends.

To facilitate effective communication with customers, we developed clear guidance to help the Healthy Homes team triage cases and identify situations where customers may be at increased risk, as well as multiple routes for customers to alert us to damp and mould concerns, including a website form. We have also prioritised customer education relating to damp and mould, creating a new Healthy Homes Handbook, delivering an online webinar and engaging directly with residents at our summer events, where we provided face to face advice and distributed free hydrometers.



With accurate reporting fundamental to the effective delivery of Awaab's Law, we also enhanced our reporting systems to provide robust, time stamped case management.



Strategic Report

Our Performance



Delivering new homes

Despite a challenging operating environment, 2025/26 remained a very active year in Hightown's development programme. Hightown delivered 276 new homes to meet the ongoing need for affordable housing in our local communities. We remain on track to accomplish our goal to reach 10,000 homes in management by 2027, with over 9,519 homes across our portfolio by the year end and 464 new homes in the pipeline for 2026/27.

We continue to work in close partnership with local councils and private developers to maximise development opportunities, prioritising homes for affordable, social and intermediate rent. As a result, nearly three quarters (73.2%) of the new homes we handed over in 2025/26 were for low-cost rent. In a year that saw the UK government reaffirm its commitment to making social rent a central priority of housing policy, we were able to access capital grant funding through local councils and Homes England to provide 43 of these homes at social rent tenure.

We remain on track to accomplish our goal to reach 10,000 homes in management by 2027, with over 9,519 homes across our portfolio by the year end and 464 new homes in the pipeline for 2026/27.

Development policy

Our policy is to maximise the number of new affordable homes we can provide while maintaining strong finances and managing associated risks. While our focus is on delivering Social, Affordable and Intermediate rented properties, where this is not possible, we develop homes for Shared Ownership. Housing needs in our area of operations are overwhelmingly for homes to rent at sub-market rents, so we aim to have at least 75% of our development programme producing homes for rent, with the remaining proportion being for shared ownership.

We currently expect to deliver over 1,000 new affordable homes over the next three years, from 2026/27 to 2028/29. Around 40% of these will be on sites acquired for or directly purchased by Hightown for affordable housing, including 128 homes at Broadwater Road in Welwyn Garden City and 122 at Barnfield College in Luton, with the remaining 60% coming from the affordable housing element on sites developed by private housebuilders under S.106 planning requirements.

New Development Homes by Tenure		New Development Homes by Local Authority	
Affordable Rent	157	Bedfordshire	2
Social Rent	43	Broxbourne	6
Intermediate Rent	2	Buckinghamshire	61
Shared Ownership	74	Central Bedfordshire	18
	276	Dacorum	63
New Development Homes by Procurement Type		East Herts	36
S106	236	Milton Keynes	23
Package	25	North Herts	28
Off the Shelf	15	St Albans	25
	276	Stevenage	14
			276

Planning a sustainable future

Protecting the environment and ensuring our homes are energy efficient for customers to run are key priorities for Hightown. Since 2024, we have prioritised gas free developments and, in anticipation of the Future Homes Standard coming into force in 2027, we strengthened this commitment during 2025/26 by only approving schemes that incorporate low carbon heating and hot water systems.

Combined with a fabric first approach to construction, this meant that all new homes delivered in 2025/26 were rated EPC Band B or above, with over one in five rated EPC Band A.

As part of our wider sustainability ambition, in 2025/26 we undertook our first whole-organisation environmental assessment through SHIFT Environment, a recognised accreditation standard for the housing sector, achieving 'Silver' accreditation level. The assessment sets out science-based improvement targets across more than 50 environmental criteria, and will inform the development of our sustainability strategy, due to launch in 2026/27.

At the time of the SHIFT assessment, over 99.25% of our rented homes were rated EPC Band C or above, with an average SAP rating of 81.35, placing Hightown first among the 40 housing providers assessed by SHIFT on this measure.

Alongside this, our ongoing stock condition survey programme continues to strengthen our understanding of the environmental performance of our homes, including where measures such as wall, floor and loft insulation can further improve energy efficiency and reduce carbon emissions. This insight is enabling us to carry out targeted remedial works to our remaining

Rental homes

Rental homes in EPC Bands at year end:	
Homes in Band A	168
Homes in Band B	4,863
Homes in Band C	2,028
Homes in Band D	50
Homes in Band E	0



► Strategic Report Our Performance

Our Customers

Placing customers at the heart of everything we do remains fundamental to our work. We are committed to listening to our customers, understanding their needs and experiences, and responding effectively to what matters most to them, whether they are a tenant, homeowner, leaseholder or being supported through one of our 83 care and supported housing (C&SH) schemes.

A strong customer focus also underpins our approach to regulation and governance. The strengthened consumer regulation framework has placed increased expectations on us to put customer feedback and transparency at the forefront of decision making. Listening to customers, acting on their views and insights and learning from complaints enables us to demonstrate accountability and provide assurance to our Board, regulators and stakeholders.

Understanding who lives in our homes

During 2025/26, we began preparations for our 'Tell Us More' campaign, with the aim of enhancing the information we hold about our customers to increase our understanding of their diverse needs, including health conditions, disabilities, language preferences and protected characteristics. From Spring 2026/27, colleagues will telephone customers to invite them to take part in a 'Tell Us More' survey. The data will be used by operational colleagues via our housing management system, helping us tailor services to meet individual needs, while providing a broader demographic picture of who lives in our homes, so we can plan services equitably with customers' diverse needs in mind. A follow up campaign – 'Tell Us More on the Road' – is planned for Summer 2026/27, involving door-knocks to encourage customers to share information face-to-face.

**Homeowners are not included in the scope of these TSM questions.*

Acting on TSM feedback

Our Tenant Satisfaction Measures (TSM) perception survey revealed satisfaction across all TSM measures increased in 2025/26 among both tenants and homeowners; 75.1% of tenants and 47.2% of shared owners were satisfied with Hightown's overall service, an increase from 68.3% and 41.0% respectively from the previous year.

We performed strongly against the sector average for repairs satisfaction (80.8%), the time taken to complete the most recent repair (79.1%) and the extent to which homes are well maintained (79.0%)*.

Tenants reported lower satisfaction with complaint handling (33.9%), our contribution to neighbourhoods (63.2%) and our approach to anti-social behaviour (54.7%), a pattern echoed by shared owners.

While all the measures show year-on-year improvement, we recognise there is still work to do to meet customer expectations and we have collaborated with our Customer Experience Panel and C&SH VoiceBox to agree and implement an annual TSM improvement action plan, overseen by our Board.

"They could be a bit more proactive with ASB and follow up with the results; they could be stricter because it's annoying for the good tenant."

Tenant, 2025/26 TSM survey

Our response: Our housing officers have continued to visit estates to listen to customers' concerns and share the actions we are taking to address ASB issues, including working in partnership with the Police and other local agencies.



"They could send more information and a general heads up on what they are doing differently, and what feedback they have had and how they are acting upon that."

Homeowner, 2025/26 TSM survey

Our response: We created a new printed customer newsletter, posted to every household twice a year, so every customer can keep up to date with news, advice and service improvements.

Strategic Report

Our Performance

Learning from complaints

Complaints are one of the clearest indicators of where we need to improve, prevent repeat issues and strengthen trust with customers. Identifying trends and using complaints to drive service improvement are also key expectations of the Housing Ombudsman.

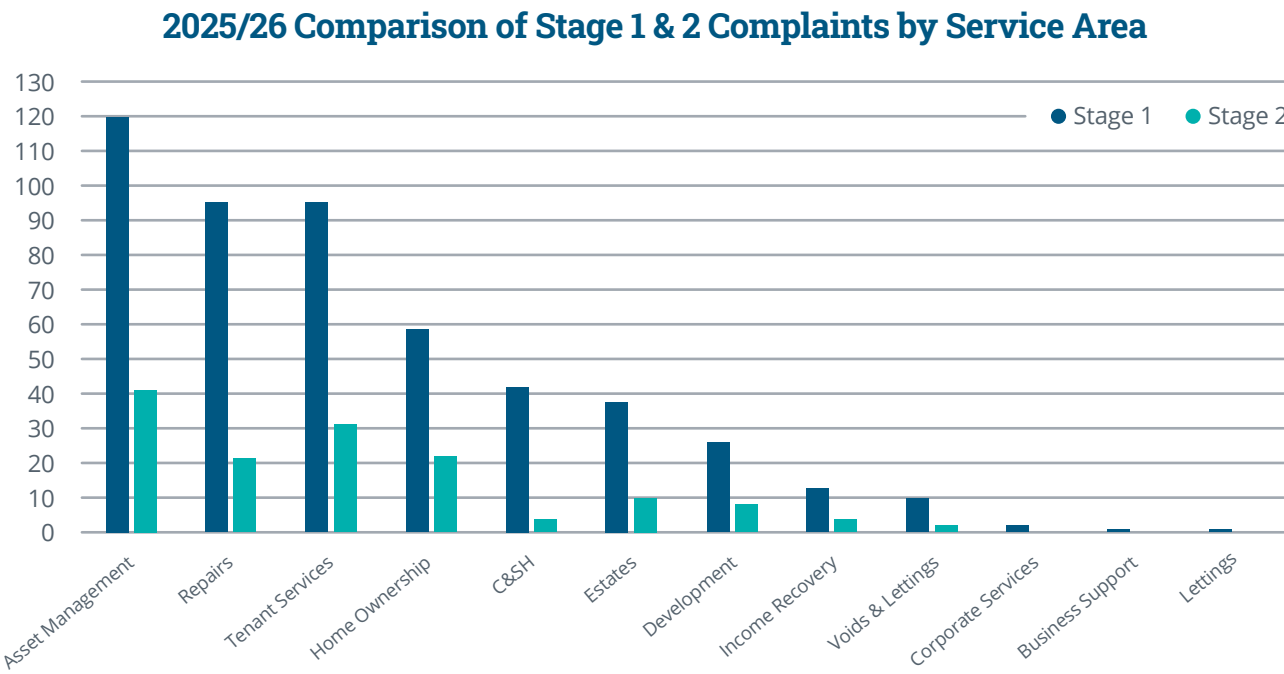
While complaint volumes across the social housing sector have increased, reflecting greater customer awareness of their right to raise and escalate concerns, our priority remains to reduce the need for complaints by consistently meeting and exceeding customer expectations. Looking ahead, we will focus on developing a Customer Strategy that clearly articulates our service offer, enhancing communication through improved contact management systems, implementing service improvements to address recurring issues and demonstrating how customer feedback and complaint learning are being used to drive positive change and improve services.

During 2025/26, we received 504 new Stage 1 complaints. Of these, 481 were landlord complaints, falling within the Housing Ombudsman Code, and a further 23 related to non-landlord complaints, for example from people we support through our C&SH services and leaseholders. Across the year, 142

complaints were escalated to Stage 2, 138 of which fell under the Housing Ombudsman Code. We responded to 88.57% of Stage 1* complaints within the Housing Ombudsman's Complaint Handling Code timescales, against our target of 88%, with performance improving year-on-year as we increased resource in our dedicated Customer Resolution team. Meanwhile, 93.48% of Stage 2* complaints were handled within the Housing Ombudsman's Complaint Handling Code timescales, exceeding our annual target of 82%. During 2025/26, the Housing Ombudsman reviewed 10 complaints. Nine complaints were within their jurisdiction, covering 17 service area categories. Whilst the Ombudsman found maladministration or service failure (a form of maladministration) in 10 of these categories, equating to a 58.8% maladministration rate, no severe maladministration was found.

Analysis of complaint themes indicates that the most common issues concerned unresolved or delayed repairs, damp and mould, heating and hot water failures, ongoing ASB, neighbourhood disputes and customers' personal use of CCTV and doorbell cameras.

** Figures relate to combined tenant, shared owner and leaseholder complaints and therefore differ to TSM submission figures.*



Customers said	What we did
Contractors do not always keep us informed when appointment times change.	We advised contractors to keep customers updated if they cannot attend an arranged appointment.
There is sometimes a lack of updates or delay to updates after an issue has been reported.	Our Customer Resolution team is now sharing complaint responses with our operational managers to support better understanding of the need for timely communications.
Outstanding or delayed repairs are not always followed up.	We ensured that our out of hours contractors effectively hand over outstanding or delayed repairs so that further delays can be avoided.
There is confusion about the permitted use of ring doorbells and domestic CCTV.	We created a Domestic CCTV policy to provide clarity on the use of ring doorbells and domestic CCTV.
It would be helpful to have clear information on preventing damp and mould and Hightown's responsibilities when cases are reported.	We created a comprehensive Healthy Homes Handbook which is available digitally and in print.
There is concern and dissatisfaction relating to lift outages.	We developed clear internal guidelines on keeping customers informed when lifts are not working and created microsites for individual blocks so that customers can easily access up-to-date information about lift repairs. We also published a new lift policy so customers know what to expect.



Strategic Report

Our Performance

Supporting neighbourhoods

We take reports of anti-social behaviour (ASB) seriously and recognise that it can cause distress to our customers and affect their wellbeing.

At the end of 2025/26, a total of 298 ASB reports were recorded, comprising 216 Type 1 cases, relating mostly to noise nuisance and drug-related issues, and 82 Type 2 cases, involving serious incidents such as actual violence (16 cases) and domestic abuse (50 cases). Where domestic abuse is identified within ASB cases, it is recorded, risk assessed and managed in line with our domestic abuse and safeguarding procedures, ensuring customers receive person-centred support from trained colleagues.

As part of our response to ASB, our Housing team, working in partnership with the police, carried out over 30 face-to-face ASB door-knock events across our estates. Customers told us these visits were reassuring and helped them feel their concerns were being taken seriously. The door knocks gave customers an opportunity to raise concerns and share information. Customers who were not available on the day were sent a survey to complete at a time that suited them. During 2025/26, our ASB Focus group continued to evolve, reviewing our ASB policy and supporting us to analyse ASB hotspots and trends.

We work in partnership with several external agencies to tackle ASB. Statutory partners such as the Police and local authorities have legal powers and enforcement tools that are not available to housing associations, and we work closely with them to take appropriate action. During 2025/26, this partnership approach supported formal outcomes, including two ASB closure orders where we supported police action and four ASB injunctions where we led the enforcement. Meanwhile, we took proactive steps to encourage reporting of hate crime and strengthen our response, with specialist training for customer-facing colleagues.

We have continued to educate customers about the importance of reporting ASB, including hate crime, and what they can expect from Hightown, running an educational campaign during ASB Awareness Week 2025 and creating an animation that was shared across various platforms.

Maintaining successful tenancies

Our tenancy support team – which comprises both tenancy sustainment and financial inclusion specialists – provides a person-centred approach, working alongside our income recovery and housing teams to help customers maintain successful tenancies.

Our collaborative approach helps us understand the wider issues our customers are facing and provide appropriate support, advice and signposting. Through improved reporting, we have been able to identify that cases are characterised by increasingly complex support needs and significant financial and welfare-related challenges, with mental health issues and the need to maximise income among the most prevalent factors affecting customers.

Partnership working is key to successful outcomes within tenancy support and we have focused on strengthening relationships with external agencies. In 2025/26, 45% of cases involved joint working with Local Authority or DWP officers, while, for more complex cases, we drew on established links with Adult Mental Health Teams, Children's Services and Adult Social Care, which accounted for 25% of our total caseload.

As a result of focused and early tenancy support intervention, rent arrears for our general needs tenants remain below the Housemark median benchmark of 4.25%, at 3.98% at the year end point.



Tenancy support outcomes in 2025/26:

283

cases referred to our tenancy support team.

142

average days each case is open, reflecting an increase in complexity.

£564k

worth of support on behalf of customers (not including support for essential items such as furniture or white goods).

Over

£319k

of that was made up of support with rent, showing an increase of £29,000 on last year.

We secured over

£110k

in unclaimed disability benefits.

302

home visits and 1,281 calls were made as part of 4,442 contacts with customers or professionals to support customers throughout the year.

Strategic Report

Our Performance

Case Study

Joint working to support new tenancies

With early intervention playing a crucial role in sustaining successful tenancies, cross departmental working helped us deliver positive outcomes for customers moving into a new development in St Albans.

Recognising that each customer had specific needs, we adopted a personalised approach. Joint, face-to-face tenancy sign-up sessions were delivered by the Lettings and Tenancy Support teams, giving colleagues the opportunity to clearly explain tenancy responsibilities, while offering tailored support and signposting where needed. The event proved highly successful, supporting smooth transitions into new homes and fostering a strong sense of community from the outset.

Empowering customers through engagement and involvement

Over the last year, our approach to customer engagement and involvement has developed significantly, with new ways for customers to share feedback and scrutinise our services.

Following feedback from members, we rebranded and relaunched our Residents Voice & Scrutiny Panel customer group as the Customer Experience Panel. Co-designed with customers, the refreshed panel introduces updated ways of working including structural changes, a clearer agenda focused on service and performance scrutiny, improved customer experience and enhanced customer influence on decision making, a hybrid meeting model and training opportunities to improve participation, strengthen resident influence and support more inclusive, customer-led decision making.

Over the last year, the Panel has been supported to deliver a wide range of scrutiny activity, with support and training from Tenant Participation Advisory

Service (TPAS) to increase members' confidence and skills. One of the highlights was a 'barriers to engagement' scrutiny review, the recommendations from which are included in our TSM action plan and will be presented to the Board in 2026/27 by members of the Customer Experience Panel.

Co-production within our Care & Supported Housing has also evolved, enhancing how we listen to and learn from people's lived experience. We have strengthened our VoiceBox co-production model to include a dedicated VoiceBox Improvement Panel, which works alongside senior leaders to review progress, identify priorities and ensure lived experience informs action. New hybrid and digital ways of working have also made it easier for people to take part, meaning more voices can be heard regardless of location or support needs.

2025/26 also saw a greater focus on accessibility, recognition and impact. VoiceBox members received tools and training to support their involvement, including digital equipment, accessible communication resources and the introduction of a remuneration scheme to recognise their time and expertise. Co-production is now embedded across key areas such as recruitment, training, service assurance and organisational values, supported by a new co-production audit tool.

Our co-production work was recognised at the Hertfordshire Care Awards, where we were shortlisted for the Care Culture Award, ahead of the final award ceremony in 2026/27. In addition, a member of our VoiceBox group received an individual award at this year's Rumble Awards, which celebrate the achievements and contributions of people with learning disabilities.

We plan to build on this strong foundation by deepening co-production at service level, strengthening the role of Co-production Champions and embedding lived experience more consistently across assurance, service design and decision-making.



In 2025/26, customers took part in a wide range of activities, including:

- The Customer Experience Panel, our new resident scrutiny group, were supported by the tenant engagement specialists TPAS
- Customer Experience Panel and VoiceBox joint workshops, encouraging our involved residents and the people we support to share learnings
- Thriving Together Group, our new group for customers with lived experience of disability
- 'Let's Talk' webinars, giving customers the opportunity to ask us questions about topics that matter to them, such as paying rent, mutual exchanges and what to do if they experience damp and mould
- Repairs surveys via post and email
- Anti-social behaviour Focus Group & ASB animation
- Anti-social behaviour door knocks working in partnership in the community
- Anti-social Behaviour Awareness Week
- Annual summer events on estates
- Focus groups: Resident Involvement Strategy, Rent Setting Policy, Asset Management Service review
- Events giving new customers the opportunity to discover more about the involvement opportunities available
- Partnership working with St Albans Community Bank, CAB and multi-agency community events
- Hightown new values and values behaviour framework workshops
- VoiceBox members scrutinised over 40 complaints to provide meaningful feedback from a lived experience perspective
- 20+ structured opportunities for VoiceBox members to influence and co-produce, including recruitment panels and second-stage interviews for new Hightown colleagues, colleague training, group meetings, service visits and newsletter production
- 15+ co-production networking events attended by VoiceBox members

► Strategic Report Our Performance

Case Study

Listening to diverse voices

Our aim is to deliver services that are fair and accessible to all, which meet our customers' diverse needs. To support this, we created The Thriving Together Group, whose members have lived experience of disability and who share insights to help us improve accessibility and enhance customer experiences. In response to the group's feedback, last year we:

- Improved disabled access signage at our reception, making it easier for wheelchair users to get the assistance they need quickly and comfortably.
- Introduced deaf awareness training for all colleagues at our central office.
- Created a video guide on how to use Hightown's new accessibility tools on our website.

Looking ahead, the group is collaborating with us to roll out the Relay app, an app to help us communicate with customers who are hard of hearing, and Clear Voice, an enhanced and more accessible translation and interpretation service.

Care & Supported Housing Performance: Year end position

Regulated care services CQC
inspections rated good or above

100%

C&SH scheme local authority
inspections rated good or above

80%

Delivering specialist housing and support

Core to our social mission is meeting the needs of the people in our communities who require specialist housing and or support. We currently operate 83 care and supported housing (C&SH) schemes which, at the end of the 2025/26 financial year, were supporting 771 people to live with choice, control and independence.

More than one in three (38%) of the people we support have a learning disability, 22% have a mental health need, 18% are single people experiencing homelessness and 10% are homeless young people, including care leavers and separated migrant children. We also operate eight CQC-registered care homes, offering 24-hour care to enable people to live safely and comfortably.

In 2025/26, our C&SH services generated revenues of £34.32 million. Of this, £26.44 million was received from local government and NHS contracts to fund the support element and associated overheads, with the remainder generated from rental income to cover property maintenance costs.

Amid challenging external pressures, we continue to work proactively to balance rising costs, funding constraints and the growing complexity of support.

Attracting and retaining skilled care and support colleagues remains an acute challenge for the sector and we prioritise investment and development through values-based recruitment, fair pay, ongoing training and a strong wellbeing offer. Each year we assess our ability to pay the Real Living Wage and in 2025/26, we were proud to be able to pay every member of our team the Real Living Wage, which reflects the true cost of living.



Case Study

A sustainable learning disability service in Bracknell

In 2025/26 we were delighted to celebrate the opening of Bridgewell, a new, state-of-the-art supported living scheme commissioned by Bracknell Forest Council, now home to 20 people with learning disabilities.

Four of our existing learning disability services were selected to transition to the new development and the people we support and their families were actively involved from the very beginning - from the tender process through to the building's design. Every voice was heard, contributing to a scheme that blends comfort, safety, and sustainability with innovative features such as height-adjustable sinks and hobs to support wheelchair accessibility. The result is a thoughtfully designed environment that meets the needs of the people we support both now and into the future.

“My son has no other close relatives apart from me, so it's a huge relief knowing that he now has a home for life that will meet his needs as he gets older.”

**Family member of a person
we support at Bridgewell**

► Strategic Report Our Performance



Our People

Our people form the vital link between our social purpose and our customers' everyday experiences of Hightown. With multiple pressures on the sector converging at the same time – economic, legal, regulatory and reputational – and nearly 900 full-time colleagues, it is essential that they are well-equipped, motivated and fully supported to succeed in their roles.

We have already started work to modernise our people approach. During 2025/26, we refreshed our corporate values and started development of a new values behaviour framework that will guide all aspects of our people processes, from recruitment and induction through to performance and career progression.

£406,469
invested in learning and development

13%
increase from 2025



Increasing capacity

Including the part time and casual 'bank' colleagues who cover temporary vacancies and colleague absences, we pay over 1,200 colleagues each month, most of whom are engaged in providing customer-facing housing and care and support services. We met our aspiration to pay the Real Living Wage during 2025/26, so every member of our team earned a wage reflecting the true cost of living.

Having the right skills and capacity in place to meet customers' needs is more important than ever and, during 2025/26, we welcomed 189 new permanent and 134 bank employees across the association during the year, investing extra resource into key areas such as building safety and corporate health and safety, healthy homes and complaints.

Our vacancy rate started at 24% in April 2025 and remained at 24% by year end. Turnover at our central office reduced slightly from 12.9% at the beginning of the year to 12.03% at year end. Across our care and supported housing (C&SH) services, turnover stood at 20.79% at year end, up from 11.6% the previous year but lower than the 25% national average for the social care sector*. Notably, 34% of C&SH leavers rejoined Hightown to work as bank colleagues, which offers more flexibility.

Investing in learning & wellbeing

We continued to equip colleagues with the skills and knowledge they need to do their jobs effectively, investing £406,469 in learning and development, a 13% increase from the previous year. A total of £68,350 was spent from the Apprenticeship Levy pot, supporting 29 apprentices with their studies, 13 of whom successfully completed their apprenticeship this year, while a further 16 continue to work towards achieving a formal qualification. At the same time, we supported nine colleagues through other professional development routes.

We continue to prioritise colleague wellbeing, empowering our team of volunteer 'Wellbeing Champions' to take the lead in the 'Five Ways to Wellbeing' programme, boosting positive interaction with colleagues and encouraging them to seek the support necessary to take care of their own physical and mental wellbeing.

Fostering an inclusive workplace

We recognise that our diversity is a source of strength and are committed to fostering a workplace culture in which every colleague feels able to be themselves and has a genuine sense of belonging. During 2025/26, the EDI Forum and Wellbeing Champions made great progress in bringing this commitment to life. We proudly signed the LGBTQ+ Housing Pledge - a national commitment to improving inclusivity and equality in social housing - as well as launching women's health and neurodiversity support groups. We also invested in the Housing Diversity Network employee development and mentoring programme, helping to support colleagues to increase their contribution and confidence at work.

Having a strong understanding of the protected characteristics of our colleagues enables us to design and deliver EDI and wellbeing initiatives that are targeted and meaningful. In line with National Housing Federation guidance, we continued to promote the importance of collecting colleague EDI data, reinforcing with colleagues how sharing this information helps us build a more inclusive workplace. As a result of this focus, our data completeness across the nine protected characteristics has increased to 53%. We have also strengthened the breadth of our data, with improved information relating to sexual orientation, caring responsibilities, neurodiversity and disability.

** Source: Skills for Care, Adult Social Care Workforce*

► Strategic Report Our Performance

Technology & Data

Keeping pace with change in the social housing sector presents both a challenge and an opportunity which we are actively embracing. Developing a resilient and effective infrastructure, where data and technology are seamlessly integrated, is central to our ability to respond to the evolving needs of our customers and communities, as well as the increasing expectations of a more demanding regulatory environment.

A technology roadmap for the future

In consultation with colleagues across the association, throughout the course of 2025/26 we developed our technology roadmap to bring our systems into line with sector best practice and make them fit for the future.

Transitioning to cloud-based systems has been integral in improving security and stability and we have now migrated 75% of our servers from on premise to Azure and replaced Citrix with Microsoft Azure Virtual Desktop for remote working. Colleagues at our central office were issued with modern laptop devices, with a rollout to our C&SH schemes underway.

Our QL housing management system has been updated to the latest version, and we have begun an upgrade to our Integrator asset management system to support housing stock regulatory compliance and improve service delivery.

In 2025/26, we realised a significant milestone in achieving Cyber Essentials Plus accreditation for the first time – a marker of our proactive approach to cyber security and our dedication to safeguarding sensitive data.

We also invested resource into embedding Microsoft Power BI and Fabric Data Warehouse, a unified platform that enables faster analysis of large volumes of data, improved reporting and more informed decision-making.

Looking ahead, our plan is to continue to move away from legacy systems into modern technology, while further utilising cloud-based software and maximising the reporting capabilities of state-of-the-art digital tools, such as Nourish, our new C&SH reporting system, and One Advanced, our new finance and accounting system.

In 2025/26, we realised a significant milestone in achieving Cyber Essentials Plus accreditation for the first time – a marker of our proactive approach to cyber security and our dedication to safeguarding sensitive data.



A new AI-enabled income recovery tool is estimated to reduce manual caseloads by approximately 50%, versus our current legacy system.

Case study

Transforming income recovery through intelligent automation

During 2026, we progressed the implementation of Voicescape, an AI-enabled income recovery tool that will help transform how we manage rent arrears.

The tool is designed to prioritise cases, automate routine activity, improve customer engagement and increase debt recovery performance. It does this by automating many of the manual tasks involved in arrears recovery, including personalised customer communications and intelligent case reviews and prioritisation. It is estimated to reduce manual caseloads by approximately 50%, versus our current legacy system.

These efficiencies will enable colleagues to focus effort and time on more complex cases and improved customer outcomes.

The system also provides dashboards and reporting that help managers actively monitor arrears performance, track customer engagement activity and measure recovery outcomes. Providing a single view of debt and case activity to support performance management and strategic decision-making. The system is scheduled to go-live in June 2026.

► Strategic Report Our Performance

Case study

A digital care plan solution for the future

Following feedback from commissioners highlighting limitations in our previous Care & Supported Housing (C&SH) care plan system, we undertook a comprehensive review to identify a more effective digital solution. After extensive planning and preparation, the implementation of our new Nourish system is now well advanced, with full rollout scheduled for completion by early summer 2026.

Early feedback has been very positive, demonstrating notable improvements in support planning, record keeping, medication administration and personal care documentation. These improvements have been driven by the introduction of both standardised and personalised timed interactions, enabling colleagues to capture support activity more accurately, consistently and in real time.

Our multi-disciplinary steering group meets monthly to oversee implementation of the new technology, address emerging themes and ensure the system continues to meet the needs of colleagues and the people we support, while all C&SH colleagues can attend a weekly drop-in to ask questions and share best practice.

Plans are underway to further expand the functionality of Nourish, with the addition of health and safety, accidents and incidents, safeguarding and medication error reporting modules, further strengthening governance, oversight and assurance, and embedding Nourish as a key system within our digital infrastructure.

Making data count

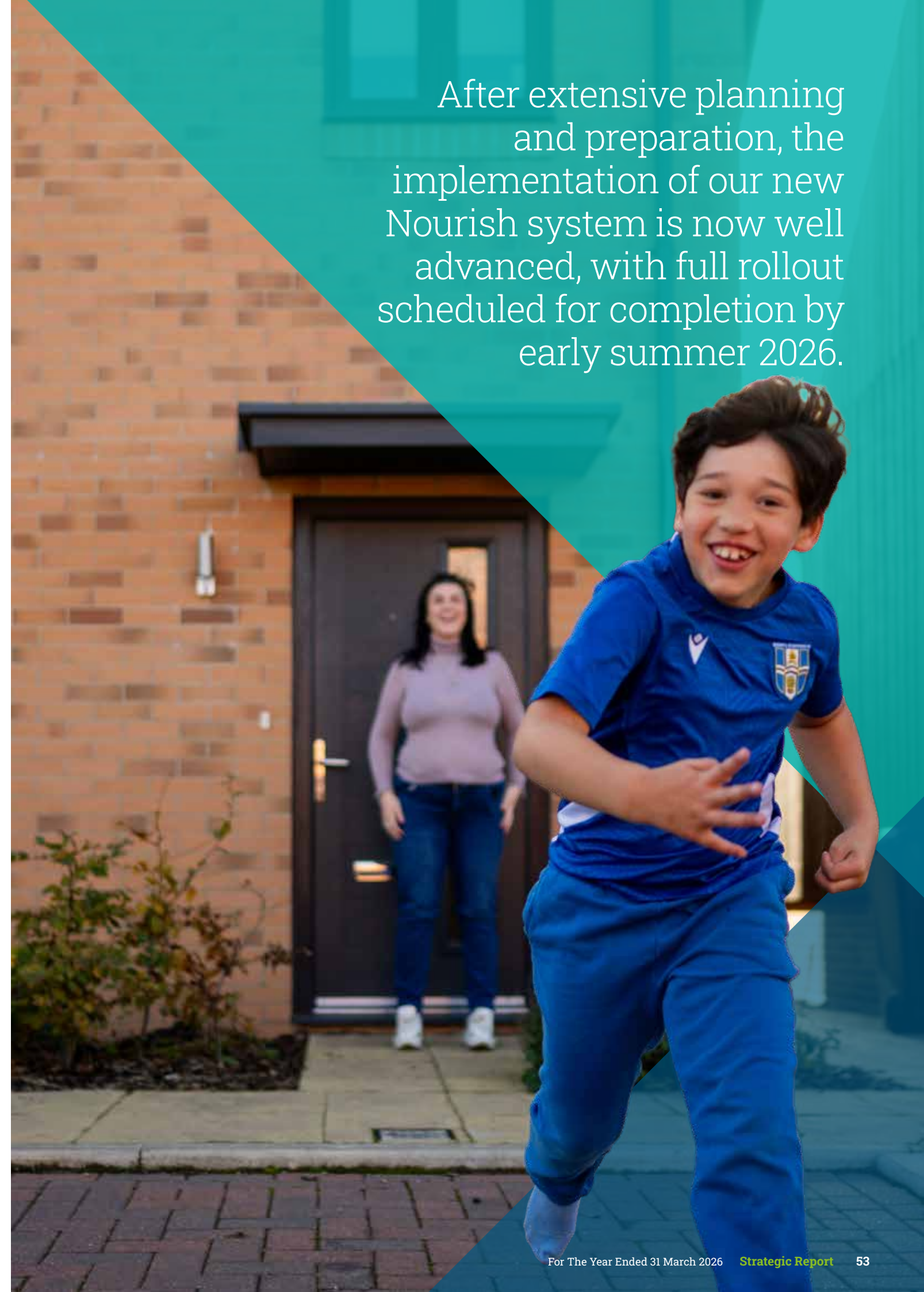
Data and information remain a critical asset for all housing associations. Following Board approval of a data and information strategy in 2025/26, we are continuing to refresh and realign our plans to ensure the strategy remains fit for purpose and reflects evolving sector demands, risks and opportunities.

During 2025/26, we began to lay strong foundations for more a data literate culture across Hightown, embedding information management within our business processes, enhancing our data reporting and implementing robust data governance.

A priority during the last year has been to complete an audit of the customer data we hold in preparation for our 'Tell Us More' resident data campaign and aligning our housing management system with the additional information categories we are collecting.

Other important data milestones included creating a Data Asset Inventory to identify all the data captured across the association and identifying and transitioning our performance KPIs to Power BI, starting with complaints and the 'Big Six' landlord health and safety measures.

After extensive planning and preparation, the implementation of our new Nourish system is now well advanced, with full rollout scheduled for completion by early summer 2026.



► Strategic Report Value for Money

Hightown's approach to Value for Money (VfM)

Hightown demonstrates Value for Money through the effective stewardship of its resources to deliver positive outcomes for customers, communities and other stakeholders. Through robust performance monitoring, benchmarking against local and national peers and a strong focus on continuous improvement, Hightown is able to assess whether resources are being used efficiently, effectively and economically. The Association seeks to balance investment in new affordable homes with the ongoing maintenance, safety and sustainability of existing homes, while maintaining financial resilience and capacity to meet future challenges. The Board regards the delivery of high-quality services, investment in homes and communities and the achievement of strategic objectives as central to achieving Value for Money. These priorities will be strongly reflected within Hightown's Corporate Strategy and business planning framework.

Delivering Value for Money is an organisation-wide responsibility embedded throughout Hightown's culture, governance arrangements, decision-making processes and day-to-day operations. All colleagues, leaders and Board members have a role in ensuring resources are used effectively to maximise outcomes for customers and communities.



Hightown's approach to value for money is driven by the main principles below:

- Ensure that the Corporate Strategy and its activities deliver better outcomes and VfM for all Hightown's stakeholders.
- Embed a culture of achieving VfM throughout Hightown, including Board members, colleagues and involved customers, making it a part of "business as usual" for all.
- A commitment to seek new, more efficient and effective ways to deliver services through the deployment of technology and effective process workflows.
- Involve customers in the delivery of VfM through our Customer Experience Panel and C&SH VoiceBox.
- Procurement methods that deliver cost savings, recognising the role Hightown plays in the local economy.
- Understand the financial and social return on our assets and use this to inform decisions.
- Maximise Hightown's financial capacity to deliver our strategic aims and objectives.
- Use the golden thread of performance management to ensure a visible link from the Board's strategic plan to departmental operating plans and personal colleague objectives.
- Make use of external validation, customer feedback and robust data monitoring to report on our performance to stakeholders including customers, the Regulator of Social Housing, central government, local authorities and other partners.
- Develop new homes efficiently and economically to meet the needs of those who live in our communities.
- Understand performance by benchmarking Hightown over time and against others.
- Continuously seek to improve customer service, engagement, influence, assurance and overall customer satisfaction.



1,300 new homes developed in the last three years

Hightown's performance

Annual targets are set across the organisation in line with Executive and Board VfM expectations, and Hightown monitors its VfM performance through monthly financial and operational KPI reports.

Business cases that set out the expected costs and benefits of decisions support our robust approach to driving efficiency and maximising investment opportunities.

Hightown continues to identify and deliver operational efficiencies and cost savings through service review, process improvement and system change. In an environment of sustained inflation pressure and continued growth in homes in management, achieving maximum value across all services remains a key priority.

In summary, Hightown has:

- **Delivered another financial surplus and reinvested that surplus in new and existing homes.** Before pension provision adjustments, Hightown delivered a surplus for the year of £8.8m (2025 £4.1m) and took 297 homes into management (2025 364), comprising 276 new homes completed in the year and 21 supported housing units. In the last three years Hightown has developed over 1,300 new homes and continued to invest significantly in its development programme and existing housing portfolio, supporting both growth and the quality and safety of customers' homes.
- **Continued to manage its homes efficiently while maintaining strong service outcomes.** Overall operating performance remained strong, with cost per unit and operating margins considered alongside service quality, repairs performance and customer satisfaction. Managed the 297 new homes efficiently, achieving a low and reduced overall operating cost per unit.
- **Continued to improve the energy efficiency of our homes.** 99.3% of Hightown's 7,109 homes that fall within the scope of the Decent Homes Standard achieved an EPC rating of C and above, and targeted work continues to improve the remaining 50 homes below Band C.
- **Invested in technology, data and governance to support future efficiency and service delivery.** Hightown continued to strengthen its infrastructure, systems and data capabilities in support of value for money, service delivery and effective risk management. Progress during the year included further migration from on-premise infrastructure to Azure, with 75% of servers now cloud-based, replacement of Citrix with Azure Virtual Desktop for remote working, rollout of modern laptop devices and updating the QL housing management system. Hightown also commenced an upgrade to the Integrator asset management system to support housing stock regulatory compliance and improve service delivery.
- **Prioritised cyber security, data and reporting.** During the year, Hightown achieved Cyber Essentials Plus accreditation for the first time and continued to embed Power BI and Fabric Data Warehouse to support improved reporting, data analysis and decision-making.

Strategic Report

Value for Money

Performance against the Regulator’s Value for Money metrics

The Regulator of Social Housing’s Value for Money Standard sets out the approach to Value for Money expected from Registered Providers and this is amplified in the complementary Code of Practice. There are nine metrics used to measure the delivery of the three “E’s” of Value for Money - Economy, Efficiency and Effectiveness, on a comparative basis across the sector.

Definitions of the formula used for each metric can be found in the VFM Standard available on the Regulator’s website.

Performance against the metrics is published annually by the Regulator based on the statutory accounts of Registered Providers. The most recent published comparative data is for the year ended 31 March 2025. Across the sector, these metrics continue to reflect the impact of inflationary pressures on operating costs, higher repair expenditure, building safety investment and increased borrowing costs. Performance against Value for Money targets in 2025/26 was mixed, reflecting both Hightown’s continued commitment to investing in existing homes and a challenging operating environment.

Reinvestment levels exceeded budget, demonstrating the Association’s focus on maintaining and improving the quality, safety and sustainability of its housing stock. Delivery of new social homes was below target due to delays in scheme handovers, which also impacted rental income growth during the year. However, strong performance within Care and Supported Housing and commercial activities helped to mitigate part of this impact. As experienced across the sector, inflationary pressures, increased repair and maintenance expenditure, investment in building safety and higher borrowing costs continued to influence several Value for Money metrics. Despite these challenges, Hightown maintained strong operating margins and financial capacity, supporting the delivery of its strategic objectives and long-term investment plans.

Sector benchmark data for 2025/26 is expected to be published in early 2027. Hightown will review its performance against peer organisations and update its assessment of relative Value for Money performance when this information becomes available.

VfM Table 1 - Performance against budget

Value for Money Metric		VfM Cost Chain Measure	Actual March 2026	Budget Target 2025/26	Indicator Flag
1	Reinvestment %	Efficiency	8.4%	7.8%	●
2a	New Supply Delivered Social Housing Units %	Effectiveness	3.3%	7.9%	●
2b	New Supply Delivered Non-social Housing Units %	Effectiveness	-	-	○
3	Gearing % (##)	Efficiency	65.1%	66.1%	●
4	EBITDA MRI Interest Cover % (#)	Efficiency	117.8%	122.8%	●
5	Headline Social Housing Cost Per Unit (£'000)	Economy	£7.69	£6.78	●
6a	Operating Margin % – Social Housing Lettings	Efficiency	37.3%	37.0%	●
6b	Operating Margin % – Overall	Efficiency	34.2%	34.2%	●
7	Return on Capital Employed (ROCE) %	Efficiency	3.7%	4.0%	●

(# Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included)
(## RSH definition, based on net asset costs)

RSH Global Accounts

The Regulator of Social Housing (RSH) publishes annual Global Accounts data from the published accounts of Registered Providers. Hightown uses this analysis to compare its performance nationally, against peer groups and against specific comparable associations. Comparative data on Hightown’s performance against other Associations and its peers is reported to and reviewed by the Board.

The Regulator of Social Housing has published a report Value for money metrics and reporting: Annex to 2025 Global Accounts.

The accompanying interactive spreadsheet allows Hightown to measure performance against the national performance and against peer groups and specific associations.

VfM Table 2 below shows Hightown’s performance over the last four years, including March 2026, alongside the most recent published comparative data at 31 March 2025. The table also includes Hightown’s 2026/27 budget metrics, shown as a memorandum column to provide forward-looking context.

VfM Table 2 - Performance against peers

Value for Money Metric		2027 Budget (memo)	March 2026	March 2025	March 2024	March 2023	Peer Group Median 2025*	Peer Group Quartile and rank 2025*	National Sector Quartile and rank 2025*
1	Reinvestment %	6.2%	8.4%	9.4%	10.2%	11.0%	6.9%	Q1 6th	Q2 42nd
2a	New Supply Delivered Social Housing Units %	4.1%	3.3%	4.1%	7.7%	7.0%	2.1%	Q1 3rd	Q1 4th
2b	New Supply Delivered Non-social Housing Units %	0%	0%	0%	0%	0%	0%	Q1 6th	Q2 51st
3	Gearing % (##)	64.9%	65.1%	65.0%	64.1%	63.2%	57.2%	Q1 2nd	Q1 10th
4	EBITDA MRI Interest Cover % (#)	123.0%	117.8%	123.6%	122.5%	167.8%	110.6%	Q3 13th	Q2 59th
5	Headline Social Housing Cost Per Unit (£'000)	£7.89	£7.69	£7.89	£6.78	£6.51	£5.34	Q1 2nd	Q1 12th
6a	Operating Margin % – Social Housing Lettings	32.5%	37.3%	37.9%	35.4%	34.4%	28.2%	Q1 3rd	Q1 5th
6b	Operating Margin % – Overall	31.6%	34.2%	29.4%	30.9%	31.1%	23.8%	Q2 8th	Q1 11th
7	Return on Capital Employed (ROCE) %	3.6%	3.7%	3.4%	3.7%	3.6%	3.4%	Q3 13th	Q2 43rd

(# EBITDA – MRI = Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included).
(## RSH definition, based on net asset values).
(* RSH Value for Money Metrics and Reporting 2025 - data at 31 March 2025. Peer group Associations with 5,000 - 25,000 units >30% in East & South East Region (24 peers). National entity comparison – all Housing Associations over 5,000 units (122 peers).

In summary, the latest published comparator data at 31 March 2025 shows Hightown continuing to deliver strong performance nationally and against local peers. Nationally, Hightown achieved quartile 1 performance in six of the nine published Value for Money metrics, although interpretation requires care for metrics such as Gearing and Headline Social Housing Cost per Unit, where a higher ranking reflects higher values rather than lower cost or lower leverage.

Hightown’s performance on new supply of social housing has remained particularly strong. The published March 2025 comparator data shows Hightown in the top quartile both against peers and nationally. Hightown’s March 2026 outturn remains strong, although comparative quartile positions for that year will not be available until the next regulator publication.

► Strategic Report Value for Money

VFM Commentary

The following comments outline Hightown's performance against the Regulator's Metrics.

Metric 1 – Reinvestment %

This metric looks at the reinvestment of financial resources into housing stock, showing the proportion of the year end housing assets that were invested in the year. It is a measure of effectiveness.

In 2025/26, Hightown invested £97.9 million (2025: £109.1 million) in new homes and took 297 homes into management, comprising 276 new homes completed and 21 supported housing units. The reinvestment metric for the year was 8.4%, above the budget target of 7.8% but below the 9.4% reported the previous year. This remains strong performance and above the peer group median of 6.9% in the latest published comparator data. The reduction from the prior year reflects the timing of development spend and completions within the development programme. However, Hightown continues to demonstrate a strong level of reinvestment in existing and new homes.

Whilst reinvestment remains above sector median levels, the 2026/27 budget reflects a planned reduction in reinvestment activity following a period of significant development investment. Within this metric Hightown is planning to grow re-investment in its existing homes. The budget includes 234 forecast start-on-site units, maintaining a strong development pipeline while balancing the investment needs of existing homes, financial capacity and long-term business plan objectives. This approach ensures Hightown continues to deliver sustainable growth and value for money through a measured and prudent allocation of resources.

Metric 2 – New supply delivered

This supply metric measures the proportion of properties at year end that were newly created during the year. It is a measure of effectiveness. There are two measures:

a) The percentage of new supply of social housing delivered

This metric measures the proportion of social housing properties at year end that were newly delivered during the year. It is a measure of effectiveness. Hightown's performance in this area remains strong. The metric was 3.3% at March 2026, compared with 4.1% at March 2025 and below the budget target of 7.9%, reflecting delayed handovers against budget forecasts. However, based on the latest published comparator data at March 2025, Hightown remained in the top quartile both against peers and nationally, with performance well above the peer group median of 2.1%. Hightown continues to demonstrate a strong commitment to delivering much needed new affordable homes in furtherance of its charitable objectives.

b) The proportion of non-social housing

Hightown did not deliver any non-social housing units in 2025/26 and none were planned. This is consistent with Hightown's strategic focus on the delivery of affordable social housing and with its charitable objectives. As in previous years, this metric is therefore nil.

Hightown's performance in new supply remains particularly strong for an association of its size. Although the March 2026 outturn was below budget due to delayed completions, Hightown continues to deliver substantial growth in social housing and remains strongly positioned against published peer and national comparator data. 464 handovers are planned for 2026/27.

£97.9m

invested in new homes in 2025/26

65.1%

gearing at March 2026



Metric 3 – Gearing

This metric measures the level of debt as a proportion of the net book value of housing assets at the year end under the Regulator's definition. It is a measure of efficiency and shows the proportion of assets funded by borrowing. Hightown's gearing was 65.1% at March 2026, compared with 65.0% at March 2025 and slightly better than the budget target of 66.1%.

As in previous years, Hightown's gearing remains high compared to peers, reflecting its recent development programme and the relatively high borrowing required to support delivery of new affordable rented homes where grant rates are limited. Hightown has grown significantly in recent years, developing over 1,300 new homes over the last three years, and this continued growth has increased gearing. Adequate headroom within banking covenants remains to support future investment.

The Board appetite is to reduce gearing over the medium term, reflecting current economic conditions and credit rating observations. This approach is embedded within Hightown's latest budget and business plan and supports the organisation's long-term financial resilience.

Metric 4 – Interest cover EBITDA MRI

This metric measures the organisation's capacity to service its debt from operating income and is a key indicator of financial resilience and efficiency. EBITDA MRI (Earnings before Interest, Tax, Depreciation and Amortisation, with Major Repairs Included) is the Regulators preferred measure of interest cover for registered providers.

EBITDA MRI interest cover was 117.8% at March 2026, compared with 123.6% at March 2025 and below the budget target of 122.8%. The reduction reflects a transitional period for Hightown as it begins to realise the benefits of its recent development programme through increased rental income, while also managing sector-wide cost pressures and additional investment requirements. Based on the latest published comparator data at March 2025, Hightown remains above the peer group median of 110.6% and continues to demonstrate strong debt-servicing capacity. Despite ongoing inflationary and interest rate pressures, covenant headroom remains substantial and interest cover is forecast to improve. Hightown's treasury strategy has restructured debt and, as at March 2026, fixed debt was at 73.6%.



► Strategic Report Value for Money

Metric 5 – Headline Social Housing cost per unit

As a major provider of Care and Supported Housing, Hightown's headline social housing cost per unit has always been high compared to the average for other Registered Providers, many of whom have little or no care or support services. This relatively high cost has consistently been apparent in all past data analysis from the RSH Global Accounts comparison and the RSH operating costs analysis.

Hightown's sizeable Care and Supported Housing service requires more intensive management, this distorts the headline costs on a per unit basis against peers. Headline social housing cost per unit was £7.69k at March 2026, compared with £7.89k at March 2025 and above the budget target of £6.78k. Based on the latest published comparator data at March 2025, Hightown's cost per unit remains above the peer group median of £5.34k. Benchmarking of general housing management costs continues to show that Hightown performs strongly in managing its mainstream housing operations efficiently. The headline metric therefore needs to be interpreted in the context of Hightown's operating model and service mix.

In total, this cost is planned to increase, marginally, in 2026/27 to reflect asset investment decisions.

Hightown's operating margin on social housing lettings was

37.3%

at March 2026 slightly above the target of

37.0%

Metric 6 – Operating margin

This metric measures the proportion of turnover retained after deduction of operating costs. It is a measure of operational efficiency. There are two measures:

a) Operating margin on social lettings

Hightown's operating margin on social housing lettings was 37.3% at March 2026, slightly above the budget target of 37.0% and compared with 37.9% at March 2025. This remains a strong margin and compares favourably with the peer group median of 28.2%. The small reduction from the prior year reflects in year investment decisions to address cost pressures experienced across the sector. Hightown continues to demonstrate strong value for money in the delivery of its core social housing lettings activities.

b) Operating Margin % - Overall

Hightown's overall operating margin was 34.2% at March 2026, in line with the budget target of 34.2% and an improvement on 29.4% at March 2025. This remains a strong overall result and compares well with the peer group median of 23.8% in the latest published comparator data.

Metric 7 – Return on Capital Employed (ROCE)

This metric measures the return on capital assets in use by the Association. It is an efficiency measure on the income generated from the assets.

Return on Capital Employed was 3.7% at March 2026, compared with 3.4% at March 2025, but below the budget target of 4.0%. The increase on the prior year reflects improved returns from the asset base, although performance continues to be moderated by a substantial level of development work in progress which is not yet income generating. In addition, the relatively low margin generated on Care and Supported Housing activity continues to suppress the overall ROCE. Based on the latest published comparator data at March 2025, Hightown remains above the peer group median of 3.4%.



▶ Strategic Report Value for Money

Value for Money in the Year Ahead, 2026/27

2026/27 is a transitional year for Hightown. The Association will benefit from increased income generated by recent development activity while continuing to respond to a challenging operating environment characterised by inflationary pressures, higher operating costs, increased investment requirements and evolving regulatory expectations. Hightown's plans for 2026/27 have been developed to support the delivery of its emerging Corporate Strategy and to ensure resources are directed towards activities that deliver the greatest value for customers, communities and stakeholders.

Hightown believes that Value for Money is achieved through the effective stewardship of its assets and resources, balancing investment in new affordable homes with the maintenance, safety and sustainability of existing homes, while delivering high-quality services and maintaining financial resilience. Investment decisions are therefore focused on improving outcomes for customers, supporting sustainable communities and ensuring the long-term viability of the Association.

The Association expects to continue generating Value for Money through the delivery of new affordable homes, efficient and effective service delivery, and the continuous improvement of operational processes, systems and ways of working. Hightown remains committed to providing homes for people who are unable to access housing through the open market, while maintaining a strong financial position that enables continued investment in homes and services. During 2026/27, Hightown expects to deliver over 450 new homes through a combination of operating surpluses, social housing grant and prudent borrowing.

Alongside investment in new homes, Hightown will increase investment in its existing housing stock to maintain building safety, improve stock condition, enhance sustainability and ensure homes remain safe, compliant and fit for the future. Planned investment in services, systems and infrastructure will strengthen organisational capacity and support the delivery of consistent, reliable and customer-focused services.

The Association will continue to strengthen its customer-centred culture and use customer insight to inform decision-making, service improvement and performance management. Hightown will also seek to maximise its social impact through the delivery of housing, care and support services that promote independence, wellbeing and community resilience.

Maintaining financial resilience remains a key priority. Hightown will continue to balance its investment ambitions with prudent treasury management, covenant compliance and effective risk management, ensuring sufficient financial capacity is retained to respond to future challenges and opportunities. The Board will continue to oversee delivery of the Association's strategic objectives through regular scrutiny of performance, risk, customer outcomes and Value for Money metrics, ensuring resources are allocated effectively and deliver the greatest benefit for customers, communities and stakeholders.

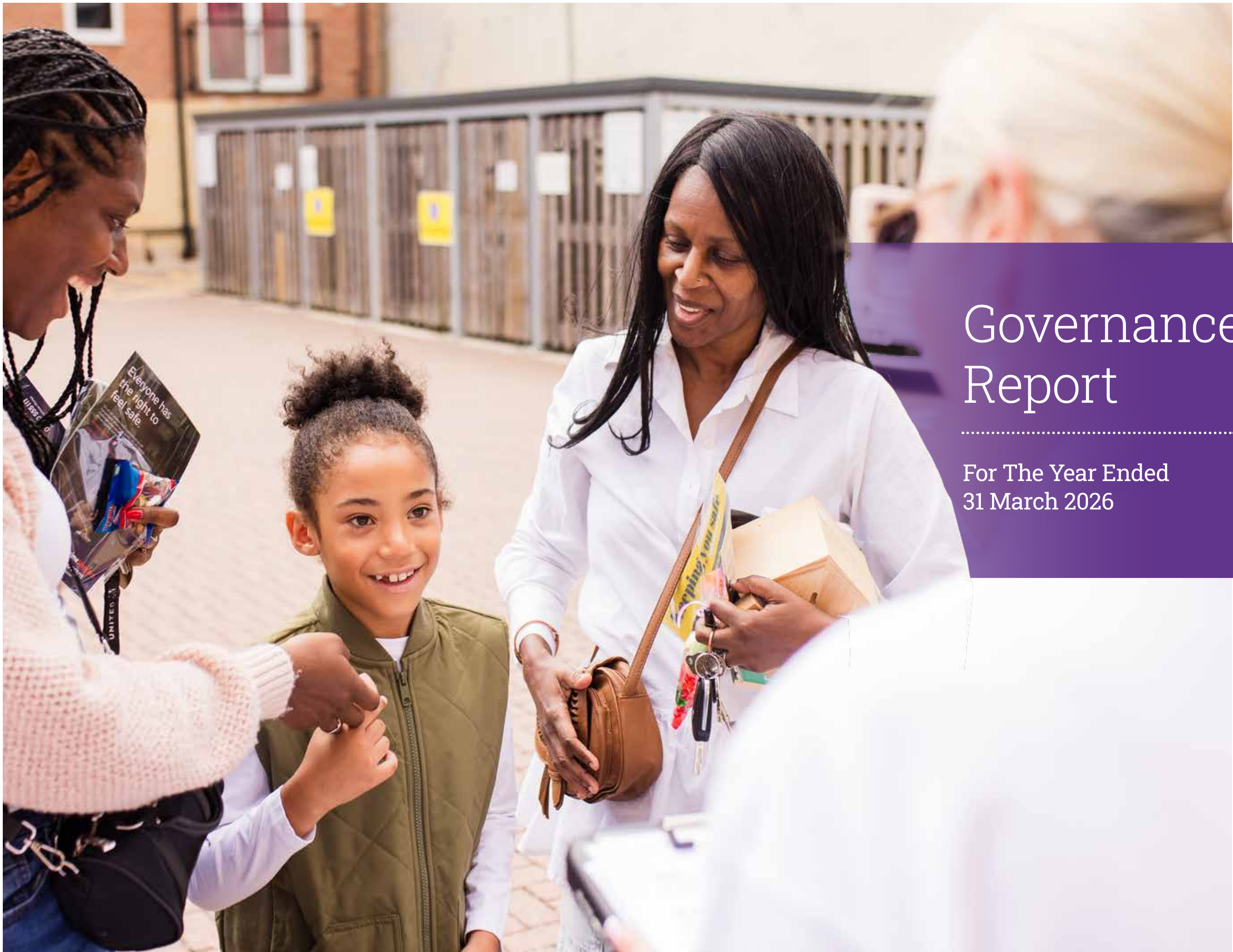
Investment in people, systems and infrastructure will strengthen organisational capability, support compliance and improve the quality of data and performance information available to inform decision-making.

In 2026/27 Hightown aspires to:

- Embed a customer-centred culture throughout the organisation by integrating customer voice, insight and experience into governance, assurance, performance monitoring, service improvement and strategic decision-making. Hightown will continue to strengthen customer influence and ensure services remain accessible, responsive and focused on delivering positive outcomes.
- Continue to deliver strong operational performance against the Regulator of Social Housing's economic and consumer standards, maintaining robust governance, effective assurance arrangements and high-quality services for customers.
- Implement the updated Corporate Strategy, focused on delivering safe, compliant and good-quality homes alongside reliable and customer-focused services.
- Use performance information, benchmarking, customer insight and data-driven decision-making to identify opportunities for improvement, enhance service quality and demonstrate Value for Money.
- Retain Housemark cost-per-unit performance for housing management within the upper quartile of peer organisations and deliver services within the good performance, low-cost quadrant of Housemark benchmarking.
- Strengthen organisational culture, capability and leadership to ensure colleagues are equipped, supported and empowered to succeed and deliver excellent outcomes for customers.
- Undertake a scheme-by-scheme review of Care and Supported Housing services to maximise operational effectiveness, customer outcomes and Value for Money.
- Continue supporting customers to sustain their tenancies through targeted tenancy support, early intervention activities and the delivery of high-quality housing management and support services.
- Reduce development activity in the short term to support a balanced approach to investment, manage financial capacity effectively and reduce exposure to market and credit risks.
- Deliver strategic asset disposals where appropriate to optimise the portfolio, support reinvestment priorities and ensure capital is directed towards assets and activities that deliver the greatest long-term value.
- Increase capital investment in existing homes to meet stock condition requirements, maintain building safety, improve sustainability and strengthen long-term asset performance.
- Complete a review of asset management activities to ensure investment decisions are informed by robust data and deliver the greatest value for customers and the Association.
- Undertake a comprehensive review of the cost base to identify efficiencies, deliver savings and establish a longer-term efficiency programme.
- Continue to develop and embed technology, data and digital roadmaps to improve efficiency, strengthen decision-making and enhance performance reporting.

Hightown will continue to monitor its performance against sector benchmarks, regulatory expectations and customer feedback to ensure resources are deployed effectively and that the Association continues to deliver sustainable Value for Money for customers, communities and stakeholders.





Governance Report

For The Year Ended
31 March 2026

Governance

Governance & Committees

We are a registered Community Benefit Society, a charitable housing association with the objective of providing benefit to the community. We operate mainly in Hertfordshire, Bedfordshire, and Buckinghamshire and our principal activities are the development and management of social and affordable rented housing, supported housing and the provision of care services. Hightown is a single legal entity, with no subsidiary companies or joint ventures.

We are governed by a Board of ten members, each bringing a diverse range of skills and experience to effectively oversee the association's strategy, operations and key risks. All Board members are shareholders. The Board meet seven times a year in addition to two strategy days. The Board is supported by four committees: Risk & Audit, Funding & Investment, Operations and Remuneration & Nominations. In February 2026, our Chief Executive Maxine Espley was appointed to the Hightown Board as an Executive Board member, creating a unitary arrangement that reinforces our commitment to strong, transparent governance.

The current composition of the Board is as follows*:

Gender	Female 7	Male 5
Ethnicity	White British 8	Other 4
Age Range	44-60 years	

* Figures include Board members who served part of the year.

Our Committees

Risk & Audit Committee:

Provides independent assurance to the Board on the effectiveness of the Association's risk management, internal control and governance frameworks. The Committee oversees our internal and external audit arrangements and monitors compliance with legal and regulatory requirements. It ensures that risks are appropriately identified and managed and that robust systems are in place to safeguard Hightown's assets, integrity and reputation.

Operations Committee:

Focuses on the delivery and performance of our core housing services, ensuring they are safe, efficient and customer focused. The Committee monitors key operational areas including landlord health and safety, repairs and maintenance, tenancy and neighbourhood management, customer experience and regulatory compliance. It reviews performance against agreed standards and provides assurance to the Board that our services meet statutory requirements and support high levels of customer satisfaction.

Funding & Investment Committee:

As an outcome of the 2025 Board Effectiveness Review, the Treasury Committee and the Investment Committee were combined to form the Funding & Investment Committee. Oversees our funding and treasury strategy, ensuring appropriate financing is in place to support our strategic objectives. The Committee scrutinises major investment proposals and capital allocation to ensure they are financially viable and deliver value for money. It monitors financial risks, liquidity and compliance with lending requirements, providing assurance to the Board that funding and investment decisions support long-term sustainability and resilience.

4 Committees across risk and audit, operations, funding & investment, remuneration & nominations.

Remuneration & Nominations Committee:

Oversees the composition, membership and skills of the Board to ensure effective governance of the Association. The Committee provides recommendations to the Board on senior employee

remuneration and monitors organisational performance in relation to Equality, Diversity and Inclusion. It also oversees policies relating to the Association's people and culture, ensuring they are aligned with best practice and strategic objectives.

Reviewing Board effectiveness

Our Board conducts an annual Board Effectiveness Review to ensure that it is operating effectively and able to fulfil its primary functions. Performance appraisals and skills assessments of individual Board members are conducted annually, and these are used to inform the Board learning & development programme and to aid succession planning.

Strong, transparent governance underpins every decision we make, ensuring long-term resilience and better outcomes for our customers.

10 Board members with a diverse range of skills and experience.



In 2025 we commissioned a triennial external Independent Board Effectiveness Review to provide additional reassurance that we are maintaining high governance standards in an increasingly complex operating environment.

The resulting report was presented to the Board in September 2025 and a Governance Improvement Action Plan was approved by Board in November 2025. This plan also included key actions arising from the annual Board Member appraisal meetings, including a review of the Standing Orders to ensure appropriate delegated authorities from the Board, the creation of a revised agenda format and a revised report template, both introduced in January 2026. The revised Standing Orders were approved by the Board in January 2026.

Customer focus

We have a range of mechanisms for enabling and empowering customers to influence the delivery of their services. Board members attend the Customer Experience Panel (CEP) (formerly the Residents' Voice and Scrutiny Committee (RVSP)) and the CEP has an open invitation to attend our Operations Committee to provide clear links through to our governance structures. During 2025/26, we further enhanced customers' strategic influence by recruiting three customers as independent Operations Committee members.

We fully comply with the standards set out in the Housing Ombudsman's Complaint Handling Code. Customer health and safety continues to be a major focus for the Board. The needs of Hightown's customers have been of particular concern in relation to the ongoing cost-of-living challenges and we remain committed to supporting people to successfully maintain their tenancies and access the support that is available.

► Governance

Governance & Committees

Rules

Our Rules are based on the NHF Model Rules 2015. The Standing Orders and Financial Regulations are reviewed at least biennially.

Regulation

The Regulator of Social Housing carried out an In-Depth Assessment of Hightown in 2023/24, rating us G1 for Governance and V2 for Financial Viability.

Legislation

We comply with all relevant legislation. Our membership of the Housing Associations' Legal Alliance (HALA) provides regular updates, training and advice to assist officers to stay up to date with legislative changes and maintain compliance.

Compliance with Regulatory Standards

We carried out a self-assessment against the requirements of the Regulator of Social Housing's Economic and Consumer Standards and the Board is satisfied that we meet all requirements of these standards.

National Housing Federation Code of Governance

We comply with the National Housing Federation (NHF) Code of Governance 2020 which the Board formally adopted on 1st April 2022. We carried out an assessment against the Code and our Board is satisfied that we meet all requirements.

National Housing Federation Code of Conduct

We adopted the NHF Code of Conduct 2022 in November 2023. The Board is satisfied that we have the appropriate policies and practices in place to support compliance with each of the four themes. The Code of Conduct applies to Board and Committee members, staff and members of the Customer Experience Panel.

General Data Protection Regulation (GDPR)

Our compliance with GDPR has been assessed against the relevant legislation and the best practice standards set by the Information Commissioner.

Equality, Diversity and Inclusion

We fully comply with our responsibilities under the Equality Act 2010 and have a policy to promote an operational and working environment free from discrimination, harassment and victimisation. In addition to a Gender Pay Gap report, we produce an annual Ethnicity Pay Gap report to make pay outcomes more transparent and identify disparities. The Board has agreed a Strategy and action plan which identifies the priorities for delivering against its objectives in relation to EDI, publicised on our website. Internally, our employee-led EDI Forum contributes to our EDI strategy, as well as promoting an inclusive culture.

Declarations of Interest

Board members complete an annual Declaration of Interest form and also inform the Company Secretary of any changes as they occur. In the interests of transparency, the declared interests are included in every Board and Committee pack. The declared interests of our Board members are available on request from the Company Secretary.



The Regulator of Social Housing carried out an In-Depth Assessment of Hightown in 2023/24, rating us G1 for Governance and V2 for Financial Viability.

Governance

Board & Executive Directors

Board of Management



Qadeer Kiani OBE
Chair of the Board



Chris Ellmore
Vice Chair of the Board



Maxine Espley MBE
Executive Board Member



Sarah Barton
Chair of Risk & Audit Committee (to July 2025)



Olayinka (Yinka) Bolaji
Chair of Operations Committee



Leslie Channon



Felicity Cooper
(from May 2025)



Judith (Jude) Cross
(from May 2025)



Charmaine De Souza
Chair of Remuneration & Nominations Committee



Zeena Farook



Alan Head
Chair of Investment Committee* (to September 2025)



David Matthews
Chair of Funding & Investment Committee



Cordelia Pace
Vice Chair of the Board (to September 2025) & Chair of Remuneration & Nominations Committee (to March 2025)

Key to Committee membership:

- Funding & Investment Committee*
- Remuneration & Nominations Committee
- Operations Committee
- Risk & Audit Committee

* The former Treasury Committee and Investment Committee were combined to make a single Funding and Investment Committee in 2025/26.

In February 2026, our Chief Executive Maxine Espley was appointed to the Hightown Board as an Executive Board member, creating a unitary arrangement that reinforces our commitment to strong, transparent governance.

Governance

Board & Executive Directors

Executive Directors

Our Executive Leadership Team is responsible for ensuring that the Board's strategic priorities are delivered and for the management of the day to day running of the Association.



Maxine Espley MBE

Chief Executive
(Appointed to the Board
February 2026)



Mark Farrar

Chief Financial Officer
(from November 2025)



Sean Hughes

Executive Director of Homes
(from October 2025)



Amy Laurie

Executive Director of Care &
Supported Housing (job share to
March 2026) Interim Executive Director
of Strategy (from March 2026)



Carol Lovell

Executive Director of
Corporate Services &
Company Secretary



Gemma Richardson

Executive Director of Care &
Supported Housing
(job share to March 2026)



Andrew Royall

Executive Director of
Development



Natalie Sturrock

Executive Director
of Housing



David Skinner

Executive Director
of Finance (to August 2025)

Governance

Advisors & Bankers

Advisors and Bankers



Governance

Risks And Uncertainties



Our approach to risk management encompasses all areas of the business and is underpinned by the following elements:

- Maintaining a clear understanding of our short and long-term risk environment, incorporating internal and external factors
- Robustly identifying and monitoring key risks which may impact on the successful delivery of our Corporate Strategy
- Close monitoring of business-critical risks through the Strategic Risk Register which is monitored by the Executive Leadership Team and quarterly by the Risk & Audit Committee and the Board
- Clearly defining the Board’s risk appetite for all key functions to inform decision making
- Regular stress testing of our Business Plan in line with the appetite set by the Board

Many of the challenges of previous years remain unchanged and continue to impact our risk profile, including inflation and interest rate uncertainty, coupled with labour shortages and competition for specialist roles, such as fire safety and damp and mould remediation. In response, we have continued to focus on investment in our stock and attracting and retaining the necessary specialist skills. Construction and other business costs have continued to increase which in addition to being a challenge to Hightown, has created a greater likelihood of counterparty risks.

The ongoing uncertainty in inflation and interest rates also continues to affect households’ ability to absorb rent and service charge increases, whilst higher levels of customer vulnerability, combined with constrained public services increase the likelihood of arrears, ASB and safeguarding referrals.

Our care and supported housing activities continue to operate on relatively low margins, but the Board remains committed to paying above National Living Wage levels and negotiations with commissioners have secured the minimum financial uplift required to maintain service levels.

The need for continued investment in technology remains a focus, both as an enabler to meet business and customers’ needs and improve efficiency, whilst also ensuring appropriate levels of cyber security. This also continues to support the focus on improving data quality for both customers and properties in order to improve and tailor our services.

The ongoing management of our risks will depend on attracting and retaining the right people, further embedding a culture where employees are empowered to deliver and supported to develop, coupled with a review of our employee offer.

In response to these challenges the Board has already reduced the planned development programme and increased the proportion of fixed debt to reduce interest rate exposure, freeing up headroom to invest appropriately in properties and employees.

Many of the challenges of previous years remain unchanged and continue to impact our risk profile.

A summary of the key risks facing Hightown, their links to our Corporate Strategy for 2024-27, and the mitigation in place is as follows:

Risk	Mitigation
Service	
Health & Safety – breach of health & safety regulations or legislation.	A range of robust health & safety systems including a programme of risk assessments, inspection and maintenance arrangements, mandatory training, and the use of specialist support. Strong Board oversight of key safety risks.
Customer Expectations – failure to provide good quality homes and service standards.	Clear policies and training to support staff to achieve the required standards. Internal working groups to review various aspects of Hightown’s services. Increased customer influence in strategic decision making including the appointment of independent customer members of the Operations Committee.
Stock Condition.	Implementation of an action plan derived from an external review of asset management practices, increased physical stock condition surveys, compliance with legislative and regulatory standards, reprioritised spending plans.
Viability	
Financial Resilience – failure to meet Loan Covenants.	Financial controls including business planning and stress testing, achievable mitigations, specialist Treasury support, active engagement with lenders.
Impact of Price Inflation – increased material and labour costs.	Fixed price contracts and single stage tenders where possible, financial checks on contractors, use of parent guarantees, effective business planning and stress testing mitigations and review of budgets in response to inflation.
Information Security – vulnerability to cyber-crime.	Controls including technical mitigations, user awareness and training, clear policies and procedures, network and cloud security measures and increased cyber insurance. Prioritised replacement of legacy core systems.
Needs	
Development – failure to deliver programme due to adverse market.	Reassessment and de-risking of development pipelines, reduced target delivery programme, no dependency on outright sale and limited proportion of shared ownership.
People	
People – failure to recruit, develop, motivate, and retain skilled staff.	Dedicated recruitment team, learning & development opportunities, apprenticeship programmes, biennial salary benchmarking, and hybrid working arrangements. Review and launch of new co-created organisational values. Review of employee offer to enhance recruitment, retention, and performance.

Governance

Risks And Uncertainties

Risk Appetite

Our Board reviews its risk appetite annually. This is defined across 11 functional themes and identifies the amount of risk that the Board is prepared to tolerate as we deliver our strategic objectives and run our day-to-day operations.

Risk Theme	Appetite
Service	
Customer Service & Engagement General Needs residents, leaseholders, and applicants.	The Board has a “Balanced to Open” risk appetite in this area. Hightown encourages the increased levels of customer engagement and involvement and has resources in place to support financial inclusion and tenancy sustainment activities. Hightown continues to improve building quality and safety and to invest in a range of local estate improvements.
Care & Supported Housing Operations Care & Supported Housing residents, service users, and applicants.	The Board has agreed to a “Balanced” risk appetite whereby service levels may be adapted to meet individual needs where this is supported by external professionals, but with a clear concern to maintain Hightown’s duty of care to minimise risk exposures.
Viability	
Treasury and Funding Debt facilities, available cash, and debt structures.	Treasury and Funding are viewed as “Balanced to Open” with Golden Rules providing adequate buffer limits for liquidity and covenant headroom. Increased proportions of fixed debt than variable, and longer term financial arrangements preferred.
Compliance & Regulation Compliance with regulations and approach to health & safety.	Hightown’s risk appetite is “Balanced to Cautious”. Hightown will ensure that it will meet compliance thresholds and make use of independent advice and assurance where required.
Technology & Business Continuity Information, communication systems, software, and internet. Business Continuity and Disaster Recovery arrangements.	The risk appetite has been defined as “Cautious to Balanced”, with investment in technology to increase efficiency, and a cautious attitude towards cyber security which requires multiple security measures to be put in place.
Internal Controls Protecting assets from impropriety. Spending public money. Delegation, authorisations.	Internal controls are approached with a “Balanced to Cautious” risk appetite. Hightown operates with appropriate delegations throughout the organisation. Relaxation of controls is permitted in exceptional circumstances.
Social Purpose Mission, Values and overarching organisational strategy.	The Board has adopted an “Open to Balanced” approach whereby controlled risk taking is tolerated in pursuit of Hightown’s strategic priorities. Focus is influenced by sector changes with a willingness to adapt where this is consistent with strategy.

Risk Theme	Appetite
Needs	
Development and Sales The provision of new affordable housing.	The Board has identified the risk appetite for development as "Balanced" to support its continued commitment to address housing need but with greater focus on lower risk schemes. Acceptance of the need for trade-offs against other investment priorities.
Care & Supported Housing Contracts Care & Supported Housing contracts for existing and new schemes.	The risk appetite towards Care & Support contracts is defined as “Balanced to Cautious” to support continued commitment to delivering care and support services within the existing operating areas, but with a recognition of the need for the service to remain financially viable with some profit margin.
Environmental Standards adopted in housing development and asset management. Actions taken to address broader organisational environmental impact.	Hightown’s risk appetite is defined as “Balanced to Open” on environmental standards, recognising the need to reduce carbon emissions from its properties and business activities but also the reliance on government assistance to make substantial progress. Most existing homes are rated in EPC Band B, which compares well to the sector.
People	
People Recruitment, retention and development of employees and Board members.	The Board has a “Balanced to Open” risk appetite, recruiting for both behaviour and skills, and the provision of a well-developed training programme to support career growth and progression. An increased appetite for devolved decision making and flexibility for employees.

The Board has identified the appetite to development as "Balanced" to support its continued commitment to address housing need but with greater focus on lower risk schemes.

Governance Statement of Internal Control

Board Statement on the Effectiveness of the System of Internal Control for the Period Ending 31 March 2026.

The Board of Hightown Housing Association Limited is the governing body of the Association.

It is responsible for actively managing the risks faced by the organisation and for obtaining robust assurance that controls are effective, that plans and compliance obligations are being delivered, and that we are financially viable. The Board is committed to the highest standards of business ethics and conduct and seeks to maintain these standards across all operations.

The systems of internal control are designed to manage, rather than eliminate, the risk of failure to achieve our business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. In meeting its responsibilities, the Board has adopted a risk-based approach to establishing and maintaining internal controls which are embedded within day-to-day management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the association is exposed.

The key elements in exercising control include:

- Board-approved terms of reference for itself and its Risk & Audit, Operations, Funding & Investment and Remuneration & Nominations committees, which were reviewed in the year with the support of Hightown's corporate lawyers. All committee meeting minutes are enclosed as part of the Board pack in addition to a new Committee Feedback Form which highlights the key issues for escalation, advice and assurance that the Committee wish to draw to the Board's attention. This is presented by the committee chairs.
- Annual appraisals of both individual and collective Board effectiveness including a review of skills requirements and a gap analysis to inform future recruitment activities. In 2025, Hightown had its triennial Independent Board Effectiveness Review conducted by DTP. A governance improvement plan has been put in place to ensure that all recommendations are implemented.

The Board has adopted a risk-based approach to establishing and maintaining internal controls



- Clear and up to date Financial Regulations and Standing Orders. In 2025, the Standing Orders were substantially revised to adopt a rationalised Committee structure and increased the delegated authorities to the Committees and the Executive Leadership Team.
- Policies and procedures for all key areas of the business which are reviewed at least biennially to ensure their continued appropriateness. As a further measure of control, the annual Board probity report will now include an update on the key policies to confirm that they are up to date and relevant.
- An Internal Audit function using the services of a professional firm of auditors to deliver the Risk & Audit Committee's risk-based audit plan. All audit reports are reviewed by the Executive Leadership Team and by the Risk & Audit Committee, which also receives updates on the implementation of agreed external and internal audit recommendations. In 2025 a decision was made to put the internal audit contract out to tender, and as a result, KPMG have been appointed to start with effect from 1st April 2026.
- Established Health & Safety working systems including regular meetings of the internal Health & Safety Committee, with quarterly reports to the Operations Committee (for Landlord Health & Safety), the Remuneration & Nominations Committee (for Corporate Health & Safety), and the Board. Hightown has reviewed its resources and has substantially increased its internal capacity to support best practice in addition to increasing its use of external specialists where necessary.
- A risk management and business assurance process which includes the use of the three lines of defence model. The Board reviews its risk appetite annually. In 2025, changes were made to the risk reporting process in response to recommendations by DTP. Additionally, the Strategic Risk Register was reviewed by Hightown's insurance broker's risk expert whose report was shared with the Risk & Audit Committee.
- Near miss, lessons learnt and emerging risks reporting to every Risk & Audit Committee in relation to internal controls, with details of corrective actions.

In 2025, Hightown had its triennial Independent Board Effectiveness Review conducted by DTP. A governance improvement plan has been put in place to ensure that all recommendations are implemented.



► Governance Statement of Internal Control

- Robust strategies and business planning processes, with detailed financial budgets and forecasts. In 2025, Hightown recruited a new Chief Financial Officer who is reviewing existing arrangements and putting in place additional controls and resources where necessary.
- Annual budgets and management accounts which are regularly monitored by the Board and managers including consideration of the achievement of value for money and other quality indicators. This includes the production of monthly management accounts, performance reports, and an enhanced KPI information pack.
- An anti-fraud and anti-bribery culture supported by policy and procedure for dealing with suspected fraud, bribery, anti-money laundering, and whistleblowing. In 2025, training was provided to Board members to clarify their responsibilities in relation to Money Laundering.
- All new housing investment decisions are subject to formal appraisal and scrutiny against Board approved parameters which have been further refined with the revised Standing Orders in 2025.
- Treasury management activity is reported to the Board at each meeting which includes monitoring of loan covenants and requirements for new loan facilities. In response to feedback from the Regulator and Ratings Agency, the proportion of fixed debt has been increased.
- Formal recruitment, induction, retention, appraisal, training and development policies for all staff and the use of external benchmarking to establish remuneration rates for employees.
- Annual reviews of compliance with external standards including the Regulator of Social Housing Economic and Consumer Standards, the National Housing Federation Codes of Governance and Conduct, and the Care Quality Commission's Fundamental standards.
- Annual review of the Regulator of Social Housing's Sector Risk Profile.
- Systems and policies in place to protect Hightown's Data Integrity and Security. In 2025 greater investment has been put in place to prioritise the quality and accessibility of data in relation to Hightown's homes and customers to enable tailored services to be delivered.
- Business continuity and incident management processes.
- The use of external advisors to ensure that Hightown has adequate insurance arrangements in place.
- Registers of activity relating to the use of delegated authorities; disposals; fraud, anti-money laundering; and gifts and hospitality.
- Specialist external support commissioned to aid improvements and increase Board assurance in relation to key risk areas including Health & Safety, Asset Data, Governance Effectiveness, Treasury, and Rent Setting.
- Membership of the HALA legal framework which provides discounted rates in addition to additional benefits such as training, legal updates, and newsletters.

In 2025 greater investment has been put in place to prioritise the quality and accessibility of data in relation to Hightown's homes and customers to enable tailored services to be delivered.



During the year, a number of activities have taken place in order to further strengthen our internal controls, including:

- Internal audit and advisory reports covering Reactive Repairs, Voids & Allocations, Resident Led Engagement, Development Contract Management, Care & Supported Housing, Anti-Social Behaviour, Rent Setting (Fair Rents), ICT Follow-on, and a Core Compliance Review.
- Used an external contractor to increase the amount of up-to-date stock condition information.
- Commissioned an independent review of Hightown's stock condition data and investment planning.
- Commissioned an independent review of Hightown's Compliance with the "Big 6" Landlord Health & Safety Indicators.
- Doubled the size of the dedicated Complaints & Resolution Team to improve the Association's management of complaints.
- Commissioned independent support to review Hightown's rent setting policy and practice and fully implemented the resulting Rent Setting Action Plan.
- Developed an Application & Technology Road Map and Data Strategy to enhance data security and organisational efficiency.
- Strengthened internal expertise and capacity through changes in structure at senior officer levels.

The Chief Executive has reviewed the internal control and assurance arrangements and made a report to the Board confirming the effectiveness of the control systems for the year ended 31 March 2026 and up to the date of approval of the Annual Report and Financial Statements. The Risk & Audit Committee and the Board have expressed their satisfaction with these arrangements.

Status

No weaknesses were found in internal controls which resulted in material losses, contingencies or uncertainties that require disclosure in the financial statements for the year ended 31st March 2026 and up to the date of approval of the financial statements.

Strategic Report Approval

This Board Report was approved by order of the Board on 16th July 2026.

Carol Lovell
Company Secretary

Governance

Modern Slavery Statement

Introduction

This statement is made in accordance with Part 6 Section 54 (1) of the Modern Slavery Act 2015 and constitutes Hightown Housing Association's (Hightown) modern slavery statement for 2025/26.

Hightown operates a zero-tolerance policy towards modern slavery and human trafficking and will take steps to prevent it occurring in any part of our business and in our supply chains, including promptly investigating any suspicions and immediately reporting confirmed cases.

We have controls and checks in place for all colleagues, including agency workers. We recognise that certain areas of our operations, particularly within care services where agency staffing is more prevalent, may present increased vulnerability. As such, we continue to strengthen our due diligence, monitoring, and safeguarding practices in these areas to mitigate risk.

This statement has the support and approval of our Board. Our colleagues are expected to report any reasonable suspicion that modern slavery and human trafficking is taking place.

Our colleagues are expected to report any reasonable suspicion that modern slavery and human trafficking is taking place.

About Hightown

Hightown is a charitable housing association, with exempt charity status, regulated by the Regulator of Social Housing. We are a registered society under the Co-operative and Community Benefit Societies Act 2014 and we operate entirely in England and almost exclusively in highly regulated sectors, including care and support. Many of our contracts are with public sector organisations.

Hightown is a single legal entity with no subsidiaries or joint ventures. Our team of over 900 colleagues, supported by contractors and suppliers, manage over 9,500 properties across Hertfordshire, Bedfordshire, Buckinghamshire and Berkshire. Wherever possible, Hightown sources its goods and services from UK based suppliers.

Hightown's Policy Framework

Hightown's policies reflect our commitment to acting ethically and to implementing robust systems and controls to ensure that modern slavery and human trafficking are not taking place within our business or our supply chains. Our Procurement Strategy alongside a number of our policies contribute to guarding against modern slavery, and we review these on a regular basis, namely:

- Safeguarding Adults and Children Policy
- Whistleblowing Policy
- Equality & Diversity Policy
- Anti-bribery Policy
- Recruitment Policy
- Anti-bullying, Harassment and Victimisation Policy
- Grievance Policy
- Health & Safety Policy
- Conflicts of Interest Policy
- Codes of Conduct, including Supplier Code of Conduct.

9,500 properties managed across Hertfordshire, Bedfordshire, Buckinghamshire and Berkshire.



Modern Slavery Risk Assessment and Due Diligence

The nature of our business means that we operate in heightened risk areas of modern slavery. This includes activity that is taking place in our homes and the following supply chains:

- Construction and operational maintenance.
- Care services.
- Recruitment activities e.g. engagement of temporary and agency workers in care services.

In the period since the introduction of the Modern Slavery Act, and in the past year, we have not become aware of any instances of slavery or human trafficking relating to our business and we consider this as a key indicator for measuring our performance in preventing modern slavery and human trafficking.

We have numerous processes in place that allow us to manage the risk of slavery or human trafficking within our business activities, including:

Development

Construction labour suppliers are particularly susceptible to modern slavery. Our development contracts include a clause requiring compliance with the Modern Slavery Act 2015 and we make use of our colleagues and Employer's Agents to monitor the activities on development sites and report any concerns.

Recruitment and Working Practices

With robust HR processes and controls, we have assessed the risk of slavery and human trafficking occurring in our internal operations and consider the risk to be low. Checks on original documents such as passports and other forms of identification are carried out as a standard practice.

All Hightown colleagues are treated fairly and equally, and we paid the Real Living Wage in the financial year 2025/26. Salary payments are made directly to colleagues' bank accounts. Hightown colleagues are not forced to work in excess of legally permitted hours. Working hours and overtime only exceed 48 hours with consent from colleagues.

Agency Management

With a large portfolio of care and support services and the national challenge of recruiting and retaining staff, Hightown is reliant on recruitment agencies for the provision of temporary workers in order to maintain the required levels of service within our schemes. Agency workers are often taken on at short notice to fill gaps as required. Although we conduct due diligence on the agencies used, this still reduces our control over how these workers are sourced. To minimise Hightown's reliance on recruitment agencies, we have an internal register of Hightown 'bank employees' to provide additional shifts to our care and support schemes.

Governance

Modern Slavery Statement

Safeguarding

To protect Hightown customers, we have safeguarding policies and procedures in place to guard them against the risks of modern slavery and/or human trafficking. We check for signs of modern slavery and human trafficking during home, or scheme visits as well as responding to any other welfare concern that our customers, their families, contractors or members of the public may have. We have Safeguarding Lead Officers and processes in place for reporting any safeguarding issues, including suspicion of modern slavery.

Procurement

Hightown has a good understanding of its supply chains in relation to direct suppliers; we are committed to acting ethically and with integrity in our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place in our supply chains. We will not support or deal with any business knowingly involved in slavery or human trafficking in any part of its operations.

We require all new suppliers to confirm this when submitting their tender or by a statement that they are not in breach of the Modern Slavery Act and have not been subject to an investigation in connection with any offence involving slavery or human trafficking. Our tender documentation includes a provision for the mandatory exclusion of any bidder convicted of an offence under sections 1, 2 or 4 of the Modern Slavery Act 2015. Hightown may instruct its agents to conduct checks of key suppliers where there are suspicions that there may be non-compliance with the legislation.

In the event that modern slavery is identified in our supply chains, suppliers will be required to take immediate, transparent action to report, investigate and implement a time-bound, corrective action plan. Where appropriate, we will work collaboratively to share lessons learned, raise awareness, and strengthen practices across the supply chains and housing sector.

Learning & Development

We take steps to ensure colleagues are aware that safeguarding is everyone's responsibility and that they have the training required to identify and report modern slavery if they suspect it.

All Hightown colleagues have access to eLearning covering Modern Slavery and Human Trafficking, with designated roles required to complete this training as mandatory. Colleagues are signposted to the Modern Slavery website

www.modernslavery.co.uk and Unseen charity's resources to gain further information about types of slavery, signs to spot, online or telephone reporting and referral processes for victims.

To protect Hightown customers, we have safeguarding policies and procedures in place to guard them against the risks of modern slavery and/or human trafficking.

Monitoring and Evaluation

We have utilised the Government developed Modern Slavery Assessment Tool (MSAT) for this 2025-2026 Modern Slavery risk assessment. This is the baseline audit which will inform a structured and controlled approach for a modern slavery audit for the financial year 2026/27. This will include improved communication with suppliers regarding our expectations of transparency and commitment to continuous improvement and how the MSAT insights will be used.

Hightown has introduced a short questionnaire for new suppliers to support risk prioritisation, capturing data on subcontracting, turnover and supply chain operations across different geographies. These insights enable a more targeted risk-based assessment either separately or in combination with the MSAT, as we continue to explore and enhance our due diligence approach to tackling modern slavery and human trafficking.

During 2026/27, we will continue to strive to improve our ability to identify and prevent modern slavery. We will assess our approach against the latest Transparency in Supply Chains guidance and work towards implementing applicable improvements. We will incorporate, where appropriate, issues relating to slavery and human trafficking when we update policies and procedures.

Review

This statement is reviewed annually by the Board and is widely communicated to our stakeholders, our residents and public via our website, our Annual and Financial Statements Report 2025/26 and the Modern Slavery Statement Registry.



Qadeer Kiani
Chair of the Board

Statement Approved by the Hightown
Housing Association Board on 16 July 2026



Governance

Statement of the Board's Responsibilities in Respect of the Financial Statements for the Period Ending 31 March 2026

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 estimates that are reasonable and prudent,
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records which 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 Co-operative and Community Benefit Society Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of 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 of Compliance

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in paragraph 7b of the 2022 SORP for Registered Social Housing Providers.

Approval

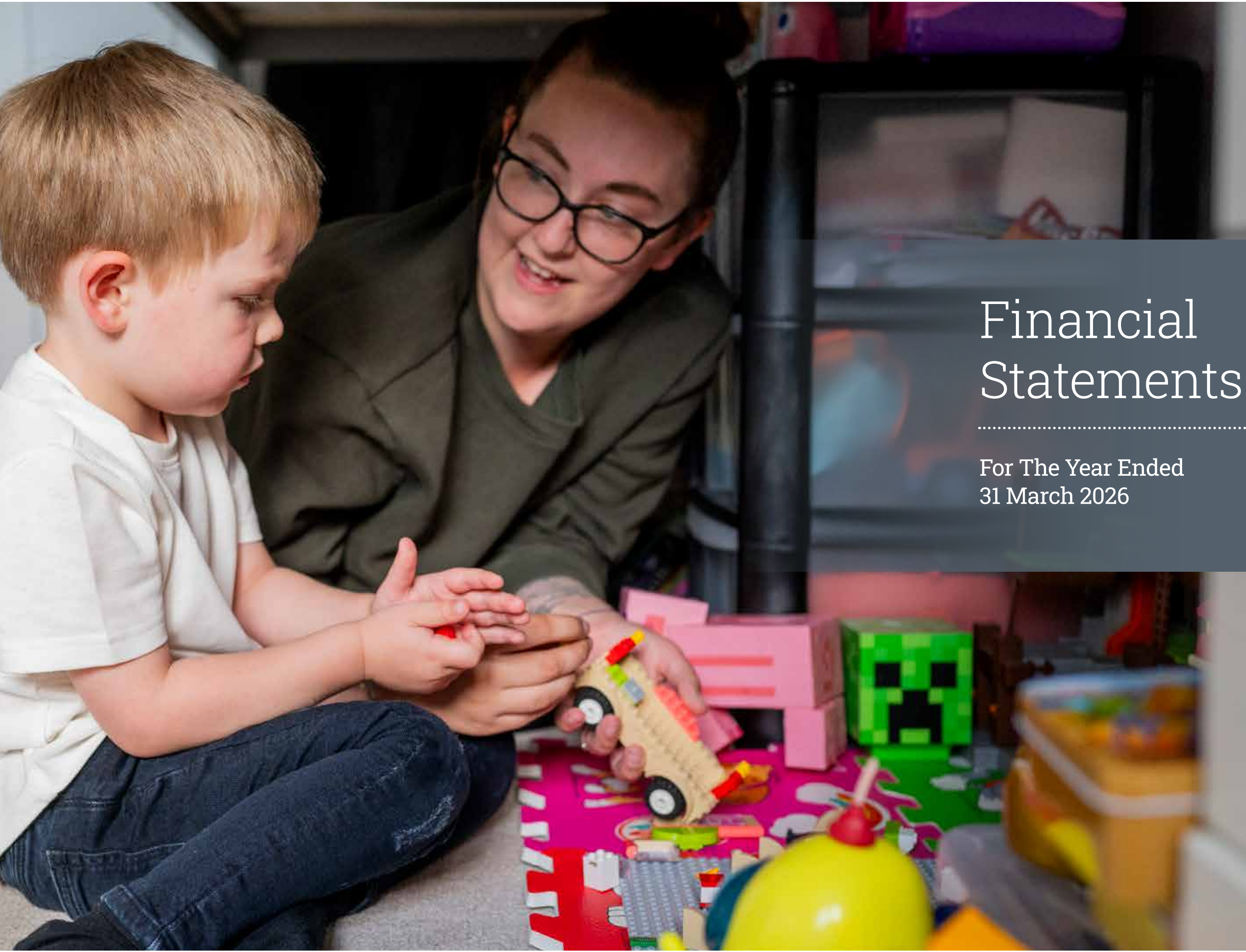
The report of the Board was approved on 16th July 2026 and signed on its behalf by:



Qadeer Kiani OBE
Chair

16th July 2026
On Behalf of the Board





Financial Statements

For The Year Ended
31 March 2026

Financial Statements

Independent Auditor's Report

Opinion

We have audited the financial statements of Hightown Housing Association Limited (the Association) for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows 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 the Association's 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 Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 86, 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

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 Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.

Financial Statements

Independent Auditor's Report

- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Association's activities and the 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, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.

Menzies LLP

Menzies LLP
Chartered Accountants
Statutory Auditor

4th Floor
95 Gresham Street
London
EC2V 7AB

Date: September 2026



Statement of Comprehensive Income

For the year ended 31 March 2026

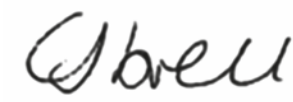
		2026	2025
	Note	£'000	£'000
TURNOVER	3	130,977	127,594
Cost of sales	3	(9,963)	(13,762)
Operating costs	3	(77,753)	(76,337)
Surplus on sale of properties & other fixed assets	6	3,916	3,420
Increase in valuation of investment properties	12	10	-
OPERATING SURPLUS	3,6	47,187	40,915
Interest receivable and similar income	28	541	357
Interest and financing costs	7	(38,923)	(37,213)
SURPLUS FOR THE YEAR		8,805	4,059
Actuarial gain/(loss) on defined benefit pension schemes	29	161	286
Cash flow hedge reserve movement		945	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		9,911	4,345

All activities are continuing.

The notes on pages 98 to 138 form part of these financial statements.

The financial statements were approved by the Board on 16th July 2026.





Qadeer Kiani OBE
Chair

Chris Ellmore
Board Member

Carol Lovell
Secretary

Statement of Changes in Reserves

For the year ended 31 March 2026

	Income and Expenditure Reserve	Cashflow Hedge Reserve	Total
	£'000	£'000	£'000
Balance as at 1 April 2024	216,099	-	216,099
Surplus for the year 2024/25	4,059		4,059
	220,158	-	220,158
Actuarial loss relating to defined benefit pension schemes	286		286
Change in fair value of hedging instruments	-		
Other comprehensive income for the year	286		286
Balance at 31 March 2025	220,444	-	220,444

	Income and Expenditure Reserve	Cashflow Hedge Reserve	Total
	£'000	£'000	£'000
Balance as at 1 April 2025	220,444	-	220,444
Surplus for the year 2025/26	8,805		8,805
	229,249	-	229,249
Actuarial loss relating to defined benefit pension schemes	161		161
Change in fair value of hedging instruments		945	945
Other comprehensive income for the year	161	945	1,106
Balance at 31 March 2026	229,410	945	230,355

The notes on pages 98 to 138 form part of these financial statements.

Statement of Financial Position

As at 31 March 2026

	Note	2026 £'000	2025 £'000
TANGIBLE FIXED ASSETS			
Housing properties	10	1,285,298	1,216,580
Other fixed assets	11	7,837	6,244
Investment properties	12	4,360	4,350
Investments	13	30	30
TOTAL FIXED ASSETS		1,297,525	1,227,204
CURRENT ASSETS			
Properties for sale	14	17,553	17,951
Trade and other debtors	15	9,869	8,444
Cash and cash equivalents	16	23,720	17,568
		51,142	43,963
CREDITORS: Amounts falling due within one year	17	(44,150)	(60,246)
NET CURRENT ASSETS		6,992	(16,283)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,304,517	1,210,921
CREDITORS: Amounts falling due after more than one year	18	(1,070,762)	(987,661)
PROVISION FOR LIABILITIES			
Pension Liability	29	(1,901)	(2,816)
Other provisions	31	(1,500)	-
TOTAL NET ASSETS		230,355	220,444
CAPITAL AND RESERVES			
Share capital	23	-	-
Income and Expenditure Reserve		229,410	220,444
Hedge Reserve		945	-
TOTAL RESERVES		230,355	220,444

The notes on pages 98 to 138 form part of these financial statements.

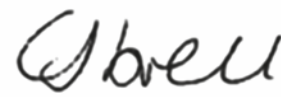
The financial statements were approved by the Board and authorised for issue on 16th July 2026.



Qadeer Kiani OBE
Chair



Chris Ellmore
Board Member



Carol Lovell
Secretary

Statement of Cash Flows

For the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
NET CASH FROM OPERATING ACTIVITIES	28	70,632	63,290
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets – housing properties		(89,440)	(102,225)
Purchase of fixed assets – other	11	(2,152)	(546)
Purchase of investment properties	12	-	-
Receipt of grant	19	17,807	12,601
Interest received and income from investments		541	357
Net cash from investing activities		(73,244)	(89,813)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	7	(39,123)	(40,265)
New loans	21	204,587	75,000
Debt issue costs incurred	21	(3,263)	(836)
Repayment of loans	21	(153,438)	(6,404)
Net cash used in financing activities		8,763	27,495
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		6,152	972
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		17,568	16,596
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		23,720	17,568

The notes on pages 98 to 138 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2026

1 Legal Status

Hightown Housing Association Limited (the "Association"; "Hightown") was incorporated on 19 July 1967. It is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 with registration 18077R and registered with the Regulator of Social Housing as a registered housing provider with registration L2179. It is a single legal entity - there are no subsidiaries and no joint ventures. It is an Exempt Charity.

2 Accounting Policies

Financial Reporting Standards

The financial statements of the Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with The Accounting Direction for Private Registered Providers of Social Housing 2022 and the Housing and Regeneration Act 2008.

The Association meets the definition of a public benefit entity (PBE).

The Board is satisfied that the current accounting policies are the most appropriate for the Association.

Significant Judgements and Estimates

The preparation of the financial statements requires management to make significant judgements and estimates.

The items in the financial statements where these judgements have been made include:

Capitalisation of property development costs

Judgement is required to identify the point in a development scheme project where the scheme is more likely to go ahead than not to continue,

thus allowing capitalisation of the associated development costs. After capitalisation, management monitor the asset and consider whether any changes indicate that any impairment has arisen.

Indicators of impairment

Whether there are indicators of impairment of the Association's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The Board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH (Existing Use Value - Social Housing) or depreciated replacement cost. The Board have also considered impairment based on their assumptions to define cash or asset generating units.

Leases

Whether leases entered into by the Association either as a lessor or as a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Asset categorisation

The categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.

Cash generating unit

The Association has identified cash generating units for impairment assessment purposes at a property scheme level.

Investment Properties

The Association carries its investment property at fair value, with changes in fair value being recognised in The Statement of Comprehensive Income. The Association engaged independent valuation specialists to determine fair value at the reporting period date. The valuer used a valuation technique based on a discounted

cash flow model. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in Note 12.

Pensions

The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. Further details are given in Note 29A.

Building Safety Remediation

Management has applied significant judgement across a number of properties when assessing whether provisions should be recognised or contingent liabilities disclosed, based on the Hightown's legal or constructive obligations at the reporting date. This assessment includes consideration of communications issued to affected residents and discussions with management to determine whether an outflow of economic resources is likely. Where provisions are recorded, further judgement is exercised on a case-by-case basis to determine whether the

related costs are recognised as an expense or capitalised.

The items in the financial statements where these estimates have been made include:

Allocation of costs for mixed tenure developments

On a scheme with a mixed tenure development (i.e. it includes both Affordable rented properties and Shared Ownership properties) an allocation of the land cost, property build costs, professional fees and other costs is made between the relevant units.

Allocation of costs for shared ownership properties

Where costs are not separately invoiced, costs are allocated to shared ownership properties on the basis of the split of the scheme units.

Recoverability of the cost of properties developed for shared ownership sale

Management review the housing market regularly and ensure that properties remain in demand. Management have controls in place in the form of build contracts and contingency budget to prevent or minimise the risk of overspends on estimated construction cost.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to the potential technological obsolescence that may change the utility of IT equipment and software, changes to decent homes standards which may require more frequent replacement of key components and changes to the ability to let the property may reduce the economic life of the property. The total of accumulated depreciation appears in Notes 10 and 11.

Notes to the Financial Statements

For the year ended 31 March 2026

Rent and other income receivable

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable. Provisions are made where appropriate.

Turnover

Turnover comprises rental income receivable in the year, income from property sales, other services included at the invoiced value (excluding VAT) of goods and services supplied in the year and revenue grants. Turnover is recognised on the following basis:

- Rental income is recognised on a time apportioned basis and is stated net of losses from void properties;
- Fees and income from the provision of Residential Care, Supporting People and Management Services are recognised as the services are provided;
- Income paid in respect of cyclical and major repairs is deferred until such time as the related expenditure is incurred;
- Income from the sale of First Tranche Shared Ownership properties is recognised on legal exchange.

Value Added Tax

The Association charges value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The majority of the Association's income is classed as Exempt from VAT and therefore any VAT incurred in the delivery of those services cannot be recovered. The financial statements include VAT to the extent that it is suffered by the Association and not recoverable from His Majesty's Revenue and Customs. The balance of VAT payable or recoverable at the year end is included as a current liability or asset as appropriate.

Irrecoverable VAT is charged to the income and expenditure account and is allocated to the different activities on the same basis as the corresponding costs are allocated.

Holiday Pay Accrual

A liability has been recognised to record any unused holiday pay entitlement accrued at the year end date and accrued to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

Interest Payable

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- a) Interest on borrowings specifically financing the development programme after deduction of interest on social housing grant (SHG) in advance; or
- b) Interest on borrowings of the Association as a whole after deduction of interest on SHG in advance to the extent that they can be deemed to be financing the development programme.

Interest is capitalised from the date of the site acquisition to the date of practical completion. Other interest payable is charged to the income and expenditure account in the year.

Pensions

The Association participates in four multi-employer defined benefit schemes; the Social Housing Pension Scheme (SHPS), the Pensions Trust Growth Plan, the Buckinghamshire Council Pension Fund and the NHS Pension Scheme. The latter two schemes relate to employees who transferred to the Association under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

In the preparation of these financial statements, the requirements set out in: "Amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland: Multi-employer defined benefit plans" have been adopted.

The operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs, expected return on assets, and any change in fair value of the assets and liabilities are recognised in the accounting period in which they arise. The operating costs, finance costs and expected return on assets are recognised in the income and expenditure account with any changes in fair value of assets and liabilities being recognised in the statement of total recognised surpluses and deficits.

The Association also participates in a Defined Contribution Scheme with the Social Housing Pension Scheme. This is the pension fund for most employees and auto-enrolment vehicle for the Association.

Supported Housing

The treatment of income and expenditure in respect of supported housing projects depends on whether the Association carries the financial risk or not.

Where the Association holds the support contract with the relevant commissioning authority and carries the financial risk, all the service's income and expenditure is included in the Association's income and expenditure account (see Note 3).

Where the Association has appointed an agent to provide support to the service users and the agent holds the support contract with the commissioning authority (and carries the financial risk), the income and expenditure account includes only that income and expenditure which relates solely to the Association.

Interest Rate Fixings

The Association uses interest rate fixes to reduce its exposure to future increases in the interest rates on floating rate loans. Payments made under such fixes are accrued over the payment period on a straight-line basis and adjusted against interest payable on the loans. The interest rate fixes with banks are embedded within loan agreements.

Housing Properties

Housing properties are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Improvements are works to existing properties, and component replacements which have been treated separately for depreciation purposes, which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only the direct overhead costs associated with new developments or improvements are capitalised. Direct overhead costs comprise the costs of staff time, including salary costs and other apportioned direct costs, incurred on the developments from the date from which it is reasonably likely that the development will go ahead, to the date of practical completion.

Shared Ownership properties are split proportionately between current and fixed assets based on the first tranche proportion. The first tranche proportion is accounted for as a current asset and the related sales proceeds shown in turnover. The remaining element of the Shared Ownership property is accounted for as a fixed asset and any subsequent staircasing is treated as a part disposal of a fixed asset. Shared Ownership properties are included in housing properties at cost less any provisions needed for impairment.

Notes to the Financial Statements

For the year ended 31 March 2026

Details of the cost of housing properties is shown at Note 10.

The net surplus on the sale of housing properties (including Shared Ownership property staircasing) represents proceeds less applicable cost and expenses. Any applicable social housing grant is transferred to the Recycled Capital Grant Fund held in long and short term creditors as appropriate.

Depreciation of Housing Properties

Housing properties under construction are stated at cost and are not depreciated. Freehold land is not depreciated.

The Association depreciates freehold housing properties by component so as to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. The depreciable amount is arrived at on the basis of original cost less residual value.

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate if shorter, at the following annual rates:

Asset Component	Useful Life	Annual Depreciation Rate %
Building Structure		
- Houses	100 years	1.00%
- Flats	80 years	1.25%
Roof	80 years	1.25%
Garages	30 years	3.33%
Windows and external doors	30 years	3.33%
Bathrooms	30 years	3.33%
Electrical systems	30 years	3.33%
Lifts	30 years	3.33%
Kitchens	20 years	5.00%
Heating systems	15 years	6.66%
Fire detection	10 years	10.00%

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

Property partially sold under shared ownership leases are not depreciated as the responsibility for repair and maintenance is held by the shared owner and the market value of Hightown’s retained equity exceeds the book cost.

Land Received At Less Than Market Value

Where land is transferred by local authorities and other public bodies for consideration below market value, the difference between the market value and the consideration given is added to cost at the time of the donation and credited to other capital grants.

Social Housing Grant

Social Housing Grant (SHG) is receivable from Homes England and local authorities. The amount of SHG receivable is calculated on a fixed basis depending on the size, location and type of housing property. SHG due or received in advance is included as an asset or liability as appropriate. Where developments have been financed wholly or partly by social housing or other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates using the accrual model set out in FRS 102 and the Housing SORP 2018 for government grants.

SHG is subordinated to the repayment of loans by agreement with Homes England. SHG released on sale of a property is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the balance sheet in creditors.

Although SHG is treated as grant for accounting purposes, it may nevertheless become repayable if the conditions under which the grant was made are not complied with, for example if the properties to which grant was designated cease to be used for the provision of affordable rental accommodation.

Other Grants

These include grants from local authorities and other organisations. Government Grants are dealt with under the accrual model within FRS 102 and are credited to the income and expenditure account in the same period as the expenditure to which they relate. Other grants are dealt with under the performance method and recognised to income and expenditure once the conditions for the grant are complete.

Impairment of Social Housing Properties

The housing property portfolio is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options. The Association looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use. No properties have been valued at Value In Use – Social Purpose (VIU-SP).

Investment Properties

Investment properties consist of commercial properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in income or expenditure as appropriate.

Investments

Investments are held at market value. Any movement in the value of investments is recorded in the Revaluation Reserve and the Statement of Comprehensive Income.

Other Tangible Fixed Assets

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

The principal annual rates used for other assets are:

Asset Type	Useful Life	Annual Depreciation Rate %
Freehold office building	50 years	2%
Furniture, fixtures and fittings	10-40 years	2½% to 10%
Computers / office equipment	3 to 5 years	33% / 20%
Motor vehicles	4 years	25%

Notes to the Financial Statements

For the year ended 31 March 2026

Where assets comprise separate components as set out under housing properties depreciation policy earlier, these components are depreciated over the lives of those components.

Trust Funds

Funds held by the Association on trust for leaseholders are recognised as an asset of the Association where the Association has control of the funds. A corresponding creditor is also recognised. Leaseholders' funds held for major repairs are maintained in separate interest-bearing accounts for this purpose and fall under a deed of trust dated 23rd June 1993. Any income received on the funds so held is credited to leaseholders.

Loan Issue Costs and Premium

In accordance with SORP 2018 the issue costs of loans have been deducted from the gross loan values. Issue costs are amortised over the period of the loan to which they relate. Similarly, the premium received on the loan proceeds from The Housing Finance Corporation (THFC) bond issue and the bLEND bond issue is amortised into the Statement of Comprehensive Income to offset interest paid over the life of the loan.

Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through the Statement of Comprehensive Income, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial instruments held by the Association are classified as follows:

- Financial assets such as cash are held at cost.
- Financial assets such as investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method.
- Financial liabilities such as loans are held at amortised cost using the effective interest method.
- Derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value.

Hedge accounting

Interest rate swaps are used to manage exposure to interest rate risk arising on variable rate borrowings and are designated as cash flow hedges.

Interest rate swaps are measured at fair value at each reporting date. Gains and losses on cash flow hedges which are highly effective are recognised in Other Comprehensive Income and accumulated within the cash flow hedge reserve. The balance is subsequently reclassified to the Statement of Comprehensive Income in the periods in which the hedged cash flows affect surplus or deficit.

Any ineffective portion of a gain or loss on a cash flow hedge is recognised immediately in the Statement of Comprehensive Income.

The Association formally designates and documents hedging relationships and assesses hedge effectiveness on an ongoing basis in accordance with FRS 102.

Allocation of Costs

Costs are allocated to the different categories of social housing activities on the following basis:

- Direct costs are allocated to the relevant activity.
- Where direct costs relate to a number of different activities they are apportioned to those different activities on a fair basis.
- Overhead costs are allocated to different activities, primarily based on the estimated time spent by the Association's staff in managing the different activities.

Recycled Capital Grant Fund

The Recycled Capital Grant Fund (RCGF) contains social housing grant released by property sales (other than Right to Acquire or Right to Buy) for re-use on funding new developments. If unused within a three year period from the start of the following financial year, it will be repayable to Homes England with interest. Any unused capital grant held which it is anticipated will be either repaid or used within one year is disclosed in the balance sheet under "creditors: amounts falling due within one year". The remainder is disclosed under "creditors: amounts falling due after one year".

Mixed Tenure Schemes

The surplus on sales of properties on mixed tenure development schemes is reduced in accordance with SORP 2018. Where a development is evaluated as a single scheme with more than one element and where one or more of those elements are expected to generate a surplus and one or more of the other elements has a value at Existing Use Value – Social Housing (EUV-SH) that is below cost less attributable grant (a shortfall), then it is not appropriate to recognise all of the surplus on sale from that scheme. The sales surplus is reduced by the shortfall through the apportionment of costs to each element of the scheme.

Service Charges

All service charges are variable service charges. Where there is any difference between the estimated cost recovered from tenants and leaseholders and the actual cost incurred, any such shortfall or surplus arising is carried forward and either collected or refunded against the future years charge. Any shortfall or surplus arising is shown in the Statement of Financial Position within debtors or creditors as appropriate.

Corporation Tax

The Association is registered as a charity with His Majesty's Revenue & Customs. By virtue of S.478 Corporation Tax Act 2010, the Association is exempt from corporation tax. Should the Association become liable for corporation tax it will be calculated at the rate applicable on any surplus it generates from non-charitable activities.

Notes to the Financial Statements

For the year ended 31 March 2026

3 Particulars of turnover, cost of sales, operating costs and operating surplus

Note A – particulars of turnover, cost of sales, operating costs and operating surplus

Continuing activities	2026				2025			
	Turnover	Operating costs	Cost of Sales	Operating surplus	Turnover	Operating costs	Cost of Sales	Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
SOCIAL HOUSING LETTINGS (See Note 3B)	108,921	(69,858)	-	39,063	102,156	(63,419)	-	38,737
OTHER SOCIAL HOUSING ACTIVITIES								
First tranche low-cost home ownership sales	13,299	-	(9,963)	3,336	17,529	-	(13,762)	3,767
Charges for support services	3,099	(3,099)	-	-	2,934	(2,934)	-	-
Impairment of Development Site	-	-	-	-	-	(5,590)	-	(5,590)
Care	5,039	(4,702)	-	337	4,386	(4,284)	-	102
	21,437	(7,801)	(9,963)	3,673	24,849	(12,808)	(13,762)	(1,721)
ACTIVITIES OTHER THAN SOCIAL HOUSING								
Commercial Properties	277	(65)	-	212	258	(81)	-	177
Other	342	(29)	-	313	331	(29)	-	302
	619	(94)	-	525	589	(110)	-	479
	130,977	(77,753)	(9,963)	43,261	127,594	(76,337)	(13,762)	37,495
SURPLUS ON SALE OF PROPERTIES & OTHER FIXED ASSETS (See Note 6A)	7,962	(4,046)		3,916	7,540	(4,120)		3,420
INCREASE IN VALUATION OF INVESTMENT PROPERTIES (See Note 12)				10				-
TOTAL				47,187				40,915

3 Particulars of turnover, cost of sales, operating costs and operating surplus (continued)

Note B – income and expenditure from social housing lettings

	General Needs Housing	Supported Housing (& housing for older people)	Low Cost Home Ownership	Residential Care Homes	Other	2026 Total	2025 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME							
Rent receivable net of identifiable service charges	67,402	6,281	7,956	724	-	82,363	75,899
Service charge income	1,418	2,222	1,257	-	1,035	5,932	5,670
Charges for support services	-	49	-	-	-	49	47
Amortised Government Grants	2,058	408	250	7	26	2,749	2,672
Care and Support income	-	17,189	-	-	-	17,189	17,120
Other revenue grants	-	371	-	-	-	371	376
Other	33	187	7	25	16	268	372
TURNOVER FROM SOCIAL HOUSING LETTINGS	70,911	26,707	9,470	756	1,077	108,921	102,156
OPERATING EXPENDITURE							
Management	(10,926)	(3,759)	(378)	(505)	(188)	(15,756)	(11,016)
Support Service costs	-	(16,229)	-	-	-	(16,229)	(15,411)
Service charge costs	(1,261)	(2,555)	(1,061)	-	(1,298)	(6,175)	(8,679)
Routine maintenance	(8,959)	(1,581)	(24)	(126)	-	(10,690)	(9,514)
Planned maintenance	(1,052)	(173)	-	(15)	-	(1,240)	(1,162)
Major repairs expenditure	(3,464)	(558)	(50)	(56)	(75)	(4,203)	(3,226)
Bad debts	(433)	(173)	-	-	(4)	(610)	(416)
Depreciation of housing properties	(13,813)	(1,028)	-	(40)	(75)	(14,956)	(13,994)
Leasing Costs	-	-	-	-	-	-	-
OPERATING EXPENDITURE ON SOCIAL HOUSING LETTINGS	(39,908)	(26,056)	(1,513)	(742)	(1,640)	(69,859)	(63,418)
OPERATING SURPLUS / (DEFICIT) ON SOCIAL HOUSING LETTINGS & OTHER FIXED ASSETS	31,003	651	7,957	14	(563)	39,062	38,738
Void losses (being rental income lost as a result of property not being let, although it is available for letting).	(727)	(446)	(318)	(2)	-	(1,493)	(1,452)

Notes to the Financial Statements

For the year ended 31 March 2026

4 Supported housing managed by agencies

The Association has 13 supported housing tenancies (2025:13) that are managed on its behalf under management agreements by other bodies who carry the financial risk. The Association's Statement of Comprehensive Income includes only the income and expenditure for which it retains responsibility.

5 Accommodation in management

The accommodation in management for each class of accommodation was as follows:

	1 April 2025	New units handed over	Units sold/ staircased	Other adjustments	31 March 2026
	No.	No.	No.	No.	No.
Social Housing					
General needs housing					
- Social Rent	2,505	43	(2)	-	2,546
- Affordable Rent	3,339	157	-	(1)	3,495
	5,844	200	(2)	(1)	6,041
Intermediate rent	432	2	(1)	3	436
Supported housing	631	21	(2)	2	652
Housing for older people	81	-	-	-	81
Low Cost Home Ownership (Shared Ownership)	1,350	74	(45)	(3)	1,376
Leasehold properties					
- Social Leasehold	504	-	-	17	521
- Non-Social Leasehold	339	-	-	2	341
Non-Social Rental	6	-	-	-	6
Total Owned	9,187	297	(50)	20	9,454
Accommodation managed for others	74	-	-	(9)	65
Total Owned and Managed	9,261	297	(50)	11	9,519
Units in development at the year end	728				1,154

6 Operating surplus

	2026	2025
	£'000	£'000
This is arrived at after charging:		
Depreciation of housing properties	14,689	13,916
Accelerated depreciation on replaced components	267	506
Depreciation of other tangible fixed assets	560	343
Operating lease rentals	280	278
Auditors' remuneration (excluding VAT)		
- fees payable to the Association's auditor for the audit of the financial statements	60	60
- for service charge examination	34	34
- for grant audits	2	2

6A Surplus on sale of properties & other fixed assets

	Low-Cost Home Ownership Staircasing Sales	Other	Total 2026	Total 2025
	£'000	£'000	£'000	£'000
Proceeds of sales	7,962	7,063	15,025	7,540
Less: Costs of sales	(4,910)	(6,200)	(11,110)	(4,120)
	3,052	863	3,915	3,420

Notes to the Financial Statements

For the year ended 31 March 2026

7 Interest payable and similar charges

		2026	2025
	Note	£'000	£'000
Loans and bank overdrafts		43,044	41,025
Recycled Capital Grant Fund	20	89	89
Net interest on net defined benefit pension liability		132	167
		43,265	41,281
Interest capitalised on construction of housing properties	10	(4,342)	(4,068)
		38,923	37,213
Capitalisation rate used to determine the amount of finance costs capitalised during the period		4.97%	5.28%

8 Employees

	2026	2025
	£'000	£'000
Employee costs:		
Wages and salaries	30,810	29,022
Social security costs	3,675	2,725
Other pension costs	941	847
	35,426	32,594

	2026	2025
	No.	No.
Average monthly number of employees (full time equivalents):		
Administration	113	104
Development	12	13
Housing, support and care	599	593
	724	710

Staff numbers in Care & Supported Housing schemes are expressed against their standard 37.5 hour week. Other staff numbers are expressed against their standard 35 hour week.

9 Board members and executive directors

Board members

The Association introduced Board remuneration in 2023/24. Board members are not employees of the Association.

Board members receive a fee for the services that they provide in their role for Hightown. The Remuneration & Nominations Committee review the levels of Board remuneration at least biennially with support from a suitably qualified pay and reward specialist. This review takes account of the regulatory guidance and standards set by Hightown's chosen Code of Governance.

The amounts were as follows:

Board Member Remuneration		Total 2026	Total 2025
		£'000	£'000
Qadeer Kiani	Chair of the Board	14	13
Bob Macnaughton	Board Chair (to September 2024)	-	6
Cordelia Pace	Vice-Chair (to September 2025)	4	9
Sarah Pickup	Vice-Chair (to September 2024)	-	4
Sarah Barton	Chair of Risk & Audit Committee (to July 2025)	2	8
Alan Head	Chair of Funding & Investment Committee (to September 2025)	4	8
David Matthews	Chair of Funding & Investment Committee	8	8
Olayinka (Yinka) Bolaji	Chair of Operations Committee	8	7
Leslie Channon	Board Member	6	6
Chris Ellmore	Vice-Chair of the Board	8	6
Zeena Farook	Board Member	6	6
Charmaine De Souza	Chair of Remuneration & Nominations Committee	8	-
Felicity Cooper	Board Member (from May 2025)	6	-
Judith Cross	Board Member (from May 2025)	6	-
Maxine Espley	Executive Board Member	-	-
		81	81

Total expenses reimbursed during the year to Board members was £1,496 (2025: £774).

Notes to the Financial Statements

For the year ended 31 March 2026

Executive Directors.

The aggregate emoluments of the executive directors including pension contributions amounted to £1,198,373 (2025: £1,118,714).

The emoluments of the highest paid director, the Chief Executive was £244,004 (2025: £361,497) including compensation.

The aggregate amount of compensation payable to executive directors for loss of office during the year was £0 (2025: £122,339).

The executive directors are either members of the Social Housing Pension Scheme (SHPS) as ordinary members of the defined benefit pension section with no enhanced or special terms or are members of the SHPS defined contribution section or have chosen to opt out of the workplace pension scheme.

The key management personnel of the Association are defined as the members of the Board of Management, the Chief Executive and the executive management team as disclosed on pages 52-53.

Transparency Standard

Under The Transparency, Influence and Accountability Standard, we provide accessible information on Hightown Housing Association Directors' remuneration and management costs:

Directors' remuneration and management costs for 2025/26:

Measure	Cost	Total Social Housing Units Owned and/or Managed	Cost Per Social Housing Unit
The remuneration payable to the highest paid Director relative to the size of the landlord	£244,004	9,519	£26
The aggregate amount of remuneration paid to Directors relative to the size of the landlord	£1,198,373	9,519	£126
Management costs relative to the size of the landlord	£15,921,000	9,519	£1,672

Employees

The full-time equivalent number of staff whose remuneration payable in respect of the year excluding pension contributions was more than £60,000 by salary band, was as follows:

Salary band	2026 No.	2025 No.
£ 60,000 - £ 69,999	16	11
£ 70,000 - £ 79,999	8	9
£ 80,000 - £ 89,999	4	3
£ 90,000 - £ 99,999	5	2
£100,000 - £109,999	2	3
£120,000 - £129,999	1	-
£150,000 - £159,999	-	-
£160,000 - £169,999	1	-
£170,000 - £179,999	1	3
£180,000 - £189,999	1	-
£250,000 - £259,999	1	-
£360,000 - £370,000	-	1

10 Fixed assets – housing properties

	Housing Properties held for lettings	Properties in the course of completion Rental Units	Properties in the course of completion Shared Ownership	Shared Ownership properties	Total
	£'000	£'000	£'000	£'000	£'000
COST					
At 1 April 2025	1,089,455	74,081	7,084	151,495	1,322,115
Additions	-	81,630	16,247	-	97,877
Capitalised Interest	-	3,740	602	-	4,342
Components Capitalised	5,822	-	-	-	5,822
Properties Completed	57,225	(57,225)	(9,548)	9,548	-
	663	-	-	(663)	-
Transfer to properties held for sale	(523)	(12,927)	-	-	(13,450)
Disposals	(7,305)	-	-	(4,851)	(12,156)
As at 31 March 2026	1,145,338	89,298	14,385	155,528	1,404,549
LESS: DEPRECIATION					
As at 1 April 2025	105,535	-	-	-	105,535
Charge for the year	14,956	-	-	-	14,956
Eliminated on Disposals	(1,240)	-	-	-	(1,240)
As at 31 March 2026	119,251	-	-	-	119,251
NET BOOK VALUE					
As at 31 March 2026	1,025,423	89,298	14,385	156,191	1,285,298
As at 31 March 2025	983,920	74,081	7,084	151,495	1,216,580

Notes to the Financial Statements

For the year ended 31 March 2026

	2026	2025
	£'000	£'000
Expenditure on works to existing properties		
Components capitalised	5,822	4,581
Amounts charged to income and expenditure account	3,804	2,917
	9,626	7,498
Social Housing Grant		
Deferred Capital Grant	222,337	207,166
Recycled Capital Grant Fund	1,705	1,625
Revenue Grant – I&E	2,760	2,684
Revenue Grant – Reserves	34,805	32,122
	261,607	243,597
Housing properties book value, net of depreciation, comprises:		
Freehold land and buildings	1,235,494	1,164,281
Long leasehold land and buildings	49,804	52,299
	1,285,298	1,216,580
Additions to properties include:		
Development overheads capitalised	3,055	2,979
Capitalised interest	4,342	4,068

Since 1996 the Association has capitalised interest of £47.7 million within the construction cost of housing properties. It has not been possible to identify the value of capitalised interest before 1996 nor to measure the value of capitalised interest subsequently disposed of within associated property sales.

11 Tangible fixed assets - other

	Freehold land and buildings	Fixtures and fittings	Furniture and equipment	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
COST						
As at 1 April 2025	7,459	496	353	1,415	-	9,723
Additions	26	871	11	1,244	-	2,152
Disposals	-	-	-	-	-	-
As at 31 March 2026	7,485	1,367	364	2,659	-	11,875
LESS: DEPRECIATION						
As at 1 April 2025	1,882	356	318	923	-	3,479
Charged in year	139	54	15	352	-	560
Released on disposal	-	-	-	-	-	-
As at 31 March 2026	2,021	410	333	1,275	-	4,039
NET BOOK VALUE						
As at 31 March 2026	5,464	957	31	1,384	-	7,837
As at 31 March 2025	5,577	140	35	492	-	6,244

12 Investment properties

	2026	2025
	£'000	£'000
At 1 April	4,350	4,350
Additions	-	-
Increase in value	10	-
At 31 March	4,360	4,350

Investment properties are valued annually on 31 March at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual.

The surplus on revaluation of investment property arising of £10k (2025: £0) has been credited to the Statement of Comprehensive Income for the year. The construction cost of the investment properties was £2.435m.

Notes to the Financial Statements

For the year ended 31 March 2026

13 Investments

	2026	2025
	£'000	£'000
At 1 April	30	30
At 31 March	30	30

14 Properties for sale

	2026	2025
	£'000	£'000
Shared Ownership properties under construction	14,385	7,084
Shared Ownership properties awaiting sale	2,468	5,269
Other vacant properties awaiting sale	699	11,189
Land and Property Impairment	-	(5,591)
	17,553	17,951

	No.	No.
Shared Ownership properties awaiting sale	20	36
Other vacant properties awaiting sale	8	4
	28	40

The stock of Shared Ownership properties is the cost of the anticipated first tranche sale to shared owners.

15 Debtors

	Note	2026	2025
		£'000	£'000
Due within one year			
Rent and service charge arrears		4,339	3,960
Less: Provision for bad and doubtful debts		(3,242)	(2,901)
		1,097	1,059
Estate service charges recoverable		734	740
Trade debtors		(186)	39
Derivative financial instrument (interest rate swap)	33	945	-
Other debtors		1,908	2,128
Prepayments and accrued income		5,371	4,478
		9,869	8,444

16 Bank and cash

	2026	2025
	£'000	£'000
Bank accounts held in trust	2,934	2,687
Other bank accounts	20,786	14,881
	23,720	17,568

Under loan agreements with The Housing Finance Corporation (THFC) and bLEND Funding plc, the Association is required to deposit cash funds equivalent to 12 months interest. In addition, Affordable Homes Guarantee Scheme (AHGS) requires a Liquidity Reserve Fund which is 7 months interest. The sum of £6.5 million (2025 £3.4 million) is included above.

Notes to the Financial Statements

For the year ended 31 March 2026

17 Creditors: Amounts falling due within one year

		2026	2025
	Note	£'000	£'000
Debt	21	14,959	32,440
Trade creditors		4,536	5,515
Rent and service charges received in advance		4,187	3,924
Revenue grants received in advance		68	-
Recycled Capital Grant Fund	20	255	548
Other taxation and social security		765	647
Deferred Capital Grant	19	2,734	2,646
Other creditors		1,591	1,749
Pension deficit reduction payments		1	1
Development and works retentions		6,191	6,333
Accruals and deferred income		8,863	6,443
		44,150	60,246

18 Creditors: Amounts falling due after more than one year

		2026	2025
	Note	£'000	£'000
Debt	21	842,025	775,424
Recycled Capital Grant Fund	20	1,450	1,077
Premium on THFC Loan Issue *		1,914	2,059
Premium on bLEND Loan Issue *		658	741
Deferred Capital Grant	19	219,603	204,520
Leaseholder Sinking Funds		103	100
Leaseholder Trust Funds		3,111	2,797
Pension deficit reduction payments		2	-
Development and works retentions		1,895	943
		1,070,762	987,661

* The Association has received the proceeds of bonds issued at a premium to par. These premiums will be amortised to the Statement of Comprehensive Income over the remaining lives of the loans to offset interest paid as follows: January 2011, The Housing Finance Corporation (THFC), 13 years remaining. March 2019, bLEND Funding Plc, 8 years remaining.

19 Deferred Capital Grant

		2026	2025
	Note	£'000	£'000
At 1 April		207,166	197,253
Grant received in year		17,807	12,601
Grant recycled from RCGF		714	450
Grant recycled to RCGF		(590)	(454)
Released to income in the year	3	(2,760)	(2,684)
At 31 March		222,337	207,166
Amounts to be released within one year	17	2,734	2,647
Amounts to be released in more than one year	18	219,603	204,519
		222,337	207,166

20 Recycled Capital Grant Fund (RCGF)

	2026	2025
	£'000	£'000
Homes England		
Opening balance 1 April	1,625	1,419
Inputs to RCGF:		
- Grant recycled from Deferred Capital Grant	590	454
- Grant recycled from Statement of Comprehensive Income	115	113
- Interest accrued	89	89
Recycling of grant:		
- New build	(714)	(450)
Closing balance 31 March	1,705	1,625

Notes to the Financial Statements

For the year ended 31 March 2026

21 Debt analysis

	2026	2025
	£'000	£'000
Loans		
Due within one year	16,010	33,406
Between one and two years	97,513	16,010
Between two and five years	210,263	307,417
After five years	539,185	454,988
Total after one year	846,961	778,415
Total loans	862,970	811,821
Unamortised loan costs		
Due within one year	(1,051)	(966)
Between one and two years	(1,051)	(973)
Between two and five years	(3,153)	(921)
After five years	(732)	(1,097)
Total after one year	(4,936)	(2,991)
Total unamortised loan costs	(5,986)	(3,957)
Total		
Due within one year	14,959	32,440
Between one and two years	96,462	15,037
Between two and five years	207,111	306,496
After five years	538,453	453,891
Total after one year	842,025	775,424
Total	856,984	807,864

Security

Loans are secured by fixed charges on individual housing properties except for £31.5 million of unsecured loans from Retail Charity Bonds plc and a £100.0 million Green Note Purchase Agreement. Unencumbered assets of £315.8 million are retained to cover this liability.

The average interest rates payable on fixed rate loans (including swaps of £65m) at 31 March 2026 was 4.54% (2025: 4.42%) ranging from 1.42% to 10.47% (2025: 1.42% to 10.47%). Floating rates are linked to SONIA plus agreed loan margin. The average rate of interest on all loans at 31 March 2026 was 4.55% (2025: 4.93%). The weighted average rate of interest during 2025/26 was 5.06% (2025: 5.15%).

Terms of repayment and interest rates

The loans are repayable at intervals varying from half-yearly to annual and bullet repayments on maturity. Instalments of loans fall to be repaid in the period 2026 to 2044 (2025: to 2044).

At 31 March 2026, the Association had £130.0 million of secured loan facilities (2025: £85.0 million) available to draw.

22 Net debt reconciliation

	1 April 2025	Cash flows	Non-cash changes	31 March 2026
	£'000	£'000	£'000	£'000
Cash at Bank	17,568	6,152	-	23,720
Loans	(811,821)	(51,149)	-	(862,970)
Loan fees	3,956	-	2,030	5,986
Net Debt	(790,297)	(44,997)	2,030	(833,264)

The non-cash movement represents the in-year movement in unamortised loan fees.

23 Share capital

	2026	2025
	£ & No	£ & No
Shares of £1 each, issued and fully paid		
As at 1 April	26	24
Shares issued in the year	-	3
Shares cancelled in the year	(2)	(1)
As at 31 March	24	26

The shares provide members with the right to vote at general meetings but do not provide any rights to dividends or distributions on a winding up. All non Executive Board members are shareholders.

Notes to the Financial Statements

For the year ended 31 March 2026

24 Financial commitments

	2026	2025
	£'000	£'000
Capital Expenditure		
Expenditure contracted for but not provided in the accounts	90,080	132,099
Expenditure authorised by the Board but not contracted	68,214	29,733
	158,294	161,832

The Association is forecasting to spend £51.0 million of the contracted commitments in 2026/27.

This will be financed by use of first tranche sales of shared ownership units, social housing grant, cash in hand, revenue cash surpluses generated in the year and the balance from the undrawn committed loan facilities.

A further £23.5 million contracted commitment is forecast to be spent in 2027/28 and the remaining £15.6 million forecast to be spent over the 5 years thereafter. The Association’s policy is to ensure that expenditure is only committed as funding resources are available subject to complying with its policy on maintaining financial headroom on loan facilities.

25 Leasing commitments

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

	2026	2025
	£'000	£'000
Office equipment and vehicles:		
- Within one year	45	54
- Between one and five years	47	105
	92	159

26 Financial liabilities

The Association’s financial liabilities are Sterling denominated. After taking into account interest rate fixings, the interest rate profile of the Association’s financial liabilities at 31 March is as below:

		2026	2025
	Note	£'000	£'000
Floating rate		228,100	354,122
Fixed rate		634,870	457,699
		862,970	811,821
Loan costs		(5,986)	(3,957)
Total	21	856,984	807,864

The fixed rate financial liabilities have a weighted average interest rate of 4.54% (2025: 4.42%) and the weighted average period for which fixed is 9.1 years (2025: 8.8 years).

27 Related parties

There were no related party transactions.

Notes to the Financial Statements

For the year ended 31 March 2026

28 Cash flow from operating activities

		2026	2025
	Note	£'000	£'000
SURPLUS FOR THE FINANCIAL YEAR		8,805	4,345
Adjustments for:			
Depreciation of fixed assets – housing properties	10	14,956	13,995
Depreciation of fixed assets included in disposals	10	(1,240)	(1,093)
Depreciation of fixed assets – other	11	560	348
Impairment of fixed assets – land/housing properties		(5,590)	5,590
Amortised grant	3,10,19	(2,760)	(2,684)
Unrealised (gain) on revaluation of investment properties	12	(10)	-
Interest payable and finance costs	7	38,791	37,214
Interest received and income from investments		(541)	(357)
Actuarial (gain)/loss on defined benefit scheme	29	-	(286)
Non-cash movement on DB pension		(754)	(806)
Surplus on sale of fixed assets – housing properties		(3,916)	(3,417)
Surplus on sale of fixed assets – other	3	-	(3)
Proceeds on sale of fixed assets – housing properties		16,224	8,754
Transaction costs for sale of housing properties		-	(163)
Proceeds from sale of fixed assets - other		(152)	13
Increase in stocks	14	5,989	131
Increase/(decrease) in debtors	15	(480)	86
Increase/(decrease) in trade and other creditors	17	(749)	1,623
Increase/(decrease) in provisions	31	1,500	-
NET CASH FROM OPERATING ACTIVITIES		70,632	63,290

29 Pensions

Hightown Housing Association Limited (Hightown) participates in four multi-employer Defined Benefit schemes:

- the Social Housing Pension Scheme (SHPS);
- the Pensions Trust Growth Plan;
- the Buckinghamshire Council Pension Fund; and
- the NHS Pensions Scheme.

The latter two schemes relate to employees who transferred to Hightown under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

Hightown also participates in the Social Housing Pension Scheme Defined Contribution section as its auto-enrolment scheme for workplace pensions for all new employees since 1 November 2013.

Prior to this date, Hightown operated Defined Benefits structures within SHPS as follows:

1 April 2010 to 31 October 2013	1 April 2007 to 31 March 2010	Prior to 1 April 2007
Career Average Revalued Earnings (CARE) section with 1/80 th accrual.	Career Average Revalued Earnings (CARE) section with 1/60 th accrual.	Final Salary Scheme section with 1/60 th accrual.

These defined benefit sections are closed to new entrants but there remain 20 active employees who continue to accrue future benefits.

An analysis of the SHPS membership is as follows:

31 March 2026	Final Salary 1/60 th	Final Salary 1/80 th	CARE 1/60 th	CARE 1/80 th	CARE 1/120 th	Defined Benefit Sub Total	SHPS DC	Total
Active	-	3	2	7	-	12	1,142	1,154
Deferred	71	2	29	33	3	138	1,459	1,597
Pensioner	119	-	22	5	-	146	-	146
Dependant	1	-	-	-	-	1	-	1
Total	191	5	53	45	3	297	2,601	2,898

31 March 2025	Final Salary 1/60 th	Final Salary 1/80 th	CARE 1/60 th	CARE 1/80 th	CARE 1/120 th	Defined Benefit Sub Total	SHPS DC	Total
Active	-	4	2	4	7	17	809	826
Deferred	75	-	30	31	3	139	1,458	1,597
Pensioner	117	-	21	2	-	140	-	140
Dependant	1	-	-	-	-	1	-	1
Total	193	4	53	37	10	297	2,267	2,564

Notes to the Financial Statements

For the year ended 31 March 2026

29A Social Housing Pension Scheme (SHPS)

Hightown participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 521 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed the deficit reduction has fallen substantially from £1,560 million to £693 million. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last person standing arrangement'. Therefore, Hightown is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating

employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

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

The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward for accounting year ends from the following 31 March 2026 to 28 February 2027 inclusive.

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

Hightown has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scheme, based on the financial position of the scheme as at 30 September 2025. As at this date the estimated employer debt for Hightown was £5,065,838 (30 September 2021: £7,443,699).

Fair Value of Plan, Present Values of Defined Benefit Obligation, and Defined Benefit Asset (Liability)

	31 March 2026	31 March 2025
	£'000	£'000
Fair value of plan assets	17,475	16,676
Present value of defined benefit obligation	19,376	19,492
Deficit in plan	(1,901)	(2,816)
Defined benefit liability to be recognised	(1,901)	(2,816)
Net defined benefit liability to be recognised	(1,901)	(2,816)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31 March 2026	Period ended 31 March 2025
	£'000	£'000
Defined benefit obligation at start of period	19,492	20,804
Current service cost	29	(9)
Expenses	34	26
Interest expense	1,109	1,004
Member contributions	35	129
Actuarial (gains)/losses due to scheme experience	(294)	743
Actuarial (gains) due to changes in demographic assumptions	171	-
Actuarial (gains) due to changes in financial assumptions	(253)	(2,444)
Benefits paid and expenses	(947)	(761)
Defined benefit obligation at end of period	19,376	19,492

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

	Period from 31 March 2025 to 31 March 2026	Period from 31 March 2024 to 31 March 2025
	£'000	£'000
Fair value of plan assets at start of period	16,676	16,896
Interest income	971	836
Experience on plan assets (excluding amounts included in interest income) - (loss)/gain	(217)	(1,423)
Employer contributions	957	999
Member contributions	35	129
Benefits paid and expenses	(947)	(761)
Fair value of plan assets at end of period	17,475	16,676

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2025 to 31 March 2026 was (£754,000) (2025: (£587,000)).

Notes to the Financial Statements

For the year ended 31 March 2026

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

	Period from 31 March 2025 to 31 March 2026	Period from 31 March 2024 to 31 March 2025
	£'000	£'000
CLASS OF ASSET		
Current service cost	29	(9)
Expenses	34	26
Net interest expense	138	168
Defined benefit costs recognised in statement of comprehensive income (SOCl)	201	185

Defined Benefit Costs Recognised in other Comprehensive Income (OCI)

	31 March 2026	31 March 2025
	£'000	£'000
CLASS OF ASSET		
Experience on plan assets (excluding amounts included in net interest cost) - (loss)/gain	(217)	(1,423)
Experience gains and losses arising on the plan liabilities - (loss)/gain	294	(743)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	(171)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	253	2,444
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/(loss)	159	278
Total amount recognised in other comprehensive income - gain/ (loss)	159	278

Assets

	31 March 2026	31 March 2025
	£'000	£'000
CLASS OF ASSET		
Global Equity	1,936	1,868
Absolute Return	-	-
Distressed Opportunities	-	-
Credit Relative Value	-	-
Alternative Risk Premia	-	-
Liquid alternatives	3,112	3,092
Emerging Markets Debt	-	-
Risk Sharing	-	-
Insurance-Linked Securities	26	51
Property	853	835
Infrastructure	1	3
Private Equity	38	15
Real Assets	1,645	1,997
Private Debt	-	-
Opportunistic Illiquid Credit	-	-
Private Credit	2,110	2,041
Credit Relative Value	696	638
Investment Grade Credit	1,028	513
High Yield	-	-
Cash	3	226
Long Lease Property	-	5
Secured Income	530	278
Liability Driven Investment	5,328	5,051
Currency Hedging	(1)	27
Net Current Assets	170	36
TOTAL ASSETS	17,475	16,676

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.

Notes to the Financial Statements

For the year ended 31 March 2026

Key Assumptions

Tenure	31 March 2026	31 March 2025
	% per annum	% per annum
Discount Rate	6.08	5.82
Inflation (RPI)	3.31	3.10
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 mortality assumptions adopted at 31 March 2026 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2026	20.9
Female retiring in 2026	23.2
Male retiring in 2046	22.2
Female retiring in 2046	24.6

29B The SHPS growth plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company 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 person standing arrangement’. Therefore, the company is potentially liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

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 as follows:

Deficit contributions

From 1 April 2025 to 31 January 2028:	£2,100,000 per annum (payable monthly)
---------------------------------------	--

Unless a concession has been agreed with the Trustee the term to 31 January 2028 applies.

Note that the scheme’s previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m.

To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 30 September 2025:	£3,312,000 per annum (payable monthly)
---	--

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.

Where the scheme is in deficit and where Hightown has agreed to a deficit funding arrangement Hightown recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Notes to the Financial Statements

For the year ended 31 March 2026

Present Values of Provision

	31 March 2026	31 March 2025	31 March 2024
	£'000	£'000	£'000
Present value of provision	3	4	1

Reconciliation of Opening and Closing Provisions

	Period Ending 31 March 2026	Period Ending 31 March 2025
	£'000	£'000
Provision at start of period	4	1
Deficit contribution paid	(1)	(1)
Remeasurements - amendments to the contribution schedule	-	4
Provision at end of period	3	4

Income and Expenditure Impact

	Period Ending 31 March 2026	Period Ending 31 March 2025
	£'000	£'000
Remeasurements – amendments to the contribution schedule	-	4

Assumptions

	31 March 2026	31 March 2025	31 March 2024
	% per annum	% per annum	% per annum
Rate of discount	4.92	4.84	5.31

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Hightown has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2024. As of this date the estimated employer debt for Hightown was £15,691 (2024: £14,818).

Notes to the Financial Statements

For the year ended 31 March 2026

29C Buckinghamshire Council Pension Fund

Plan Characteristics and Associated Risks

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations as amended and summarised on the LGPS website and the Fund’s membership booklet.

The administering authority for the Fund is Buckinghamshire Council. The Pension Fund Committee oversees the management of the Fund whilst the day-to-day fund administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund’s professional advisers.

As administering authority to the Fund, Buckinghamshire Council, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement. These should be amended when appropriate based on the Fund’s performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The last actuarial valuation of the Fund was carried out as at 31 March 2022 and set contributions for the period from 1 April 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

On the Employer’s withdrawal from the Fund, a cessation valuation will be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which will determine the termination contribution due by the Employer, on a set of assumptions deemed appropriate by the Fund Actuary.

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

- Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges;
- Interest rate risk. The Fund’s liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way;
- Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.
- Climate risk can be grouped into two categories; Physical and Transitional risks. Physical risks are direct risks associated with an increased global temperature such as heatwaves and rising sea levels. Transitional risks are the costs of transitioning to a low carbon economy. These risks will manifest themselves in many of the other risks detailed above which the fund is exposed to, for example investment returns may be affected.
- Regulatory risk. Regulatory uncertainties could result in benefit changes to past or future benefits which could result in additional costs.

In addition, as many unrelated employers participate in the Buckinghamshire Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the Employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

Employer Membership Statistics

The membership data as at 31 March 2025 is as follows:

Member data	Number	Salaries/ Pensions £’000	Average Age (Years)
Actives	1	34	62
Deferred Pensioners	2	21	62
Pensioners	4	23	78

The service cost for the year ending 31 March 2026 is calculated using an estimate of the total pensionable payroll during the year. The estimated total pensionable payroll during the year is £32,000. The projected service cost for the year ending 31 March 2027 has been calculated using an estimated payroll of £33,000.

Scheduled Contributions

The table below summarises the minimum employer contributions due from Hightown to the Fund over this inter-valuation period. The calculated cost of accrual of future benefits is 27.8% of payroll p.a.

Minimum employer contributions due for the period beginning	1 April 2026	1 April 2025	1 April 2024
Percent of payroll	27.8%	28.8%	28.8%
Plus monetary amount (£’000)	-	-	-

Statement Of Financial Position

	31 March 2026	31 March 2025	31 March 2024
NET PENSION DEFICIT AS AT	£’000	£’000	£’000
Present value of the defined benefit obligation	739	829	887
Fair value of Fund assets (bid value)	1,012	935	914
Restriction of Pension Asset to nil	(273)	(106)	(27)
Deficit	-	-	-

Notes to the Financial Statements

For the year ended 31 March 2026

Statement Of Profit or Loss For The Year

THE AMOUNTS RECOGNISED IN THE INCOME AND EXPENDITURE STATEMENT	Year to 31 March 2026	Year to 31 March 2025	Year to 31 March 2024
	£'000	£'000	£'000
Service Cost	7	8	7
Net interest on the defined liability	(6)	(1)	1
Administration expenses	1	1	1
Total loss	2	8	9

29D NHS Pension Scheme

At the 31st March 2026, there was 1 active member in the NHS scheme (2025: 1) who transferred to Hightown under TUPE arrangements. The NHS scheme is an unfunded Government scheme and no pension fund deficit liability arises to Hightown.

30 Contingent liability – social housing pension scheme

We were 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 on these items, and this process is ongoing with the Court's determination expected no earlier than Summer 2026.

It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been 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.

31 Building safety remediation provision

The provision relates to estimated costs of building safety and remediation works required at one housing scheme.

	2026	2025
	£'000	£'000
As 1 April	-	-
Charged to expenditure:	1,500	-
- Utilised during the year	-	-
- Released during the year	-	-
As 31 March	1,500	0

The provision has been recognised following detailed technical assessments undertaken during the year and represents management's best estimate of the expenditure required to rectify identified defects and meet obligations existing at 31 March 2026.

32 Contingent asset

The Association has submitted an insurance claim in respect of the cost incurred in repairing structural defects covered by Elite Insurance Company Limited which is in administration. The claim has been accepted by the appointed insolvency administrators at £3.4m. The value and timing of the actual settlement is uncertain and accordingly no accrual for this potential income can be posted in these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2026

33 Financial instruments

The Association uses interest rate swap contracts to manage its exposure to fluctuations in interest rates on variable-rate borrowings. The swaps are designated as cash flow hedges and are accounted for in accordance with FRS 102.

At 31 March 2026, the fair value of the Association's interest rate swap contracts was an asset of £945,000 (2025: £nil), which has been recognised within debtors on the Statement of Financial Position.

The effective portion of changes in fair value is recognised in Other Comprehensive Income and accumulated in the cash flow hedge reserve within equity. Amounts recognised in the cash flow hedge reserve will be reclassified to the Statement of Comprehensive Income in the periods in which the hedged interest cash flows.

CASH FLOW HEDGE RESERVE	2026
	£'000
Gain recognised during the year	945-
Amount released during the year	--
Total	945

The Association has assessed the hedge relationship as highly effective throughout the period. The derivative asset represents the present value of expected future cash flows under the swap at the balance sheet date.

The Association holds the following interest rate swaps at 31 March 2026:

Type of swap	Notional amount	Fixed Interest rate %	Start date	End date	Payments	LIBOR Basis
Interest Rate SWAP	£65m	3.60%	30/04/2025	01/06/2029	Quarterly (1 Mar, 1 Jun, 1 Sep, 1 Dec)	SONIA (5-day lookback, compounded)



Hightown House, Maylands Avenue
Hemel Hempstead, Hertfordshire HP2 4XH

www.hightownha.org.uk



Hightown Housing Association Limited
Co-Operative and Community Benefit Society Registration No. 18077R
Regulator of Social Housing Registration No. L2179