



Report and Financial Statements

For year ended 31 March 2026

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Non-Executive Directors, Executives and Advisors

Board of Directors

Amanda Harris (Board Chair)
Ade Alao (Senior Independent Director) - appointed 21 May 2025
Ronnie Clawson (Chair of Audit and Risk Committee)
Emma Richman (Chair of Customer and Communities Committee)
Jean Mira (Chair of People and Governance Committee and Board Member Responsible for Complaints) - retired 31 March 2026
Charles Dunn (Chair of Investment and Development Committee)
Kal Akhtar
Simon Morris
Oliver Goldring
Jackie Njoroge
Sarfaraz Akram
Gareth Rigby
Margaret Goddard (Co-optee to Investment and Development Committee)
Scott Rutherford (Independent Committee Member)
Dr Imran Ghafoor (Independent Committee Member)
Tracy Dixon (Independent Committee Member)
Gary Buckley (Independent Committee Member)
Lee Bolton (Independent Committee Member)
Keith Barnes (Independent Committee Member)

Executive Officers

Chief Executive Officer

Mark Gifford OBE

Executive Director of Corporate Services

Andy Ewart

Executive Director of Homes

Steve Agger, resigned 2 February 2026

Executive Director – Customer Experience

Jayne Lawson

Group Company Secretary

Juliet Craven, retired 9 May 2025
Catherine Farrington, appointed 10 May 2025

Registered Office

First Place
22 Union Street
Oldham
OL1 1BE

Registered Number

Co-operative and Community Benefit Society number 31138R
Regulator of Social Housing (RSH) number 4582

Bankers

Barclays Bank Limited
Merseyside and North
Cheshire Team
11th Floor
20 Chapel Street
Liverpool
L3 9AG

Solicitors

Trowers and Hamblins LLP
Heron House
Albert Square
Manchester
M2 5HD

Internal Auditors

BDO LLP
Eden Building
Irwell Street
Salford
M3 5EN

External Auditor

Crowe U.K. LLP
St Georges House
56 Peter Street
Manchester
M2 3NQ

A Welcome from our Executive Director of Corporate Services

I am proud to share these audited accounts and thanks to our financial providers and team for their support, hard work, and diligence. They reflect on a strong performance as FCHO has proactively taken decisions to ensure it is financially resilient and able to respond to events proactively and in a timely manner.

During this time, we have remained comfortably within regulatory expectations, our financial golden rules, and financial covenants. This means the organisation has the flexibility to invest, while maintaining a prudent approach to financial risk. FCHO is proud of its financial stewardship and focus on the long-term benefits for our customers. Our performance shows:

- The strength of our underlying business and our ability to generate operating surpluses for purpose
- Our borrowing remains at a prudent and sustainable level
- FCHO can continue to meet its obligations, maintain homes, and invest in services
- Continued investment in new homes and existing stock transformation that delivers value for customers and the organisation

Looking ahead this robust financial position means we are well prepared to deliver our new corporate plan, due to launch in Spring 2026. This sets out our ambitious plan to provide quality homes and services for our customers and communities. We can achieve all this because of the exemplary financial management we have displayed over a number of financial years.

Reflecting on the past 12 months, I am proud we have continued to deliver effectively and implement changes to drive future improved performance.

A strong emphasis on listening to those who live in our homes and work for our organisation, then using their insight to improve both the customer and colleague experience has been key.

Notable achievements include the launch of two key strategies: our Customer and Communities Strategy, to further embed our customer focus, and our Homes Strategy, a framework for improving existing homes and neighbourhoods while developing new ones.

I am particularly proud that the Customer and Communities Strategy was shaped by feedback gathered through our largest customer, partner, and colleague engagement exercise to date, enabling us to focus on where we can make the greatest difference.

Increasing customer satisfaction remains a priority. Strong Tenant Satisfaction Measure (TSM) scores and wider customer feedback have helped us understand where customers feel we are performing well but also where they would like us to focus our efforts. In response, we invested additional funding in our repairs service and existing homes investment programme and in tackling anti-social behaviour.

The regulatory environment continues to change and this year we have embedded the requirements of Awaab's Law across our services. We take our responsibilities seriously and are already preparing for future phases of implementation.

Playing our part in tackling the housing crisis is also a priority. I am delighted that over the past four years we have delivered 507 mixed-tenure houses and apartments to meet local housing needs, exceeding the Big Plan target of 332 homes.

We are also more than a landlord further developing relationships with local authorities, health services, community groups, the voluntary sector, and other organisations to extend our reach and influence.

Our FCHO values will continue to guide our work in finance, development, community, and services. An amplified customer voice, engaged colleagues, robust governance, strong finances and excellent data and technology will support us to achieve the best outcomes.

I would like to thank our colleagues, Board members, customers, and partner organisations for the part they have played in this year's achievements. They helped us seize opportunities, plan ambitiously, and strengthen our social purpose as we continue to make a positive difference to our customers and communities.



Andy Ewart

Executive Director of Corporate Services, First Choice Homes Oldham



A Welcome from our Chair of the Board

As I welcome you to this year's financial statements, I reflect on my third year as Board Chair and the final year of our Big Plan 2.0. It has been a period of great opportunity for the Board and business and there is much to be proud of.

At Board level we said goodbye to one member after their term of office ended and we welcomed two non-executive directors and one independent committee member to strengthen our capacity and capability. They bring a wealth of experience, knowledge and expertise to the Board and will help us support the chief executive and his team.

Financially, I am delighted to report another year of robust performance for FCHO. Responsible financial management and delivering long-term value for customers remain at the heart of our approach, and these financial statements reflect the organisation's strength and resilience. Our financial position enables us to respond to a changing operating environment, invest in existing homes and services, and deliver much-needed new housing, while maintaining the resilience and capacity to continue supporting our customers and communities.

In December, we retained the highest possible ratings for governance and financial management from the Regulator of Social Housing following our annual stability check. This confirms that we continue to be a well-run, financially strong organisation, equipped to provide the high-quality homes and services our customers need.

This position is crucial to achieving our customer and colleague experience ambitions and, over the past twelve months, we have seen the way the organisation listens and responds continue to strengthen.

Tenant Satisfaction Measure (TSM) scores remain strong and provide valuable insight into where we need to focus our efforts. Regularly reviewing themes and trends is helping us make progress in priority areas, with encouraging early results that we will continue to build on during 2026/27.

We also welcomed the launch of the Customer and Communities Strategy and the Homes Strategy, both designed around the current and future needs of local people and neighbourhoods.

The Board recognises the importance of this customer-centred approach to delivering services and maintaining homes and neighbourhoods. It will continue to run as a golden thread through our new corporate plan, due to launch in spring 2026, and as we prepare for our next depth assessment by the Regulator expected next year. I'd like to thank our customers who have played an important role in shaping our strategies and priorities, in particular our Customer and Communities Strategy.

The Board remains focused on ensuring the organisation is well led, financially resilient and committed to delivering safe, high-quality homes and services. We have worked closely with the Executive team to ensure the new strategy positions First Choice Homes Oldham to meet future challenges while continuing to deliver meaningful outcomes for customers and communities.



Amanda Harris

Chair of the Board

First Choice Homes Oldham



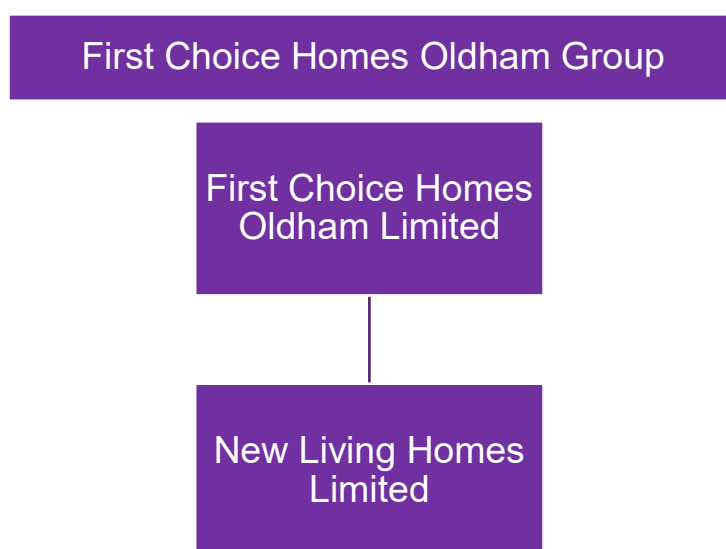
Strategic Report

First Choice Homes Oldham's (FCHO's) Group Structure

The objective of FCHO's governance structure is to remain simple and provide a clear line of sight from the Board to FCHO's active subsidiary, New Living Homes Limited (NLH). The Subsidiary Board members are drawn from group Board. This approach provides the best overview of risks and ensures that the activities carried out by the subsidiary supports FCHO's corporate objectives.

The group is known as FCHO and consists of:

- First Choice Homes Oldham Limited – the asset holding Housing Association and is the group parent. It is a registered Co-operative and Community Benefit Society and Registered Provider of Social Housing with the Regulator of Social Housing (RSH).
- New Living Homes Limited – A wholly owned company limited by shares. NLH became active October 2016, and provides development services, delivering development contracts to FCHO.



FCHO provides homes for general needs social rent, affordable rent and low-cost home ownership throughout Oldham and the surrounding areas. FCHO also provides an in-house repairs and maintenance service to customers, alongside a comprehensive investment programme with the use of specialist contractors. The income received from rents supports this investment in existing properties as well as supporting the interest payments on loans which are financing the delivery of new homes within Oldham and surrounding areas.

Regulation

FCHO is regulated by the RSH and maintains the highest grades available for financial viability (V1) and governance (G1).

Board and Committee Structure

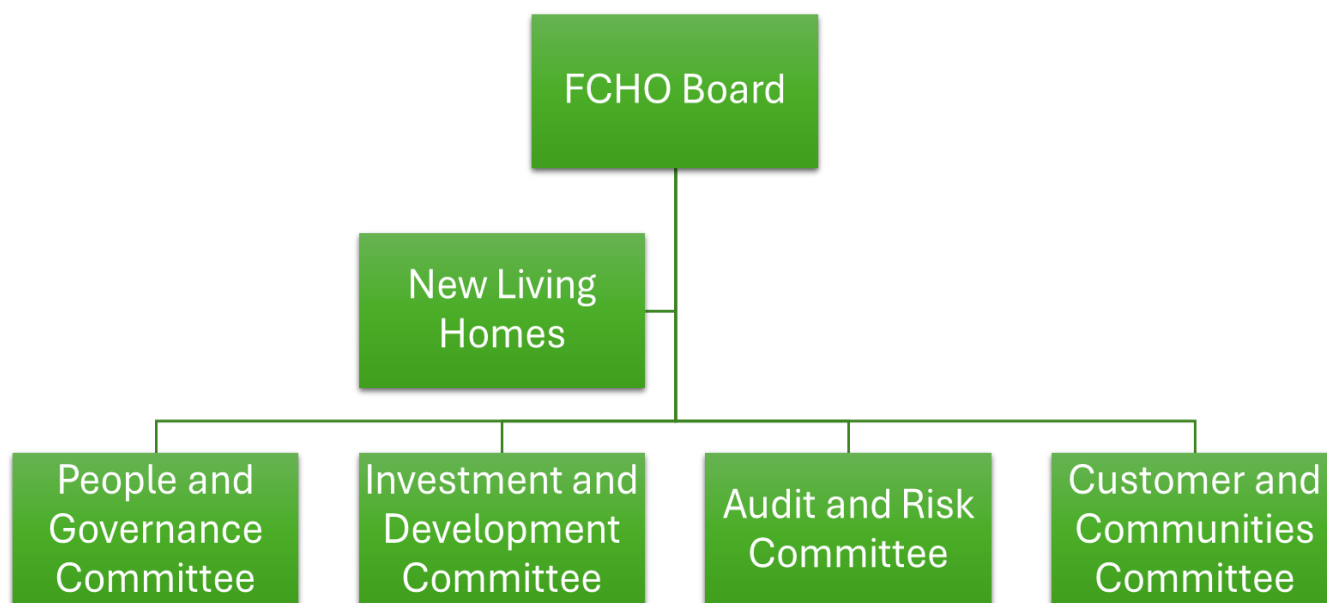
FCHO Board and sub-committees are crucial to setting the strategic direction of the organisation and monitoring performance. Board and Committee membership is based on skills and knowledge. In line with adopted National Housing Federation Model Rules, Board reviews annually its effectiveness and skills as a group. The Standing Orders include the Terms of Reference for Board and committees that outline the roles and responsibilities of each.

In addition to its Board members, FCHO appoints independent Committee members who are selected for their specialist skills and expertise, ensuring each Committee is supported by the capabilities required to discharge its responsibilities effectively.

Customer Voice

The customer voice is heard at Board and Committees, with the newly established Customer and Communities Committee to monitor FCHO's customer focused operational performance. Customer Communities Committee (C&CC) members will

be recruited to the Committee to provide first hand personal experience of FCHO homes and services. FCHO also has a Customer Voice Panel (CVP) with regular attendance of over 180 members of a diverse representation providing further first-hand feedback and views to be considered in decision making. In addition to active listening and engagement we use data to monitor customer behaviour and trends to influence our thinking.



First Choice Homes Oldham at a glance

We are committed to our mission of providing safe, quality homes we are proud of in our Oldham heartland and beyond.

FCHO is building foundations.

As a community anchor organisation, we make a positive difference to the local economy and people's lives.

- We are proud to have retained our **G1/V1** rating from the Regulator of Social Housing in our recent stability check. This is the highest grading achievable and confirms we continue to be well run and financially strong and stable. This validation and confidence from the Regulator are very important for us as we continue our work to provide homes, we are proud of and improve customers' lives.
- We are a significant employer in our local area with more than **400** colleagues. We ensure our colleagues enjoy working at FCHO, are developed and can build careers. To future-proof our operations and make a difference locally, we pledge to **double** the number of apprentices working at FCHO by 2027. Doing so means we build a strong talent pipeline, encourage personal and professional growth, and equip local people with real work skills they need for successful futures.
- We take FCHO's role seriously locally. We are ambitious about the difference we can make as a housing provider, employer, and investor, helping to build stronger communities and a better future for generations to come.

FCHO is fit for the future.

We provide good quality, safe affordable homes, services, and thriving communities for our customers.

- We regularly inspect our c.11,500 homes housing 24,500 people to ensure they all meet the Government's Decent Homes Standard and comply with fire, gas, electrical, asbestos, water hygiene, and lift safety requirements. We take seriously our responsibilities under the Social Housing Regulation Act, including Awaab's Law, to provide quality, safe homes and respond to Tenant Satisfaction Measures to shape services and make changes customers want to see.
- We know safe, decent housing options with secure tenancies make a huge difference to people's lives.

- We are customer focused and pride ourselves on offering excellent services to meet customers' needs. In 2025/2026 76.8% of customers were satisfied with our overall services. This is above other housing associations in Greater Manchester, and our customers choose to stay with us for around 13 years.
- We are more than just a landlord. Last year our wraparound support services helped 339 people towards employment – increasing average disposable income for them by £684 per month.
- Around £62.5k in external funding was used for projects - including children and family activities, natural space improvement projects, and digital literacy initiatives – that contribute to building successful communities.

FCHO is forging ahead.

We build homes and neighbourhoods so our customers and communities benefit now and in the future.

- We are addressing the housing crisis. Last year we invested £16.3m in 90 new, affordable homes to meet local housing needs and we plan to build at least 600 more homes over the next three years.
- Improving existing customers' homes is important. Last year we spent around £31.8m on new bathrooms, kitchens, roofs, general repairs and maintenance, and property safety. We want our homes to meet the needs and aspirations of our customers.
- Since 2021 around 720 homes now have an improved Energy Performance Certificate rating and meet EPC C through a £8.4m spend. To reach sustainability targets, another 3,000 homes will be brought up to the same standard by 2030 at a cost of £23m. We need to make our existing properties more energy efficient to cut their carbon emissions and help to reduce energy bills.
- Our green spaces are now more biodiverse. We are planting wildflower plots, natural meadows and native flower zones totaling more than 22,000m² or 84 tennis courts.

Our Big Plan 2.0 2022-2026

Our Big Plan 2.0 is our corporate plan for delivering homes we are proud of and improving lives.

Our strategy on the page (below) shows the impact we wish to make and our offer to our customers.



Our Strategic Priorities

Great Services

Through understanding and collaborating with our customers, we aim to deliver services that respond to their needs.

By 2026 we will...

- Develop a stronger understanding of current and future customer and community needs by retaining customer involvement at the core of our operations. We will strengthen the connection between customer influence and decision making.
- Support customers to optimise their financial standing, with income maximisation and opportunities for employment, while promoting and supporting independent living.
- Allocate resources using customer insight and utilise customer mapping to influence through targeted communications.
- Drive digital accessibility and user-friendly experiences by providing a wide range of self-service options for customers, advancing digital transformation, and ensuring systems are designed with user experience and efficiency in mind.
- Take action to ensure fair access to services and equitable outcomes for customers, providing staff with comprehensive training to recognise and respond to the diverse needs of customers in line with the Equality Act 2010.

Great Homes

We will provide high quality, safe, sustainable homes that meet housing need today and are fit for the future.

By 2026 we will...

- Deliver our Development Strategy and develop high quality, affordable homes that meet local need.
- Deliver our plans to improve the energy efficiency of our existing homes to achieve a minimum of EPC level C and to progress our Net Zero aspirations.
- Continue to ensure that our homes meet all the statutory, legal, and regulatory property safety requirements.
- Continually assess our homes to ensure that they meet the FCHO Standard and are sustainable in the long-term.
- Maximise the performance of our assets to support investment in new and existing homes.

Great Neighbourhoods

We are ambitious about making our neighbourhoods and public realm great places to live.

By 2026 we will...

- Collaborate with partners to reduce anti-social behaviour in our neighbourhoods to enhance customer safety and well-being, considering the diverse needs of customers to eliminate barriers to reporting.
- Foster thriving and resilient communities through partnership working to deliver impactful outcomes that bring about positive changes for our customers.
- Enhance the environmental quality of our communities by collaborating with customers and relevant organisations to jointly contribute to the maintenance and safety of our neighbourhoods and shared spaces.

Great Company

Our ambition is to be an employer of choice where colleagues thrive and deliver the best services. Also, that the company is run well in an open and transparent way that values innovation whilst maintaining strong corporate governance.

By 2026 we will...

- Embed our Values and Behaviours through our People Strategy, our Behavioural Framework will be a key consideration in all our decision making.
- Be an employer of choice, creating an environment that attracts and retains talent.
- Develop and embed a Stakeholder engagement strategy as we seek to develop mutually beneficial relationships with key partners.
- Maintain the highest levels of Governance, maintaining our G1 Rating with the Regulator of Social Housing.
- Be Financially Strong and stable, maintaining our V1 Rating, operating within our Board Approved Financial Golden Rules supported by a robust risk management framework that promotes a strong risk management culture throughout the organisation.
- Communicate organisational priorities to customers and stakeholders, developing and maintaining a positive reputation in the areas where we operate.
- Set clear expectations and standards in relation to knowledge and information management and develop a culture where staff have clarity about their roles and responsibilities (both individual and collective) and the expectations of the organisation.
- Develop organisational key data recording standard requirements that will ensure good records that support the business and demonstrate compliance with national standards.
- Review existing systems/databases for capability and capacity to record key data requirements. Ensuring data can be easily extracted and used for insight purposes.
- Foster a culture that embraces diversity and inclusion, strengthening EDI engagement across the workforce through training, recognition, and communication.

Our performance 2025/2026

This report outlines strong performance in the final year of our Big Plan 2.0 corporate plan, and we have continued to go from strength to strength, ensuring customers are front and centre of all decision-making, responding effectively to economic and regulatory changes and using insight to shape our future direction.

This review is based around the strategic priorities of the Big Plan 2.0: great services, great homes, great neighbourhoods, and great company.

Great Services

This year our focus has been on listening to customers and acting on their feedback. It is vitally important we do this because our services must reflect our customers' needs and experiences and make a difference.

Improving the customer experience

This year 76.8% of customers are satisfied with overall services from FCHO as measured by our Tenant Satisfaction Measures (TSM). This is above the Greater Manchester average of 76.5%. Last year's overall result was 78.5%. Improving performance remains a priority.

Looking ahead, increasing satisfaction with repairs, how we manage antisocial behaviour (ASB) and complaints are key areas of focus.

Our new Customer and Communities and Homes Strategies, outlined in this annual review, set out the steps we are already taking to drive improvements. They will be an important part of our new Corporate Plan launched in spring 2026.

Listening and acting on customer feedback

We introduced a new customer engagement model to strengthen our approach to listening to customers and acting on feedback.

Our new Customer and Communities Committee has created an important link between customers, neighbourhoods, and the Board.

Our Customer Performance and Scrutiny Panel also continues to bring a wider range of experiences and perspectives. It is able to monitor, review, and challenge what we do. Dedicated training has better equipped customers to provide their insight and hold us to account.

These developments have allowed our former Customer Voice Panel to evolve into the Customer Engagement Network, giving customers more opportunities than ever to share what matters to them.

We use customer feedback gathered through all these routes to shape the services we deliver.

Customer and Communities strategy 2025-2028 launch

We launched our Customer and Communities strategy to enhance how customers experience our services while improving neighbourhoods. The approach followed extensive consultation in-person and online with customers across the borough and organisations we work with who told us clearly what their priorities are and where we need to focus to make the biggest difference.

Through our Customer and Communities strategy we will ensure:

- Customers' voices are heard in strategic decision making at FCHO
- FCHO delivers excellent customer experience through services that meet customer needs, are easy to access and delivered to a consistently high standard, by expert colleagues focused on getting things right first time, every time.
- Customers feel safe and secure in their communities and FCHO better understands the communities where we work so we can tailor our approach. Preventing and tackling antisocial behaviour and maximising and tailoring the services we offer in our communities are firm objectives.

Repairs

A quality repairs service is important to our customers and this year we have seen demand for repairs increase significantly – a trend seen across the housing sector.

We received around 13% more repair requests compared with the previous financial year.

Demand has been across a range of repairs and we are doing more to understand this. The increasing age of our homes, changing customer expectations and more repairs related to damp and mould following the introduction of Awaab's Law are all contributing factors.

We know some customers have waited longer than we would like for an appointment and to help address this, we put an additional £0.9m into responsive repairs and implemented a new repairs management system. Despite careful

planning, there were challenges that led to longer repair waiting times for some customers. We are working to resolve these issues and thank affected customers for their patience while we fix this.

Responding to continued cost of living pressures

Our teams have continued to deliver a range of services this year to give customers a hand with the cost of living and help them live well in their homes.

Despite ongoing financial pressures, we kept overall rent arrears low – largely thanks to our Income team's important support for customers such as affordable payment plans.

In addition, referrals into our community services teams means 259 new customers were supported, with ongoing support, by our Community Impact Team, we assisted 827 customers through our duty drop-in-service offering one off support and advice, and 220 customers received a furniture pack to help make their house a home.

Other highlights include: a £389 Increase in customers' average disposable income after accessing our support and a £684 per month rise in average disposable income for the 339 customers FCHO supported towards work.

And £4,138 was given to customers for items such as fuel, food, household essentials and emergency items such as bus passes from the Hardship Fund, plus £957 worth of fuel vouchers issued to customers via the Energy Hardship Fund.

Each week 360 people engage in activities and accessing services across our five community centres and there are 40 weekly activities hosted across them.

Our Live Well service continued to be a success with 3,625 Live Well welfare visits carried out and £80,000 in total financial gains achieved for our Live Well customers.

Highlights

- We reviewed the service our customers receive when they contact us, to understand how easy it is for customers to get help and what their experience is like. We found our colleagues show real care and commitment when helping customers. However, the experience can sometimes be inconsistent, especially when it comes to waiting times and making sure customers get the same information every time. Building on this, a service improvement plan to ensure services are more reliable and easier to access is in place. This will reduce waiting times and help customers get the right answer first time.
- We invested in a new customer contact system to improve the experience when customers call or email us. Features include instant access to caller details, a call-back option and clearer call queue updates for customers. It integrates our repairs planning team too and identifies key words in emails so we can prioritise and respond to urgent enquiries more quickly.
- We launched First Choice News, FCHO's email newsletter. This publishes latest news, service updates, and examples of how we are acting on customer feedback. Other topics are information on what is happening across our neighbourhoods and ways to get involved. Issued quarterly, it goes straight to the customer's inbox.
- We partnered with Oldham Council to launch the Leaving Care Pledge aimed at supporting young people as they transition out of the care system and into independent living.

Looking ahead

In 2026/2027 we will...

- Launch a Customer Census to better understand and respond to the needs of everyone who lives in an FCHO home. The information we gather will help improve services across the business, from repairs to customer support.
- Roll out a training programme to embed our customer focused culture and support colleagues in understanding the value of every customer interaction.
- Finalise transformation of our Contact Centre into a Customer Experience Hub.
- Extend meaningful partnerships with local authorities, health services, schools, police, neighbouring housing providers and charities that align to our strategic goals, corporate plan and provide benefit to our customers and communities.
- Scope, pilot and begin introducing a customer relationship management (CRM) system. This will enable us to view, record, and update all customer information and interactions in one place. Bringing everything together will help us tailor our services to individual needs and deliver a more personalised experience when customers contact us, ultimately improving customer satisfaction.

Great Homes

A refreshed approach to how we improve existing homes, build new ones and maintain high safety standards has occurred over the last 12 months, alongside our response to new requirements under Awaab's Law.

Homes strategy 2025-2028 launch

We launched our Homes strategy to bring together all the ways FCHO manages and invests in homes and neighbourhoods. Our priority is to continue to provide high-quality, safe, sustainable homes and neighbourhoods for our customers and communities.

Through our Homes strategy we will:

- Deliver a sustainable, high-quality investment programme ensuring all homes are safe, energy efficient and fit for the future.
- Continually improve the sustainability and energy efficiency of our homes and reduce our impact on the environment.
- Build new, high-quality, energy-efficient, and green homes to address the local housing shortage and meet local housing needs.

Responding to Awaab's Law

Awaab's Law - introduced in October 2025 - is new legislation to make sure damp, mould and other emergency or significant hazards are fixed quickly. We take our responsibilities seriously and our data shows strong performance. Despite a challenging start with volumes, we are now fully compliant.

Our robust approach underlines our commitment to resident safety, housing standards and delivering a great customer experience for everyone who lives in our homes.

Actions we took to prepare include:

- Reviewing and updating our damp and mould policy and processes.
- Training colleagues on what the new legislation means.
- Developing a new digital inspection tool. This supports our surveyors and generates a report for customers explaining inspection findings and the action we will take
- Reviewing our post-inspection report with our Customer Engagement Network to make sure it is customer-friendly and easy to understand.
- Reviewing team capacity and recruiting more team members to ensure we meet the law's requirements.
- Investing more money into our repairs service to investigate and carry out more repairs and get them right first time.

Investment in homes

FCHO invested around £18.6m to ensure our homes are well maintained, safe, warm and more energy efficient. It means we meet the Decent Homes standard as a minimum.

Improvements to the safety, comfort and environmental performance of hundreds of homes through thousands of enhancements across our communities have been completed.

Measures include new kitchens and bathrooms, replacement roofs and fire safety measures.

Upgrades to communal bin stores to improve waste and recycling facilities have also been carried out.

Energy efficiency improvements across 344 homes include new triple-glazed windows and doors, loft insulation top up, cavity wall insulation and smart heating controls to help customers save on energy bills and reduce their impact on the environment.

More than 70% of our homes now meet energy performance certificate (EPC) C rating. Our goal is for all homes to meet this standard as a minimum by 2030, and we are on track to achieve this.

Building new homes

Over the course of the Big Plan 2.0, we have exceeded our target for new homes delivered. The target was 332. We have actually built 507 new homes. This demonstrates our commitment to addressing the local housing crisis and bringing forward the new homes our customers and communities need.

We understand the urgent need to build more homes and this year we have invested £16.3m to build 90 new, mixed tenure homes in Oldham and surrounding areas.

However, our growth plans have been affected by well-documented and significant increases in material and labour costs across the construction sector. This has affected completions.

We have plans in place to address these challenges and through our Homes strategy we are building at least 600 new properties in the coming years to meet local housing need. Family homes are a particular focus to meet increasing demand.

Safety in our homes

We have maintained our excellent property safety record and regularly inspect FCHO homes to make sure they comply with the government's Decent Homes Standard and meet fire, gas, electrical, asbestos, lift and water safety requirements.

Highlights

- We completed more than 3000 stock condition surveys over the year, meaning 97.2% homes have been assessed over the past five years. Stock condition surveys are a tool to help us plan for repairs and future investment in homes.
- FCHO joined regional housebuilding consortium JV North to capitalise on the government's upcoming Social and Affordable Homes Programme (SAHP). Membership gives FCHO access to local developers and consultants to help achieve our house building ambitions.
- We established links with national housebuilder, Vistry Group to help us scale up delivery of more new, quality and sustainable homes in Oldham and surrounding areas.
- We implemented a new system to analyse how our homes and neighbourhoods are doing and where we need to invest so they are fit for the future.

Looking ahead

In 2026/2027 we will...

- Focus on being more efficient and making every visit count by completing more work in one go, using better materials, and bringing in digital tools to improve planning and delivery.
- Improve how we use data about our homes and neighbourhoods to help predict future investment needs in homes and neighbourhoods.
- Fully prepare to meet the next stage of Awaab's Law.
- Build more homes to meet local housing needs and progress towards targets in our new corporate plan.

Great Neighbourhoods

We want our neighbourhoods to be welcoming, respectful places to live and FCHO has focused on reducing antisocial behaviour (ASB) in our neighbourhoods to enhance safety and wellbeing. We have also worked on making our communities greater and greener places to live with service improvements.

Tackling antisocial behaviour

Customers need to have confidence in how we prevent and tackle antisocial behaviour (ASB). Through our TSM score and wider feedback we can see this is an area they want us to work on.

This is a focus in our Customer and Communities Strategy and proactive steps taken in the last 12 months include:

- Supporting Greater Manchester Police's (GMP) Operation Vulcan crime crackdown in the Derker neighbourhood and across the borough. Through strong collaboration with Oldham Council and GMP, we issued 25 notices seeking possession of properties and a further 31 customers have received tenancy warning letters in relation to alleged criminal activity.
- Recruiting a Community Safety Manager, who now leads a dedicated team of five ASB Officers. This role is strengthening our partnerships with Oldham Council and GMP, while ensuring a more effective and consistent approach to tackling ASB.
- Launching the Respect Line, our 24/7 ASB reporting service. This gives customers the ability to report concerns and access advice at any time, including outside normal office hours, offering greater reassurance and support.

Feedback from customers and partners on our approach has been positive and the work has further strengthened our reputation as a reliable and trusted partner.

“The proactive engagement and responsiveness from FCHO’s ASB team has been crucial in helping us deliver sustained improvements for the area.” **Greater Manchester Police**

We know issues including noise nuisance, vandalism, abuse and crime can have a significant impact on customers and communities. These are often complex challenges that go beyond FCHO alone and require a coordinated approach with local partners. We will continue to strengthen our collaborative working to tackle ABS effectively. Improving customer satisfaction in this area is a priority for FCHO and will remain important in our new corporate plan launching in spring 2026.

Boosting biodiversity with the National Trust

Making open spaces in our neighbourhoods nature-friendly supports the wellbeing of our customers and the environment and this year we continued our work with the National Trust.

Achievements include...

- No mow zones increased by 25% to help boost biodiversity in our neighbourhoods.
- Changes to our Neighbourhood Care service means we can look after open spaces in greener ways. We sought feedback from our Customer Performance and Scrutiny Panel on this and the group was supportive of our approach.
- Our Homes strategy includes biodiversity targets, so being more environmentally friendly is part of our overall approach to looking after our communities.

Highlights

- Responding to customer feedback, we created online caretaking schedules so customers can easily see when shared areas in their building will be cleaned. These are available on our website and are also shared on social media and on digital screens in blocks.
- We trialled more electric equipment for our Neighbourhood Care team to use when looking after green spaces, instead of petrol-powered equivalents. Benefits of these sustainable options include no exhaust emissions, lower noise levels and reduced vibration for our colleagues. We will now explore wider use.
- We planted 73 new trees across Royton, Shaw, Delph, and Chadderton thanks to nearly £44,000 in funding from City of Trees - a Greater Manchester initiative committed to growing an urban forest across the region.
- We refurbished the Apfel Lane Community Centre in Chadderton using a £25,000 partnership with our contract partners Connolly Limited and Wates Property Services (WPS). New flooring, a new ceiling and lighting, plus work to make the building cosy and energy efficient took place.
- We diverted 12,000 tonnes of unwanted items found in vacant properties from landfill in just 18 months following a link up with Chadderton-based Support and Action for Women's Network (SAWN) who collect suitable leftover goods like fridges and furniture and give or sell at low cost to those who need them.

Looking ahead

In 2026/2027 we will...

- Continue to increase the amount of nature and wildlife in our green spaces to help the environment.
- Create a new ASB approach that strengthens joint working with customers and communities and responds to the complex challenges.
- Carry out a review of our communal spaces, including community centres and develop an action plan to improve these where needed.

Great Company

This year we have maintained our robust financial position, achieved through prudent decision-making and a focus on being financially sustainable in the long term. Alongside this we have made progress further developing organisational culture and cementing FCHO's role as a strong community partner in Oldham and surrounding areas.

Strong finances

FCHO remains in a strong and stable financial position, and we retained our V1 status with the regulator of Social Housing. This means we can continue meeting the needs of our current customers, homes and neighbourhoods, deliver more much-needed new homes and remain well placed to respond to future challenges.

Our overall surplus for the year was slightly above budget. This was mainly due to higher income from property sales, lower borrowing costs following reductions in the base interest rate, and reduced spending in some areas.

This strong performance allowed us to invest an additional £0.9m in responsive repairs and £0.8m in planned maintenance, on top of our original budgets. It has helped us to keep our homes safe and comfortable for customers. We continue to compare our performance with other housing associations locally and across the sector. Those statistics show we are delivering good value for money and achieving strong outcomes from the resources we have.

Our financial strength also means we met all lender requirements, allowing us to maintain our current loans and secure future funding to improve existing homes and invest in new ones.

In September we signed a £110m financing deal with Santander. The increased financial capacity will help us boost housing supply in Oldham and the surrounding areas and improve the quality of existing homes.

Additionally, this year we introduced 5% rent flexibility and set rent for all new social rent tenancies at 5% above 'formula rent'. FCHO rents are historically, and continue to be, the lowest amongst Greater Manchester housing providers and we know affordability continues to be very important for our customers given the make-up and needs of our communities. This change will enable us to keep on providing affordable, quality, safe housing to customers while maintaining the financial capacity to invest in homes and services, meet strategic challenges and build the new homes our communities need.

FCHO culture

The crucial role our colleagues play in helping us achieve our purpose cannot be underestimated. They need to be engaged, equipped and empowered to thrive and deliver the best services. To support this, we have undertaken considerable work on further developing our organisational culture. Actions taken this year include:

- Launched a refreshed engagement survey to listen to colleagues' views and respond. We were pleased 75% of colleagues took part to share their views and tell us where they would like us to focus. Following this, we have already implemented more internal development opportunities, established focus groups to better understand themes and take action. A culture calendar has also been developed to champion inclusion and belonging at FCHO.
- Developed a new People strategy, launched in spring 2026. Learning and development, reward and recognition, workforce planning, engagement and inclusion are key parts of the strategy very much focused on ensuring FCHO is an employer of choice, with an environment that attracts and retains talent.
- Appointed a dedicated Colleague Engagement Lead to shape how we engage, include and empower our colleagues to deliver our vision and mission.
- Improved company-wide communication with a new digital engagement platform easily accessible for colleagues working in neighbourhoods or at our office bases. The 'Our Place' platform supports a culture where colleagues feel informed about what's happening at FCHO. It equips them with the tools to do their job and allows them to be connected to the wider company as FCHO delivers its vision and mission.

Strong community partner

As a community-based organisation, we want to make a positive contribution in the areas where we operate. This year we have strengthened relationships with local partners in Oldham and the city region to maximise our impact. We have also worked on developing and maintaining a positive reputation in the areas where we operate.

- FCHO became a strategic housing partner to Oldham Council and Rochdale Borough Council and is working collaboratively with them to address the local housing crisis and build more housing to meet local needs.
- Our team joined the Oldham Health and Wellbeing Board and we recruited local GP, Dr Ghafoor to our Customer and Communities Committee to ensure health is part of our plans. We know quality, safe housing is fundamental for good health.
- We took up a role on Oldham's Economic Board to work with local businesses to help grow Oldham's economy, create more jobs and do it in a way that lasts and improves opportunities and quality of life for customers and the wider borough.
- FCHO became an initial supporter of the Greater Manchester Good Landlord Charter – the country's first ever – and we are working towards full membership.
- FCHO improved how it communicates our priorities to the customers and organisations we work with through in-person sessions, newsletters, and customer communications. We also extensively used the local media, our social media accounts, FCHO website and other digital channels to ensure our work we have shown to the wider community. We have listened to customer groups and used other performance insights to shape our approach, and we will build on this going forward.

Highlights

- FCHO retained our G1/V1 rating from the Regulator of Social Housing in our annual stability check, confirming we continue to be well run and financially strong and stable.
- We celebrated FCHO staff who had accrued hundreds of years' service with us at our first long service afternoon tea event with the Mayor of Oldham, Councillor Eddie Moores.
- Recruited two new non-executive directors and an independent committee member to strengthen our capacity and capability.
- We expanded our strategic partnership with Oldham College, further strengthening the local skills pipeline and our workforce development so young people have skills in key trades and the chance of a well-paid career.
- FCHO was awarded gold status for 2025 in the annual independent Sustainability Homes Index for Tomorrow (SHIFT) assessment, up from the silver award in 2024. The national award is recognition of the work FCHO is doing to make our homes, communities and business even greener - placing FCHO among the top 15% of social housing providers in the UK for sustainability.
- Our team strengthened the role of 'Our Voice,' our colleague representative panel and increased its influence on decisions that affect colleagues.

Looking ahead

In 2026/2027 we will...

- Launch our new corporate plan to set our direction for the period 2026-2030. We will use conversations and feedback gathered over the past twelve months and listen to what matters most to our customers, colleagues, and Board members.
- Invest in apprenticeships to grow our future workforce.
- Demonstrate our anchor organisation status by being an active partner in Oldham, supporting the Live Well agenda and Oldham Council's strategic goals.
- Further expand our influence and developments in Rochdale
- Advance our People Plan to enable colleagues to be more productive and have skills for greater impact.
- Develop our Data Strategy and systems to support FCHO to be a data-informed organisation where real-time, reliable data and collaborative customer engagement inform every decision we make.

Key Results

Turnover

£71.5 million

Units Owned and Managed

11,564

Customer Satisfaction

76.8%

Gearing

21.7%

New Units Developed

90

Income Collection

100.2%

Void Loss %

0.87%

Reinvestment %

9.0%

Gender Pay Gap

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2016 require relevant UK employers with 250 or more employees to publish information on their gender pay gap.

The FCHO Gender Pay Gap report confirms a positive median Gender Pay Gap of 0.7% and a positive mean Gender Pay Gap of 5.6% both of which reflect that females are slightly better rewarded than male counterparts in the organisation. Overall, the median gender pay gap remains low and stable, indicating broadly comparable pay between males and females across the workforce. Fluctuations in the mean pay gap suggest that changes are primarily driven by pay at the upper end of the salary distribution rather than widespread differences in pay levels.

Value for Money (VFM)

FCHO's 30 Year Business Plan and objectives are reviewed annually. VFM is integral to achieving these objectives and FCHO regularly reviews its approach to VFM, ensuring that it is aligned to the FCHO VFM Strategy introduced in 2022. A proactive approach to identifying efficiencies and driving them through all parts of the organisation also forms a key part of the focus for the 2024-26 Corporate Plan. FCHO Board reviews and challenges VFM performance against the RSH VFM metrics for all providers along with a selected peer group. Peer group comparison occurs at the time of setting annual budgets and annual 30 Year Business Plan. Our Board also receives in year VFM information via Management Accounts at half year and full year to assess current performance against the selected peer group.

FCHO monitors its own trends in VFM performance as well as using RSH and Housing Quality Network financial benchmarking data to assess whether the financial performance can be considered to be above or below median of all providers and similar 'peer group' housing associations.

FCHO's performance against the RSH VFM metrics compares its prior year, original 2025/26 budget, current financial performance for 2025/26 and the future targets. FCHO's metrics are provided in the table below which compares its financial performance with the RSH 2024/25 Global Accounts for all housing providers and also housing providers within the North-West with total units greater than 10,000 but less than 15,000.

During the year the FCHO exit from the Greater Manchester Pension Fund was completed and the necessary accounting entries made in the accounts. Because of the way in which we are required to account for this exceptional item the operating surplus/deficit position includes the non-recurring Greater Manchester Pension Fund exit cost of (£20.8m), which negatively impacts four of the reported VFM metrics. To provide greater transparency and comparability, these metrics have also been presented excluding the pension. On this adjusted basis, FCHO continues to perform above its peer group in three out of four metrics, providing assurance that underlying efficiency remains robust.

Our comparator organisations from RSH 2024/25 Global Accounts are:

Livv Housing Group	Magenta Living
One Manchester	One Vision Housing Limited
Plus Dane Housing Limited	Progress Housing Group Limited
Regenda Limited	Rochdale Boroughwide Housing Limited
Wythenshawe Community Housing Group.	

The only sector wide comparison available is from the RSH 2024/25 VFM dataset and therefore do not include an additional year of inflationary cost increases when comparing to 2024/25 actual results.

Including non-recurring exceptional pension exit charge:

FCHO Data								FCHO 2024/25 Performance (Median for Peers)	FCHO 2024/25 Performance (Median for Sector)
VFM Metric		2024/25 Actual	2025/26 Budget	2025/26 Actual	2026/27 Budget	2027/28 Target	2028/29 Target		
1	Reinvestment %	10.1%	12.0%	9.0%	16.1%	12.7%	7.5%	Lower 10%	Higher 7.6%
2A	New supply delivered % (Social Housing Units)	1.3%	0.82%	0.7%	0.5%	1.60%	2.40%	Lower 1.2%	Lower 1.3%
2B	New supply delivered % (Non-Social Housing Units)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Gearing % *	23.6%	25.1%	21.7%	22.8%	29.6%	31.7%	Lower 41.3%	Lower 45.5%
4	EBITDA MRI %	226.8%	228.7%	-302.9%	210.4%	163.8%	175.9%	Lower 146%	Lower 113%
5	Headline social housing cost per unit (£)	£4,710	£4,655	£6,765	£5,091	£5,239	£5,256	Higher £5,478	Higher £5,576
6A	Operating margin social housing lettings %	16.0%	20.2%	-17.4%				Lower 16.9%	Lower 20.4%
6B	Operating margin overall %	16.0%	20.4%	-13.5%	17.9%	17.5%	20.0%	Lower 14.5%	Lower 17.6%
7	Return on capital employed %	4.4%	5.0%	-1.8%	4.2%	3.4%	3.7%	Lower 3.1%	Lower 3.1%

Excluding non-recurring exceptional pension exit charge:

FCHO Data								FCHO 2024/25 Performance (Median for Peers)	FCHO 2024/25 Performance (Median for Sector)
VFM Metric		2024/25 Actual	2025/26 Budget	2025/26 Actual	2026/27 Budget	2027/28 Target	2028/29 Target		
1	Reinvestment %	10.0%	12.0%	9.0%	16.1%	10.8%	9.2%	Lower 10%	Higher 7.6%
2A	New supply delivered % (Social Housing Units)	1.3%	0.8%	0.7%	0.5%	0.9%	1.4%	Lower 1.2%	Lower 1.3%
2B	New supply delivered % (Non-Social Housing Units)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Gearing % *	23.6%	25.1%	21.7%	22.8%	29.0%	27.7%	Lower 41.3%	Lower 45.5%
4	EBITDA MRI %	226.8%	228.7%	168.7%	210.4%	163.8%	175.9%	Higher 146%	Higher 113%
5	Headline social housing cost per unit (£)	£4,710	£4,655	£4,970	£5,091	£5,239	£5,256	Lower £5,478	Lower £5,576
6A	Operating margin social housing lettings %	16.0%	20.2%	14.7%				Lower 16.9%	Lower 20.4%
6B	Operating margin overall %	16.0%	20.4%	15.5%	17.9%	17.5%	20.0%	Higher 14.5%	Lower 17.6%
7	Return on capital employed %	4.4%	5.0%	5.0%	4.2%	3.4%	3.7%	Higher 3.1%	Higher 3.1%

The commentary considers the metrics excluding the pension exit impact to reflect the comparable to prior year business operation.

Reinvestment considers investment in properties (existing stock as well as new supply) as a % of total properties held:

- Historic rates of reinvestment suggest high levels of re-investment in stock, the higher percentages are impacted to an extent by the historic low cost of properties held, particularly in comparison to the whole sector.
- Performance in 2025/26 was below the original budget, mainly as a result of a shift in investment capital works of £0.75m to revenue and a lower Development spend compared to budget of £9.8m. This was

mainly due to a deferral of a planned land acquisition combined with a marginally slower spend profile across a number of active schemes into the next financial year.

- Despite this, actual performance for 2025/26 remained above sector comparison but slightly below FCHO peer group at 9.0%, with total spend of £26.8m (2024/25 £28.5m). Capitalised Investment works remains consistent at £12.0m (2024/25 £11.2m), while development spend has reduced to £14.8m compared to prior year (2024/25 £17.3m).
- The outlook for 2025/26 onwards, reinvestment levels are expected to increase over future years, driven mainly by consistent capital investment in existing homes and an expanding development programme. The Programme is currently forecast to deliver c770 new affordable and shared ownership homes over the next 5 years. For Investment, work continues across a number of programmes, with investment expenditure increasing year on year from 2026/27. Combined expenditure on development and asset investment programmes is c.£55.3m for 2026/27.

New Supply considers the units acquired or developed in a year as a % existing stock:

- Although FCHO's development programme has delivered increasing levels of new supply in recent years, the number of units delivered decreased in 2025/26 (90 units) in comparison to 2024/25 (156 units).
- For 2025/26 90 units were delivered against an original target of 161 units, resulting in an adverse outturn in comparison to the original 2025/26 budget. The units delivered are a combination of affordable rent and shared ownership. The 2025/26 outturn is primarily as a result of a number of schemes being delayed and reprofiled into 2026/27.
- The actual performance for 2025/26 (0.7%) is below both the sector comparison (1.3%) and FCHO peer group (1.2%). This metric is forecast to reduce in 2026/27, as a result of current projected completions within 2026/27, however with a strong pipeline of delivery thereafter, the metric increases to 2.4% by 2028/29. The latest development programme has been extended by a further 3 years to align with the 2026-30 Corporate Plan and now includes plans for c770 completions by 2030/31, with a greater emphasis on social rent.

Gearing measures the proportion of borrowing in relation to the size of the asset base.

- In common with other stock transfer organisations, the focus in the earlier years post transfer has been on delivery of investment promises made at the point of transfer. As a result, there has been lower focus in prior years on development activity for which a loan facility would be required for FCHO. In addition, the development programme embarked upon in 2018 has not seen the scale that had originally been anticipated and therefore levels of borrowings have historically been lower than comparators. With the new Corporate Plan, this is anticipated to change.
- Gearing has reduced to 21.7% in 2025/26, against the original budget for this metric of 25.1%. The level of borrowing in year was lower than budget by £8.0m, with net debt reducing by £1.0m during the year, which resulted in a lower gearing level compared to budget. This was primarily following the delay in acquisition of land on a development scheme that will now take place in 2026/27. Total borrowing is now £70.5m of the total agreed £110m facility.
- Gearing is expected to increase in 2026/27 as further loans are expected to be drawn down to support both the Development and Investment programme. Gearing is still targeted to remain in a healthy position going forward, anticipated at 31.7% by 2028/29, staying below both sector and FCHO's group peer levels. Peak debt is not expected until 2029/2030, when an additional £29m of borrowing would increase the peak debt level to £139.4m. The group has sufficient security available for further borrowing to continue to support the delivery of the development and asset management programmes in future years, demonstrating a strong financial base.

EBITDA MRI measures financial performance before considering financing cost, depreciation, or accounting policies on major repairs. (It is an approximation of cash generated to cover interest payments and is a key indicator for liquidity and investment capacity).

- Historical EBITDA MRI performance has been within the upper quartiles as a result of higher operating surpluses against low borrowings/interest costs.
- The 2025/26 outturn for this metric was 168.7% excluding the non-recurring pension exit adjustments, this is below the original budget of 228.7%. This was mainly due to higher operating costs, including additional spend on repairs and maintenance, investment activity, management costs and an impairment provision not anticipated in the original budget.
- Despite this lower outturn, performance remains strong compared with the median for the sector and FCHO peer group at 113% and 146% respectively.

- EBITDA MRI is forecast to rise to 210.4% in 2026/27, fall to 163.8% in 2027/28, and then increase to 175.9% in 2028/29. Although borrowing is expected to increase, this is offset by stable or improving surpluses, supported by the confirmed CPI+1% rent increase formula for 2025/26 to 2035/36 and the recently announced rent convergence mechanism in place.
- Although no funder covenants are linked to EBITDA-MRI, In May 2023, FCHO Board agreed the introduction of a Golden Rule for this metric to ensure that EBITDA-MRI remained in future focus.

Headline Social Housing Cost (HSHC) increased to £4,970 in 2025/26, excluding the non-recurring pension exit charge, compared with £4,710 in 2024/25. The increase was mainly driven by higher operating costs, including repairs and maintenance, investment in properties and operational management costs.

- HSHC have historically been lower as a result of lower management costs and lower capitalised major repairs which have both increased in recent years as a result of inflationary pressures alongside higher investment expenditure following improved stock condition data. The additional year of inflation should also be considered when comparing the benchmarking data from 2024/25 against actual 2025/26 results.
- The impact of higher operating costs driven by repairs and maintenance (including damp and mould); increased capitalised major repairs investment; and higher management costs due to additional staffing to respond to rising disrepair and ASB cases.
- HSHC is forecasted to be higher for 2026/27 in comparison to 2025/26, at £5,091. FCHO continues to ensure meets its regulatory and strategic objectives, continuing to provide high quality, safe, sustainable homes and improved services for customers.
- Looking to future projections, the overall headline cost per unit is expected to increase year on year but is still anticipated to be within acceptable tolerance when compared to both the median for the sector and FCHO peer group.

Operating Margin measures the profitability of operating assets before any interest and exceptional expenses are taken into account. (It is a key indicator for the efficiency of an organisation).

- Historic operating margins have ranged from an overall figure of 14% (2021/22) to 16% (2024/25), however 2021/22 it was impacted by two separate and significant events, a significant provision to account for a further £2.1m in unplanned investment in compliance works (Fire Risk Assessment Works), along with a significantly higher FRS102 Pension adjustment compared to 2020/21 where the initial impact of Covid-19 had curtailed expenditure improving surpluses and Operating margins for that period.
- In 2025/26 Operating margins were lower in at 15.5%, compared with the original budget of 20.4%. This was mainly due to higher operating costs, including continued increases in repair and maintenance costs (including damp and mould works), increased investment activity, the creation of an impairment provision, and higher management costs.
- Operating margins overall are planned to improve to 17.9% in 2026/27, reduce slightly to 17.5% in 2027/28 and then increase to 20.0% in 2028/29. This has been supported by the impact of applying the 10-year rent settlement capping annual rent increases by CPI+ 1% and additionally having the rent convergence mechanism in place.

Return on Capital Employed compares the operating surplus to total assets less current liabilities. (It is a common measure in the commercial sector to assess the efficient investment of capital resources).

- The original FCHO VAT shelter shared with Oldham Borough Council came to the end of its agreed term during the year.
- The result for 2025/26 is on budget at 5.0%. The outlook is for this to remain constant within a future range of between c4.2% to 3.7% over the next 3 years, remaining above both median for the sector and peer group at 3.1%.

VFM Future Plans

FCHO's future areas of VFM aligned to the VFM Strategy:

- Annual Budget and Business Planning will identify any future cost savings and will include VFM efficiency targets, below is a high-level strategic action plan focusing on VFM plans through to the end of 2026/27 financial year, additional operational plans are in place and compliment the activity below.

Responsibility	Action	Complexity
Executive Director of Homes	Further use and embedding of the SHAPE tool to inform investment and disposal decisions.	Medium
Executive Team	Deliver agreed VFM savings against the 2026/27 budgets. This target will be agreed with Board in March 2026.	Medium
Executive Director of Corporate Services	Delivery of first year of the Data Strategy, improving our decision making & service improvement.	Medium
Executive Director of Customer Experience	Easy and Simple customer navigation – embed customer focused culture, including record keeping.	Medium
Executive Director of Corporate Services	Further phase of service charge project to improve the delivery of the service we offer and to ensure appropriate cost recovery.	High
Executive Director of Customer Experience	Finalise transformation of contact centre into Customer Experience Hub.	High
Executive Director of Homes	Implementation of Total Mobile, covering neighbourhoods and voids.	Medium

Risk and Assurance

The state of the economy and external environment, rising energy costs, costs of living, damp, mould and disrepair, and a declining housing market continue to be among the risks faced by FCHO. The Board and Executive Team continue to monitor the ongoing effects of all of them.

The Risk Management Framework provides a well-defined approach to managing risk at all levels of the business and guides decision-makers on how to minimise the impact on FCHO activities and the effect this may have on customers and other stakeholders.

All strategic and operational risks are regularly analysed and prioritised in terms of likelihood and impact.

Risk registers identify the existing internal controls and additional future mitigating actions that will help reduce the overall risk. Once mitigations are factored in, the score is re-calculated, and a residual risk score provided.

Strategic risks are also linked with the performance framework through triggers that help give an early warning system of where remedial action may need to be taken.

The Board annually review their risk appetite at their away day. This is then shared across the business to provide a consistent framework for decision-making. A range of factors are considered when reviewing risk appetite, including the external environment and the most recent Sector Risk Profile report.

The Strategic Risk Register has also been reviewed to reflect the new Corporate Plan and support FCHO decision-making.

Strategic risks are reviewed quarterly with risk owners, and the risk position is reported to EMT, the relevant Board Committees, Audit & Risk Committee for review and challenge. Following these reviews a final report is made to Board for further challenge.

The Assurance Matrix, based on a three lines of defence model, is linked to internal audits and external scrutiny and is also updated quarterly. The Risk Management Policy was last reviewed and approved by the Audit and Risk Committee on 6 May 2026.

Operational Risk Registers are part of the overall Risk Management Framework and are a key part of managing risk at a local level. These are also reviewed quarterly and reported into EMT, the relevant Board Committees and Audit and Risk Committee.

The FCHO strategic risks are detailed below along with lead Board or Committee and key mitigation and controls.

Risk	Mitigation and Controls
1. Customer Services Failure to deliver high quality services that meet the needs of a diverse customer base as shaped by a strong customer voice. Customer & Communities Committee	• RSH Consumer Standards Self Assessments • Tenant Satisfaction Measures • Compliance with the Housing Ombudsman's Complaint Handling Code 2025 Self-Assessment • Complaints Annual Report • Customer Voice Panel • Customer & Communities Committee
2. Strategic Asset Management Failing to effectively manage our assets and not maximising flexibility in our strategic approach limits our ability to respond to changing needs, compromising asset quality and efficiency. Investment and Development Committee	• Home Strategy • Stock conditions surveys • 30 Year Business Plan • NROSH submissions • FCHO Standard • SHAPE model • Awaab's Law working Group
3. Reputation A failure to manage customer and stakeholder relationships results in reputational damage. Board	• Stakeholder Plan in place • Councillor and MP meetings / communications • Corporate Plan • Nurturing stakeholder relations (RSH, OMBC, MPs) • GMHP membership, participation, and representation • Effective Communications Team managing media relations. • Media Board to oversee response to adverse publicity
4. Development & Regeneration Failure to effectively manage and deliver schemes and projects impacts on finances, growth and long-term organisational sustainability. Investment and Development Committee	• Development Strategy and Working Group • Homes England meetings • Annual review of Financial Assumptions • Procurement frameworks • Quarterly watchlist and pipeline reported to IDC • Acquisitions and Disposals Strategy • Corporate Plan • 30 Year Business Plan • Strategic Asset Management Group
5. Compliance (Legal, Financial and Regulatory) Ineffective internal control framework leading to significant legal, financial or statutory consequences. Board	• Financial Regulations • Financial regulatory returns • Stability Checks • Annual External Audit • Internal Audits • Regulatory Returns • RSH Economic and Consumer Standards and Code of Governance Self Assessments • Annual Effectiveness Review and Skills Assessment • GDPR Reporting

6. Health and Safety / Landlord Compliance Failure to meet compliance responsibilities as a landlord or an employer that results in harm to people. Board	• Internal and External Inspections and Quality Assurance checks • Annual NICEIC, Gas Safety and Fire Safety inspections • Health and Safety Policy • Mandatory Health and Safety training • 100% CO Alarms compliant • Actions arising from the Building Safety Act completed, 3 building safety cases submitted to RSH • 3rd Party Review
7. Colleague Engagement / People An inability to attract, retain develop and empower talented colleagues and build a positive working culture impacts on organisational development and services. People and Governance Committee	• Annual Colleague Conference • Leadership Development Programme • Behavioural Framework • People Strategy • Developed use of Our Voice to monitor colleague “mood” • EDI Strategy and Action Plan • Quarterly Colleague Engagement Survey
8. Cyber Security Inadequate cyber security measures fail to prevent harm to our customers and services. A&R	• 24/7/365 management and monitoring • DR resilience • Mandatory Board and staff security training • Supplier Security training • Regular Penetration Testing • Phishing test exercises • Cyber Essentials Plus in place • Data loss prevention software • Regular desktop testing of cyber incident response plan
9. Data Integrity & Quality A failure to ensure the quality and accessibility of data impacts on future planning and ongoing compliance. Board	• Warning system Data Warehouse Power BI • Data reconciliations within Data Warehouse • Data testing and checks. • New suite of KPIs to monitor organisational performance
10. Financial Resilience (income / budgets / loan covenant headroom/ liquidity) Operating outside our financial capacity impacts financial resilience and efficiency, and investment in our homes. Board	• Annual stress testing, scenario planning and mitigations • Financial Regulations and Delegations Framework • Treasury Strategy and Policy • Annual unqualified external audit • 30 Year Business Plan • Annual Insurance
11. Environmental Sustainability Unable to deliver an effective, strategic and compliant approach to sustainability, impacting on asset quality and viability. Investment and Development Committee	• Sustainability Working Group • Homes Strategy • SHIFT Gold Accreditation • 30 Year Business Plan
12. Business Transformation Failure to understand and deliver effective transformation and change. Board	• Project management team in place • Transformation Board • Risk appetites defined to support managed transformation • 30 Year Business Plan

Financial Performance of the Year Ended March 2026

The financial performance for the past two financial years is presented below, the turnover for 2025/26 was £71.5m with an operating deficit of (£5.5m). During the year the FCHO exit from the Greater Manchester Pension Fund was completed and the necessary accounting entries made in the accounts. Because of the way in which we are required to account for this exceptional item the operating deficit position of (£5.5m) includes the non-recurring exceptional item of Greater Manchester Pension Fund exit cost of (£20.8m).

Completing the pension exit accounting showed that FCHO Group made a total comprehensive income surplus for the year of £14.2m. This included a surplus from the sale of housing properties in 2026 of £4.2m (2025: £1.8m).

Total group recurring operating costs were £60.5m (2025: £58.6m). Greater than expected expenditure was seen in Management costs (£1.3m) due to increased staffing in response to the growing numbers of disrepair and ASB cases, meeting demand for repairs in Property Care (£0.6m), additional planned maintenance (£1.2m) and an impairment provision of (£1.2m).

The total expenditure on repairs and maintenance was £34.1m (2025: £32.5m). Of this amount, there was £12.0m (2025: £11.2m) relating to improvements which has been added to housing fixed assets with the remaining work expensed through the Income Statement.

Net turnover from lettings increased by £1.7m to £71.5m (2025: £69.8m). During the year income collection results have remained strong, with collection rates at 100.2% versus a target of 99.3%.

The table below also summarises FCHO's assets and liabilities. Development and investment within existing and new housing stock continues to increase the asset base of the organisation, providing further room for growth in future.

The accounting policies applied are shown on pages 44 to 50.

Consolidation including non-recurring pension exit charge:

Consolidation	2026	2025
	£'000	£'000
Income & expenditure account		
Turnover	71,530	69,758
Operating costs recurring	(60,453)	(58,613)
Operating costs GMPF pension exit settlement charge	(20,757)	-
Surplus on disposal of fixed assets	4,217	1,869
Operating (deficit)/surplus	(5,463)	13,014
(Deficit)/Surplus for the year after taxation	(8,199)	11,071
Total comprehensive income for year	14,174	9,984
Balance Sheet		
Housing properties net of depreciation	297,250	282,158
Other tangible assets	9,534	9,446
Net current assets	887	4,326
	307,672	295,930
Creditors due after one year	119,262	114,825
Provisions - Pension Liability & VAT Shelter	-	6,869
Revenue Reserve	188,410	174,236
	307,672	295,930
Operational indicators		
Total housing stock	11,564	11,600
Arrears of rent and service charges as a % of Rent Debit	2.12%	2.20%
Total loans due in 5 years or more	70,500	71,500
Operating Margin	-8%	19%

Consolidated Income and Expenditure excluding non-recurring pension exit charge:

Consolidation	2026	2025
	£'000	£'000
Income & expenditure account		
Turnover	71,530	69,758
Operating costs recurring	(60,453)	(58,613)
Surplus on disposal of fixed assets	4,217	1,869
Operating surplus	15,294	13,014
Surplus for the year after taxation	12,054	11,071
Total comprehensive income for year	13,671	9,984
Operational indicators		
Total housing stock	11,564	11,600
Arrears of rent and service charges as a % of Rent Debit	2.12%	2.20%
Total loans due in 5 years or more	70,500	71,500
Operating Margin	21%	19%

Pension Costs

FCHO had “admitted body” status to the Local Government Pension Scheme (LGPS) and contributed via the Greater Manchester Pension Scheme. The Scheme was a final salary pension scheme, FCHO contributed 23.9% of pensionable pay. FCHO exited this scheme on 2nd July 2025. The income & expenditure account reflects a pension exit settlement charge of £20,757,000. This is offset by the actuarial gain of £22,290,000 that is reflected in other comprehensive income.

FCHO now only operates one pension scheme which has been in place since October 2015 and is a defined contribution pension scheme, this scheme is offered to all employees following their auto enrolment.

Corporation Tax

FCHO has charitable status and therefore there is no estimated tax liability for the current year.

New Living Homes Limited’s operating profit consists of inter-group recharges at third party rates. Any profits will be gifted to FCHO as a qualifying charitable donation within 9 months of the year end and group relief will be obtained from FCHO.

Capital Structure and Treasury Policy

To support the delivery of FCHO’s Treasury Management Policy and Strategy, a Treasury Management Policy and Strategy is reviewed annually, and this was approved by Board, 13 May 2026. FCHO’s Policy is to retain minimum cash whilst ensuring sufficient funds for the investment and development programmes are available. A process is in place to enable cash-flow forecasting and is used to continually monitor future borrowing requirements.

The borrowing strategy, which is approved annually by the Board, aims for between 60-80% of drawn funds to be fixed rate. This will reduce exposure to any future interest rate increases and create a degree of guarantee over future interest payments.

Loan Facilities

FCHO completed a restructuring exercise in September 2025 that allowed FCHO to improve margins on its original loan facility and extending terms between 5 and 10 years and increase its overall loan facility to £110m. FCHO is currently solely funded by Santander with its original loan facility having been put in place at the time of the stock transfer from Oldham Council in 2011.

Cash Flow and Liquidity

At year end, bank balances and short-term investments totalled £5.4m. This was reflected by £20.1m of net cash generated from operating activities, offset by £14.9m of net cash used in investing activities and £4.3m net cash used in financing activities together with opening cash and cash equivalents of £4.5m.

Covenant Compliance

Under the terms of the loan agreement the company must comply with three financial covenants, these being:

- Ratio of net cash flow to total interest.
- Gearing
- Asset cover i.e. the value of the stock compared to the outstanding loan.

Performance to 31 March 2026 showed that the company was compliant with all covenants

Going Concern

FCHO's business activities, its current financial position, and factors likely to affect its future development are set out within the Strategic Report. The assessment of the principal risks faced by FCHO, including significant risk exposures are considered in the preceding segments of this report. FCHO has demonstrated significant headroom within loan covenants, strong income collection rates, which has led to the Board's judgement that FCHO has a financially strong Business Plan, including mitigations which display resilience to respond to stress scenarios. All Value for Money metrics when compared against all providers and FCHO peer group show a stable and robust performance includes the outer years of the Plan. These results demonstrate FCHO remains financially viable.

After making enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

In concluding this view, the Board fully appraised the changing business environment facing FCHO, has considered the financial projections within the Business Plan, the results of stress testing of the Business Plan and assessed the strategic risks faced by FCHO and the means available to mitigate these risks.

Approval

This strategic report was approved by the Board of Directors on 23 September 2026.



Amanda Harris
Chair of the Board

The Report of the Board of Directors

The Board of Directors present their report and audited financial statements for the year ended 31 March 2026.

First Choice Homes Oldham Limited (FCHO)

FCHO ('the Organisation') is formed for the benefit of the community and is a not-for-profit housing association.

FCHO began trading as a Registered Provider on 7 February 2011 with 11,867 properties transferring from Oldham Metropolitan Borough Council (OMBC) on that date.

On 1 August 2014 the Co-operative and Community Benefit Societies Consolidation Bill was approved by Parliament and from this date FCHO is no longer governed by the Industrial and Provident Societies Act 1965 and is now registered as a Community Benefit Society (registration number 31138R) with charitable objectives under the Co-operative and Benefit Societies Act 2014. FCHO is regulated by the RSH. Registration number is 4582.

New Living Homes Limited (NLH)

On 20 October 2016, FCHO established a subsidiary organisation, New Living Homes Limited (NLH), NLH is a Limited Company, registered with Companies House. Company number 10438384.

NLH is responsible for the future development and build of FCHO's new home development programme. However, for VAT purposes the company stands outside of the VAT Group. NLH does not employ any staff or own any assets.

The Board of NLH is appointed by the FCHO Board and is made up of between three and five Directors excluding Co-optees and are made up of one Chairperson, three FCHO non-executive directors and two FCHO officers. NLHs' Directors are registered as Company Directors with Companies House. NLH met to consider official duties on two occasions in 2025/26.

First Choice Homes Limited

On 21 November 2019, FCHO established a subsidiary organisation, First Choice Homes Limited. First Choice Homes is a limited Company, registered with Companies House. Company number 12326286. First Choice Homes Limited is a dormant company, with two Directors (FCHO Officers). It is anticipated that First Choice Homes Limited will remain dormant.

The Board and Executive Officers

The Board and Executive Officers are listed on page 2. The Executive Officers are responsible for the day-to-day management of FCHO. The Executive Officers are employed on the same terms and conditions as staff members within FCHO.

The Board is made up of between eight and twelve Non-Executive Directors (including co-optees) as determined by the Board. Non-Executive Directors are recruited on a skills-based approach, and they have the appropriate range of skills, experience and qualities required to provide strategic direction and monitor FCHO's performance. They oversee the overall running of the company.

The Board met on six scheduled occasions during 2025/26. In addition, three Board Away days were held in May 2025, November 2025, and January 2026.

Qualifying third party indemnity provisions

FCHO has qualifying third party indemnity insurance in place for Directors and Officers.

Corporate Governance

The Board is responsible for providing strategic direction, leadership, support and guidance to FCHO and monitoring the performance of the business against its Strategic Objectives, inclusive of the financial objectives. It approves short and medium-term plans, priorities and monitors the results from these plans.

The Board challenges and scrutinises key performance targets to drive continuous improvement.

Board Delegation

In order to operate effectively and ensure appropriate governance in business-critical areas the Board has delegated authority to four committees.

- Audit and Risk Committee – the Committee met to consider official duties on four occasions during 2025/26
- People and Governance Committee – the Committee met to consider its official duties on six occasions during 2025/26 including additional meetings.
- Investment and Development Committee – the Committee met to consider its official duties on four occasions during 2025/26.
- Customer and Communities Committee – the Committee met to consider its official duties on four occasions during 2025/26.

Audit and Risk Committee

The role of the Audit and Risk Committee is to ensure effective internal controls and risk management. This includes both internal and external audit activities of FCHO and, in particular the duties, requirements and guidance set by the applicable regulator.

People and Governance Committee

The role of People and Governance Committee is to:

- Oversee the delivery of the People Strategy, that underpins the Corporate Plan, including attracting and maintaining colleagues and creating a positive work environment and culture where they can flourish and grow.
- Ensure that the Board fulfils its legal, ethical, and functional responsibilities through adequate governance arrangements, recruitment strategies, training programmes, monitoring of Board activities and the evaluation of Non-Executive Directors' performance.
- Ensure that remuneration arrangements support the strategic aims of the business.
- Ensure that the Chief Executive has the skills, competence, and capacity to deliver the overall strategy of FCHO its plans and proposals.

Investment and Development Committee

The role of the Investment and Development Committee is to provide strategic direction and leadership to ensure that FCHO's development and investment programmes deliver the outcomes and strategic objectives set by the FCHO Board. The Committee takes an overview of the organisation's development activity; monitors progress against the set targets of the programme and ensures support for the delivery of the Asset Management Strategy.

Customer and Communities Committee

The role of the Customer and Communities Committee is to ensure that the customer voice is systematically embedded in all matters that affect them. The Committee provides robust, structured mechanisms for customers to influence, scrutinise, and challenge strategies, policies, services, and key decisions. Through this oversight, it strengthens organisational accountability and ensures that decision making is informed by clear, evidence-based customer insight.

Donations

During the year FCHO has made charitable donations to the total of £56,276 (2024/25: £36,274) to various charities and community groups.

Policy on Payment of Creditors

It is the policy of the organisation to pay its creditors within 30 days.

Regulation 113(7) of the Public Contracts Regulations 2015 introduced the following publication requirements: After March 2016, all in-scope organisations must publish, on an annual basis and covering the previous 12 months, (i) the percentage of their invoices paid within 30-days, (ii) the amount of interest paid to suppliers due to late payment and (iii) the total amount of interest that the contracting authority was liable to pay due to late payment. The data for financial year ending 31 March 2026 is shown in the following table:

Financial Year 2025/2026	Proportion of valid and undisputed invoices paid within 30 days in accordance with Regulation 113	The amount of interest paid to suppliers due to a breach of the requirement in Regulation 113	The total amount of interest that the contracting authority was liable to pay (whether or not paid and whether under any statutory or other requirement), due to a breach of Regulation 113
FCHO	93.6%	£0	£1,050.51

Modern Slavery Act 2015

FCHO's turnover exceeds £36 million for that period, therefore under section 54(1) of the Modern Slavery Act 2015 FCHO has produced a Slavery and Human Trafficking Statement for the year ending 31 March 2026.

This statement sets out the steps that FCHO have taken in the 2025/2026 financial year to ensure there is no modern slavery (including human trafficking) in the business or supply chains.

It is approved by FCHO's Board and Executive Team and will continue to be reviewed and updated as necessary or on an annual basis.

Internal Control Assurance

The Board has overall responsibility for risk management within FCHO and acknowledges its role and responsibility for ensuring that the organisation has an effective system of internal control and for reviewing its ongoing effectiveness.

The Risk Management and Internal Control Framework is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks is ongoing and has been in place throughout the period commencing 1 April 2025 up to the date of approval of the report and Financial Statements. FCHO has a number of arrangements in place within the overall Internal Control Framework, which are used to provide Board with assurance about the adequacy of this framework.

The Board has ultimate responsibility for the system of internal control but has delegated authority to the Audit and Risk (A&R) Committee to regularly review it. It does this by reviewing the effectiveness of the system of internal control across the spectrum of the framework. This includes considering risk registers, internal audit reports, fraud and whistleblowing reports, management assurances, the external management letter and specialist reviews.

The A&R Committee received and considered reports on risk management and control arrangements at each meeting during the year, and the Board discusses risk and the impact of the decisions that it takes at each meeting. The Board approved its Risk Appetite Statement, 18 March 2026, and this has been integrated into the Risk Management Framework by linking to the Strategic Risk Register.

FCHO has a Strategic Planning and Risk Management Framework which incorporates the Corporate Plan, 30 Year financial plan and the Risk Management Framework, including the Assurance Matrix. The approach taken ensures a golden thread between Strategic and Financial Planning and Risk Management and integrates assurance which underpins FCHO's internal controls.

This ensures that each strategic objective and associated risks are clearly aligned and supported by FCHO's key elements of the assurance framework.

There are no identified risks to the systems of internal control and basic controls, and governance arrangements are in place for all areas.

The Assurance Framework provides evidence to confirm that the appropriate systems are in place and that these are subject to the appropriate levels of scrutiny for those areas that could have a significant financial and reputational impact on FCHO.

Key elements of the Internal Control Framework include:

- A formally constituted Board and Committee structure supported by a Governing Framework. This includes Rules, Standing Orders, Terms of Reference and Scheme of Delegation. These detail the delegated authority for each of its committees that meet on a regular basis. There is also a Business Integrity Policy for Non-Executive Directors and Colleagues of the organisation. Non-Executive Directors have a Code of Conduct and colleagues have formal policies setting out their expected conduct.
- A comprehensive annual Non-Executive Director Appraisal programme and Governance Effectiveness Review is carried out annually. The appraisal programme was reported into P&G Committee (27 June 2025) and Board (16 July 2025) and the review into P&G Committee (5 September 2025) and Board (17 September 2025).
- A comprehensive induction and training programme is in place to ensure Non-Executive Directors remain professionally updated and have the skills to meet the needs of the business. This is linked with a comprehensive Board Development Plan which is reviewed annually.
- All business activities are managed through a comprehensive set of policies and procedures that are subject to regular reviews. The levels of responsibilities for their approvals are approved by the Board annually as part of the Standing Order review.
- Robust strategic and financial business planning processes, including detailed financial budgets, forecasts, and cash-flows. The Management Accounts are reported to the Executive Team monthly and quarterly to the Board and Funders.
- A comprehensive approach to stress testing aligning to FCHO's Strategic Risk Register and assurance activities. Stress testing is carried out on an annual basis and where there are key financial risks identified within the year. This is supported by a comprehensive recovery planning framework.
- Internal Audit was provided by BDO LLP for the services for 2025/26. An annual Internal Audit Plan, based on key controls and risks is agreed, and through each year is monitored and reported to the A&R Committee. The Board received an annual report from the Internal Auditors which concluded that:
 - FCHO has in place an appropriate framework for identifying, evaluating and managing the significant risks faced by the association.
 - On the basis of the audit work undertaken, BDO's opinion on the framework of governance, risk management, based on the reviews undertaken, the follow up review completed during the period, and in the context of materiality was:

Overall, the controls in the areas we examined were found to be suitably designed and operating effectively to achieve the specific risk management, control and governance arrangements and value for money.

However, there are some areas where weaknesses and/or non-compliance were identified and, therefore, may put the achievement of objectives at risk.

No audits received a 'no' assurance rating.

The number of limited assurance opinions issued has remained consistent from 2024-25 to 2025-26, with one review, in relation to Anti-Fraud and Corruption, receiving a limited assurance opinion over the operational effectiveness of controls this year compared with one last year (Neighbourhood Management).

The Anti-Fraud and Corruption review had one high significance in relation to the lack of fraud risk assessments; we followed up the three recommendations related to the finding throughout the year and confirmed that all have been implemented.

Where weaknesses have been identified, improvements are required to enhance the design and/or effectiveness of risk management, control and governance arrangements.

No instances of actual or suspected fraud have been encountered during audit work.

Audit Area	Overall Conclusions / Ratings	
	Design	Operational Effectiveness
Anti-Fraud and Corruption	Moderate	Limited
Development	Moderate	Moderate
Asbestos and Legionella	Moderate	Moderate
Asset Management	Substantial	Substantial

Electrical and Lift Safety	Substantial	Substantial
Safeguarding	Moderate	Substantial
Governance	Substantial	Substantial
Asset and Liability register	Substantial	Substantial
Building Safety	Moderate	Substantial
Complaints	Moderate	Moderate
TSM Methodology	Moderate	Moderate
ASB	Moderate	Moderate

- External audit was provided by Crowe for 2025/26. They review and report in their Annual Audit Management Letter, on the effectiveness of existing internal controls that directly relate to the Financial Statements.
- Board approved Whistleblowing Policy.
- Board approved Fraud and Anti-Money Laundering Policy.

A Fraud Register is in place, and any incidents of fraud or attempted fraud are recorded and reported to the Audit and Risk Committee quarterly. During 2025/26, there were no instances of fraud.

A Whistleblowing Policy is in place and FCHO is committed to the highest standards of quality, probity, openness and accountability. The Audit and Risk Committee receives a report quarterly and during 2025/26 there were no reports of whistleblowing.

Whilst not exhaustive, the above represents the key elements within the existing system of internal controls. The Assurance Framework is supported by the Risk Management framework, providing a full overview of the high-level risks facing FCHO, including all forms of assurances provided in relation to the risk such as internal and external audit, performance monitoring and other external forms of accreditation. Key work continues in embedding an integrated risk management culture across FCHO.

In concluding its review, the Board is satisfied with the adequacy of these controls for the year ending 31 March 2026 and for the period to the date of signing the financial statements for 2025/26.

Compliance with the National Housing Federation Code of Governance

FCHO adopted the National Housing Federation's 2020 Code of Governance (the Code) with effect from 1 April 2022. The Board considers compliance against each of the provisions of the Code on an annual basis. Following this review on 23 September 2026, the Board was assured that FCHO is fully compliant with the Code. To enable continuous improvement, the Board has identified some enhancement actions which will further support compliance.

Compliance with the Regulator of Social Housing's (RSH) Governance and Financial Viability Standard

In August 2022 FCHO underwent an In-Depth Assessment (IDA) with the RSH. The IDA uses a risk-based approach to assess providers' financial strength, risk profile, approach to value for money and their quality of governance.

The RSH confirmed in December 2025 through its Stability Check that FCHO maintained its Governance rating of G1 and its Financial Viability Rating of V1.

FCHO's Board assesses its compliance against the RSH's Governance and Financial Viability Standard and Consumer standards annually. FCHO has developed an assurance model (based on three lines of defence) which supports evidencing compliance with the Standards and supports the Codes of Practice (where applicable). The Board was assured that FCHO meets all the requirements of the Governance and Financial Viability Standard at the meeting held on 21 May 2025 and the Consumer Standards at the meeting held on 16 July 2025; this was supported by an independent review of the approach to assessments of compliance by Altair. A further review is currently being undertaken and will be presented to Board in September 2026 to provide further assurance.

FCHO has therefore achieved full compliance with the RSH's requirements of the Governance and Financial Viability Standard.

Statement of Director Responsibilities in respect of the Board Report and the Financial Statements

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

Co-operative and Community Benefit Society law and social housing legislation require the Board members to prepare Financial Statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under the Co-operative and Community Benefit Society legislation, the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs, and surplus or deficit. of the association and Group for that period.

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

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

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the group and association's transactions and disclose with reasonable accuracy at any time the financial position of the group and association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the group and association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Financial statements are published on the group **Statement of Director Responsibilities in respect of the Board Report and the Financial Statements** and association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group and association's website is the responsibility of the Board members. The Board members' responsibilities also extend to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditor

The Board of Directors who held office at the date of approval of this Board of Director's report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditor

Crowe U.K LLP are FCHO's current external auditors. The Group Board re-appointed Crowe in December 2025 to provide FCHO's external audit service for a three-year contract period, with the option to extend by a further 2 years (in increments of 1 year) commencing from the 2025/26 annual external audit.

The report of the Board of Directors was approved on 23 September 2026 and signed on its behalf by:



Amanda Harris
Chair of the Board



Ronnie Clawson
Chair of Audit and Risk
Committee



Catherine Farrington
Company Secretary

Independent Auditor's Report to the Members of First Choice Homes Oldham Limited

Opinion

We have audited the financial statements of First Choice Homes Oldham Limited (the "Association") and its subsidiary (the "Group") for the year ended 31 March 2026 which comprise Consolidated and Association Statement of Comprehensive Income, the Consolidated and Association Statement of Financial Position, the Consolidated and Association Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the Association's affairs as at 31 March 2026 and of the group's deficit 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 Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from January 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 group 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 as applied to listed public interest entities, 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 Group's or Parent 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 annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (continued)

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:

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

Responsibilities of the Board for the financial statements

As explained more fully in the Board's responsibilities statement set out on page 32, 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 Group's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or the Association or to cease operations, or has 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.

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

We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Group and Parent Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England together with the Housing SORP, along with the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group and Parent Association's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group and Parent Association for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, health and safety, taxation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Group and Parent Association and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of other income and non-social housing income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Group Audit

and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and other income and non-social housing income, reviewing accounting estimates for biases, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

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

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
St Georges House
56 Peter St
Manchester
M2 3NQ

Date: 24 September 2026

Consolidated statement of comprehensive income

For the year ended 31 March 2026		Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
	Note:		
Turnover	2	71,530	69,758
Operating costs recurring	2	(60,453)	(58,613)
Operating costs GMPF pension exit settlement charge	3	(20,757)	-
Surplus on disposal of housing properties	2	4,217	1,869
Operating (deficit)/surplus		(5,463)	13,014
Interest receivable and similar income	7	670	1,274
Interest and financing costs	6	(3,473)	(3,217)
Movement in fair value of financial instruments	26	67	-
(Deficit)/Surplus before taxation		(8,199)	11,071
Taxation on surplus	9	-	-
(Deficit)/Surplus for the financial year after taxation		(8,199)	11,071
Other comprehensive income:			
Actuarial gain/(loss) on defined benefit pension scheme	12	22,290	(1,271)
Change in fair value of hedged financial instruments	26	83	184
Total comprehensive income for year		14,174	9,984

The consolidated results relate wholly to continuing activities.

The accompanying notes on pages 42 to 75 form part of these financial statements.

Association statement of comprehensive income

For the year ended 31 March 2026		Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
	Note:		
Turnover	2	71,530	69,758
Operating costs recurring	2	(60,435)	(58,602)
Operating costs GMPF pension exit settlement charge	3	(20,757)	0
Surplus on disposal of housing properties	2	4,217	1,869
Operating (deficit)/surplus		(5,445)	13,025
Interest receivable and similar income	7	670	1,274
Interest and financing costs	6	(3,473)	(3,217)
Qualifying charitable donation from subsidiary	9	298	461
Movement in fair value of financial instruments	26	67	-
(Deficit)/Surplus before taxation		(7,883)	11,543
Taxation on surplus	9	-	-
(Deficit)/Surplus for the financial year after taxation		(7,883)	11,543
Other comprehensive (loss)/income:			
Actuarial gain/loss on defined benefit pension scheme	12	22,290	(1,271)
Change in fair value of hedged financial instruments	26	83	184
Total comprehensive income for year		14,490	10,456

The association's results relate to continuing operations.

The accompanying notes on pages 42 to 75 form part of these financial statements.

Consolidated and Association statement of financial position

As at 31 March 2026

	Note:	2026 £'000 Group	2025 £'000 Group	2026 £'000 Association	2025 £'000 Association
Tangible Fixed assets					
Housing properties	13	297,250	282,158	299,326	284,125
Other fixed assets	14	9,534	9,446	9,534	9,446
		306,784	291,604	308,860	293,571
Current Assets					
Properties held for sale	15	327	3,453	327	3,453
Debtors - receivable after one year	16	626	477	626	477
Debtors - receivable within one year	16	13,964	15,443	13,943	15,467
Cash and cash equivalents		5,388	4,513	4,444	3,082
		20,305	23,885	19,340	22,479
Creditors: amounts falling due within one year	17	(19,418)	(19,559)	(18,545)	(18,453)
Net current assets		887	4,327	795	4,026
Total assets less current liabilities		307,671	295,930	309,655	297,597
Creditors: amounts falling due after more than one year	18	(119,262)	(114,825)	(119,262)	(114,825)
Provisions for liabilities					
Other provisions	21	-	(6,869)	-	(6,869)
Pension liability	12	-	-	-	-
Total net assets		188,410	174,236	190,393	175,903
Capital and reserves					
Income and expenditure reserve		188,410	174,236	190,393	175,903
Cash flow hedge reserve	26	-	-	-	-
Total reserves		188,410	174,236	190,393	175,903

The financial statements were issued and approved by the Board of Directors on 23 September 2026 and were signed on its behalf by:



Amanda Harris
Chair



Ronnie Clawson
Chair of Audit and Risk Committee



Catherine Farrington
Company Secretary

The accompanying notes on pages 42 to 75 form part of these financial statements.

Consolidated statement of changes in reserves

	Note:	Income and expenditure reserve	Total
For the year ended 31 March 2026		£'000	£'000
Balance as April 2024		164,252	164,252
Surplus for the year		11,071	11,071
Other Comprehensive Income for the year			
Actuarial loss relating to defined benefit pension scheme	12	(1,271)	(1,271)
Change in Fair Value of hedged financial instruments	26	184	184
Balance as 31 March 2025		174,236	174,236
Deficit for the year		(8,199)	(8,199)
Other Comprehensive Income for the year:			
Actuarial gain relating to defined benefit pension scheme	12	22,290	22,290
Change in Fair Value of hedged financial instruments	26	83	83
Balance as 31 March 2026		188,410	188,410

The accompanying notes on pages 42 to 75 form part of these financial statements.

Association statement of changes in reserves

	Note:	Income and expenditure reserve	Total
For the year ended 31 March 2026		£'000	£'000
Balance as April 2024		165,447	165,447
Surplus for the year		11,543	11,543
Other Comprehensive Income for the year			
Actuarial loss relating to defined benefit pension scheme	12	(1,271)	(1,271)
Change in Fair Value of hedged financial instruments	26	184	184
Balance as 31 March 2025		175,903	175,903
Deficit for the year		(7,883)	(7,883)
Other Comprehensive Income for the year:			
Actuarial gain relating to defined benefit pension scheme	12	22,290	22,290
Change in Fair Value of hedged financial instruments	26	83	83
Balance as 31 March 2026		190,393	190,393

The accompanying notes on pages 42 to 75 form part of these financial statements.

Consolidated statement of cash flows

Group

	2026	2025
For the year ended 31 March 2026	£'000	£'000
Cash flows from operating activities		
Surplus for the financial year	(8,199)	11,071
Adjustments for:		
Interest payable and finance costs	3,473	3,217
Interest received	(670)	(1,274)
Depreciation on tangible fixed assets - housing properties	8,791	8,108
Depreciation on fixed assets - other	443	433
Amortised Grant & Other Grants	(451)	(741)
Surplus on the sale of fixed assets - housing properties	(4,217)	(1,869)
Impairment Charge	1,082	
(Increase)/decrease in trade and other debtors	(5,538)	(198)
Properties for sale - stock	3,126	2,940
Increase/(decrease) in trade and other creditors	(129)	4,245
Fair Value hedge movements	83	184
Difference between net pension expense and cash contribution	20,254	(1,271)
GMPF Exit Credit Received	2,036	
Net cash generated from operating activities	20,085	24,845
Cash flows from investing activities		
Proceeds from sale of fixed assets - housing properties	5,959	3,000
Purchase of fixed assets - housing properties	(26,783)	(28,779)
Purchase of fixed assets - other	(530)	(619)
Receipt of SHF grant	6,244	3,480
Interest received	167	1,274
Net cash used in investing activities	(14,943)	(21,644)
Cash flows from financing activities		
Interest paid	(3,473)	(3,217)
Loan advances received	9,500	3,500
Loan refinancing costs	(297)	57
Repayment of loans - bank	(10,500)	(2,000)
Interest Received in respect of Pension Scheme Cessation	503	-
Net cash generated in financing activities	(4,267)	(1,660)
Net change in cash and cash equivalents	875	1,541
Cash and cash equivalents at beginning of the year	4,513	2,972
Net cash movement	875	1,541
Cash and cash equivalents at end of the year	5,388	4,513

The accompanying notes on pages 42 to 75 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2026

Note 1: Legal status

The association (FCHO) is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a social housing provider. The association is a Public Benefit Entity (PBE) and is incorporated in England and Wales.

FCHO has two subsidiaries; New Living Homes Ltd a registered company under the Companies Act which develops new affordable housing for the group and First Choice Homes Ltd which is currently dormant.

The Group's registered office is First Place, 22 Union Street, Oldham OL1 1BE.

Note 2: Accounting Policies

These financial statements of the group and association have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS102), the Statement of Recommended Practice for registered housing providers: Housing SORP 2018 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

- Financial instruments disclosures, including:
 - Categories of financial instruments,
 - Items of income and expenses gains or losses relating to financial instruments, and
 - Exposure to management of financial risks
- No statement of cash flows has been presented for the parent company.
- Disclosures in respect of the parent company's financial instruments have been presented as equivalent disclosures and have been provided in respect of the group as a whole.

The financial statements are presented in sterling (£) and rounded to the nearest thousand pounds.

Going Concern

FCHO's business activities, its current financial position, and factors likely to affect its future development are set out within the Strategic Report. The assessment of the principal risks faced by FCHO, including significant risk exposures are considered in the preceding segments of this report. FCHO has demonstrated strong Value for Money Metrics, significant headroom within loan covenants, strong income collection rates, which led to the Board's judgement that FCHO has a financially strong Business Plan, including mitigations which display resilience to respond to stress scenarios. These results demonstrate FCHO remains financially viable.

After making enquires, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

In concluding this view, the Board fully appraised the changing business environment facing FCHO, has considered the financial projections within the Business Plan, the results of stress testing of the Business Plan and assessed the strategic risks faced by FCHO and the means available to mitigate these risks.

Significant judgements and estimates

The preparation of financial statements in compliance with FRS102 requires the Group management to make judgements, estimates and assumptions that effect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimations means that actual outcomes could differ from those estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

Significant management judgements

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

1. Impairment - whether there are indications of impairment of FCHO's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the assets and where it is a component of a larger cash-generating unit, the viability

Notes to the financial statements for the year ended 31 March 2026

Note 2: Accounting Policies (continued)

and expected future performance of that unit. Based on our review there has been impairment recognised this year, details are provided in Note 13.

2. Capitalisation of property development costs – the appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to shared ownership properties between current and fixed assets.
3. Classification of Loans – the group has reviewed the terms of the loan agreements in accordance with the requirements of FRS 102 which have been categorised as basic. In addition, the Association has one interest rate swap which has been assessed as non-basic under the criteria of FRS 102, section 11.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses is provided below:

1. Tangible fixed assets - are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing assets lives, factors such as product life cycles and maintenance programmes are considered (which may require more frequent replacement of key components). Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Basis of consolidation

The Consolidated Financial Statements includes FCHO Registered provider of social housing and its subsidiary New Living Homes Limited (together the Group). All intercompany transactions and balances between the group companies are eliminated in full on consolidation.

Turnover and revenue recognition

Income is measured at the fair value of the consideration received or receivable. The group generates the following material income streams:

- rental income receivable (after deducting lost rent from void properties available for letting)
- first tranche sales of Low-Cost Home Ownership
- service charge receivable
- proceeds from the sale of housing property

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from tranche sales is recognised at the point of legal completion of the sale.

Service charges

The group adopts the fixed method for calculating and charging service charges to its tenants. Expenditure is recorded when a service is provided and charged to the relevant service charge account. Income is recorded based on the estimated amounts chargeable there is no allowance for the surplus or deficit being recovered from the previous years.

For leaseholders and shared owners, the group adopts the variable method for calculating and charging service charges. Expenditure is recorded when a service is provided and charged to the relevant service charge account. An estimate of the costs for the forthcoming year is made and income from leaseholders and shared owners during the year is based on these estimated amounts. At the end of the financial year a comparison is made between the actual costs and the estimated costs with any surplus or deficit being credited or recovered in the following year.

Qualifying Charitable Donation Scheme (previously described as Gift Aid)

Donations received under this scheme by the parent company, from its subsidiary are recognised in the Associations SOCI, as it relates to the principal activities of the association and is eliminated on consolidation.

Notes to the financial statements for the year ended 31 March 2026

Note 2: Accounting Policies (continued)

Current and deferred taxation

The Association has been granted exemption from taxation under the provision of Part 11 of the Corporation Tax Act 2010.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

New Living Homes Limited makes profits which it intends to Gift to the association annually within 9 months of its year-end to eliminate any taxable profits.

Value Added Tax VAT

The group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. At the year-end VAT recoverable or payable is included in the statement of financial position.

Interest Payable

Interest costs associated with the financing of housing construction contracts are capitalised. The interest rate used is the average borrowing rate in the year and this rate is applied to the expenditure during the course of construction of the property, up to the date of property handover.

Other Interest Payable is charged to the Statement of Comprehensive Income in the year.

Holiday pay accrual

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

Leasing Commitments

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on an accrual's basis over the term of the lease.

Housing Properties Valuation

Housing properties are stated at cost, less accumulated depreciation, and impairment (where applicable). Housing Properties under construction are stated at cost and are not depreciated until they are completed and ready for use to ensure that they are depreciated only in the periods in which economic benefits are expected to be consumed. These are reclassified as housing properties on practical completion of construction. Costs include the cost of acquiring land and buildings, development costs, interest charges incurred during the development period. Freehold land is not depreciated.

Associated professional fees and development staff costs are capitalised to the extent that those staff are working on development schemes.

Housing properties are split between the structure and the major components which require periodic replacement, each component is accounted for separately and depreciated over its individual useful economic life. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred. The housing stock's useful and economic life will be reassessed on an annual basis.

Gains and losses on disposal of housing properties are determined by comparing the proceeds with the carrying amount and incidental costs of sales and recognised within gains/loss on disposal of fixed assets in the Statement of Comprehensive Income.

Notes to the financial statements for the year ended 31 March 2026

Note 2: Accounting Policies (continued)

Shared ownership properties and staircasing

Expenditure on shared ownership properties is split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover, and the remaining element is classed as fixed assets and included in housing properties at cost, less any provisions needed for depreciation or impairment. Sales of subsequent tranches are treated as a part disposal within surplus on sale of fixed assets. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in arriving at the surplus or deficit.

Improvements to housing properties and depreciation

The group will capitalise repairs expenditure on housing properties which results in an enhancement of economic benefit of the asset. This includes:

- An increase in rental income
- A reduction in maintenance costs
- A significant extension of the life of the property

In line with the Statement of Recommended Practice (SORP 2018), the Group adopts component accounting, i.e., that where assets have two or more major components with substantially different lives, then the assets will be treated as separate components and depreciated over the different lives.

Housing Property Components are identified as and depreciated as follows:

Component	UEL (Years)
Roof	40
Window & Doors	30
Kitchen	20
Bathroom	30
Heating System	30
Communal	30
Environmental	30
Boiler	15
Electrical Wiring	30
Lift	15
Structure - existing properties	80
Structure - new build	100
Structural Works	30

The improvement works are capitalised at the end of the project. The depreciation will commence at the date of capitalisation and will be then calculated over the economic life of the improvements.

Any costs that are capitalised under the Improvement Programme comprise all expenditure on doors, windows, roofs, kitchens, bathrooms and heating systems, including: fees, preliminary costs and any other associated costs, but excluding any loan interest payments. Environmental works are capitalised if they meet the value threshold, useful economic life (UEL) and can be directly attributable to a block or individual property.

All other expenditure incurred in respect of general repairs to its housing stock will be charged directly to the Statement of Comprehensive Income in the year in which it is incurred.

Impairment

The housing property portfolio for the group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified than a detailed assessment is undertaken to compare the carrying amount of assets or Cash Generating Units (CGUs) for which impairment is indicated to their recoverable amounts.

Notes to the financial statements for the year ended 31 March 2026

Note 2: Accounting Policies (continued)

An options 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. A detailed assessment is undertaken to compare the fair value less costs to sell to the Existing Use Value for Social Housing (EUV-SH). EUV-SH is used as the estimate of the recoverable amount of the property. If this is lower than the net book value, the CGUs are then assessed for their value in use by calculating a Depreciated Replacement Cost (DRC) for these assets.

The DRC will be based upon the lower of:

- the cost of constructing an equivalent asset on the same site together with the original land costs; or
- the cost of acquiring an equivalent asset on the open market.

The Group defines cash generating units as schemes except where its schemes are not sufficiently large enough in size or where geographically sensible to group schemes into larger CGU's. Where housing properties have suffered a permanent diminution in value, the fall in value is recorded through a charge to the Statement of Comprehensive Income.

Social Housing Grant and other government grants

Where developments have been financed wholly or partly by Social Housing Grant (SHG) receivable from the Regulator of Social Housing and Local Authorities, the amount of the grant received has been included as deferred income and recognised in the Statement of Comprehensive Income over the estimated useful life of the associated asset structure and, where applicable, its individual components (excluding land) under the accruals model. When SHG received in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability. SHG received in respect of revenue expenditure is credited to the Statement of Comprehensive Income over the same period as the expenditure to which it relates once performance-related conditions have been met.

SHG is subordinated to the repayment of loans by agreement with the Regulator of Social Housing and Local Authorities. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund included in the Statement of Financial Position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income.

Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as Turnover in the same period as the expenditure to which they relate.

Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, the Regulator of Social Housing can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the Statement of Financial Position under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Sinking funds – service charges

Charges made to leaseholders for the replacement of equipment and major repairs within their estates are held in a sinking fund account which are ring-fenced for use on those estates. These charges are credited to a Sinking Fund included in the Statement of Financial Position in creditors.

Notes to the financial statements for the year ended 31 March 2026

Note 2: Accounting Policies (continued)

Depreciation of other fixed assets

Other Fixed Assets are measured at historical cost less accumulated depreciation. Depreciation is charged evenly on a straight-line basis over the expected useful lives of the other fixed assets. No depreciation is provided on freehold land. Costs over £1,000 will be capitalised and depreciated as follows:

Other Fixed Assets	UEL (Years)
Office Premises	80
Plant & Machinery	3 - 7
Office & Computer Equipment	3 - 5
Furniture, Fixtures & Fittings	4
Vehicles	5
Community Assets	30
Lift	15

Gains or losses arising on the disposal of other tangible fixed assets are determined by comparing the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the operating surplus/deficit for the year.

Stock

Stock represents work in progress relating to Shared Ownership properties. For Shared Ownership properties the value held as stock is the estimated cost to be sold as a first tranche.

Stock is stated at cost. Costs comprise of materials, direct labour, and direct development overheads. An assessment of whether there is any impairment is made at each reporting date. Where an impairment loss is identified, it is immediately recognised in the Statement of Consolidated Income.

On disposal, sales proceeds are included in turnover and the costs of sales, including costs incurred in the development of the properties, marketing and other incidental costs are included in operating expenses.

Short-term debtors and creditors

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

Pension costs

Contributions to the group's defined contributions pension scheme are charged to the income and expenditure account within the year in which they become payable. This pension scheme ceased on 2 July 2025, and no obligations are provided for in the accounts in this financial year in other comprehensive income.

The Group participates in a defined contribution scheme contributions payable under this scheme are charged in the Statement of Comprehensive Income in the period to which they are incurred.

Bad Debts and Write-Offs

Bad debts will be charged to the Statement of Comprehensive Income in the year in which they are incurred. A provision for bad and doubtful debts will be made on an estimation of those debts that will not be recovered at the balance sheet date.

Notes to the financial statements for the year ended 31 March 2026

Note 2: Accounting Policies (continued)

In respect of rental debtors, provision is made on the following basis:

- (a) Current tenants at varying percentages dependant on value of the debt based on a bespoke calculation using the current tenant arrears.
- (b) Former tenants at 100% of the debt.

In respect of other debtors, provision is made for specific debtor balances.

Provisions

Provisions are made to the extent that the group has no discretion to avoid the expenditure provided for. Provisions are calculated in line with the guidance contained in FRS102.

Agreement to improve existing properties.

FCHO has an approved VAT Shelter agreement for 15 years post stock transfer with Oldham Metropolitan Borough Council (OMBC) and as a result VAT incurred on the Regeneration Programme is fully recoverable, with a 50% proportion then repayable to the Council. Related assets and liabilities are shown at gross values. This agreement came to an end in March 2026.

Cash and cash equivalents

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

Financial instruments – classification as ‘basic’ or ‘other’

Following the adoption of FRS102 in the preparation of these financial statements it was necessary to consider whether any of the group’s financial instruments met the definition of ‘other’ as defined in Section 11 of FRS 102. In particular it was necessary to consider the terms of the group’s loan agreements and assess features such as how interest rates payable are determined, any lender optionality written into the agreements and any elements of the loan agreement that could substantially change due to conditions of the control of the group.

Non-basic financial instruments include derivatives, such as interest rate swaps. The interest rate swaps are valued using the clean mark-to-market valuation method, which excludes any accrued interest. These instruments are recognised on the Statement of Financial Position at fair value, with changes in value recognised through the Statement of Comprehensive Income. At the end of each financial year, they are revalued to fair value, and any gain or loss recognised in the Income Statement unless hedge accounting applies.

Notes to the financial statements for the year ended

31 March 2026

Note 2a: Particulars of turnover, cost of sales, operating costs and operating surplus - Group

	Turnover	Operating expenditure	Operating Surplus/(Deficit)
	2026	2026	2026
	£'000	£'000	£'000
Social housing lettings (note 3)	64,654	(75,896)	(11,242)
Other social housing activities			
Management fee	198	(121)	77
First tranche low-cost home ownership sales	4,515	(3,960)	555
Development administration	-	(597)	(597)
Other	1,246	(449)	797
Total	5,959	(5,127)	832
Activities other than Social Housing			
Other	917	(187)	730
Total	71,530	(81,210)	(9,680)
Surplus on disposal of fixed assets			4,217
	<u>71,530</u>	<u>(81,210)</u>	<u>(5,463)</u>

Note 2b: Operating costs GMPF settlement charge

Operating Surplus/(Deficit) pre pension settlement	Pension settlement	Operating Surplus/(Deficit) post pension settlement
2026	2026	2026
£'000	£'000	£'000
15,294	(20,757)	(5,463)

FCHO ceased participation in the Greater Manchester Pension Fund on 2 July 2025, the effect of settlement totalled (£20,757) was recognised in Statement of Comprehensive Income.

**Notes to the financial statements for the year ended
31 March 2026**

Note 2a: Particulars of turnover, cost of sales, operating costs and operating surplus – Group

	Turnover 2025 £'000	Operating expenditure 2025 £'000	Operating Surplus/(Deficit) 2025 £'000
Social housing lettings (note 3)	61,552	(51,701)	9,851
Other social housing activities			
Management fee	202	(138)	64
First tranche low-cost home ownership sales	6,631	(5,943)	688
Development administration	-	(194)	(194)
Other	626	(398)	228
Total	7,459	(6,673)	786
Activities other than Social Housing			
Other	747	(239)	508
Total	69,758	(58,613)	11,145
Surplus on disposal of fixed assets			1,869
	<u>69,758</u>	<u>(58,613)</u>	<u>13,014</u>

**Notes to the financial statements for the year ended
31 March 2026**

Note 2: Particulars of turnover, cost of sales, operating costs, and operating surplus - Association

	Turnover	Operating expenditure	Operating Surplus/(Deficit)
	2026	2026	2026
	£'000	£'000	£'000
Social housing lettings (note 3)	64,654	(75,878)	(11,224)
Other social housing activities			
Management fee	198	(121)	77
First tranche low-cost home ownership sales	4,515	(3,960)	555
Development administration	-	(597)	(597)
Other	1,246	(449)	797
Total	5,959	(5,127)	832
Activities other than Social Housing			
Other	917	(187)	730
Total	71,530	(81,192)	(9,662)
Surplus on disposal of fixed assets			4,217
	<u>71,530</u>	<u>(81,192)</u>	<u>(5,445)</u>

Note 2b: Operating costs GMPF settlement charge

Operating Surplus/(Deficit) pre pension settlement	Pension settlement	Operating Surplus/(Deficit) post pension settlement
15,312	20,757	(5,445)
<u>15,312</u>	<u>20,757</u>	<u>(5,445)</u>

FCHO ceased participation in the Greater Manchester Pension Fund on 2 July 2025, the effect of settlement totalled (£20,757) was recognised in Statement of Comprehensive Income.

**Notes to the financial statements for the year ended
31 March 2026**

Note 2a: Particulars of turnover, cost of sales, operating costs and operating surplus - Association

	Turnover	Operating expenditure	Operating Surplus/(Deficit)
	2025	2025	2025
	£'000	£'000	£'000
Social housing lettings (note 3)	61,552	(51,690)	9,862
Other social housing activities			
Management fee	202	(138)	64
First tranche low-cost home ownership sales	6,631	(5,943)	688
Development administration	-	(194)	(194)
Other	626	(398)	228
Total	7,459	(6,673)	786
Activities other than Social Housing			
Other	747	(239)	508
Total	69,758	(58,602)	11,156
Surplus on disposal of fixed assets			1,869
	<u>69,758</u>	<u>(58,602)</u>	<u>13,025</u>

**Notes to the financial statements for the year ended
31 March 2026**

Note 3: Particulars of income and expenditure from social housing lettings - Group

	2026			2025
	General Needs Housing	Shared Ownership	Total	Total
	£'000	£'000	£'000	£'000
Income from social housing lettings				
Rent receivable net of identifiable service charges	58,805	695	59,500	57,449
Service charge income	3,443	54	3,497	3,263
Amortised government grants	451	-	451	353
Other grants	1,206	-	1,206	487
Turnover from social housing lettings	63,905	749	64,654	61,552
Expenditure on social housing lettings				
Management	(17,191)	(19)	(17,210)	(16,566)
Service charge costs	(4,902)	(49)	(4,951)	(4,851)
Routine maintenance	(11,237)	(62)	(11,299)	(11,728)
Planned maintenance	(4,955)	-	(4,955)	(4,408)
Bad debts	(487)	-	(487)	(439)
Major repairs expenditure	(5,921)	-	(5,921)	(5,167)
Depreciation of housing properties	(9,234)	-	(9,234)	(8,542)
Impairment Costs	(1,082)	-	(1,082)	-
Exceptional item pension exit settlement charge	(20,757)	-	(20,757)	-
Operating expenditure on social housing lettings	(75,766)	(130)	(75,896)	(51,701)
Operating Surplus on Social Housing Lettings	(11,861)	619	(11,242)	9,851
Void Losses	782	-	782	703

**Notes to the financial statements for the year ended
31 March 2026**

Note 3: Particulars of income and expenditure from social housing lettings - Association

	2026			2025
	General Needs Housing	Shared Ownership	Total	Total
	£'000	£'000	£'000	£'000
Income from social housing lettings				
Rent receivable net of identifiable service charges	58,805	695	59,500	57,449
Service charge income	3,443	54	3,497	3,263
Amortised government grants	451	-	451	353
Other grants	1,206	-	1,206	487
Turnover from social housing lettings	63,905	749	64,654	61,552
Expenditure on social housing lettings				
Management	(17,173)	(19)	(17,192)	(16,555)
Service charge costs	(4,902)	(49)	(4,951)	(4,851)
Routine maintenance	(11,237)	(62)	(11,299)	(11,728)
Planned maintenance	(4,955)	-	(4,955)	(4,408)
Bad debts	(487)	-	(487)	(439)
Major repairs expenditure	(5,921)	-	(5,921)	(5,167)
Depreciation of housing properties	(9,234)	-	(9,234)	(8,542)
Impairment Costs	(1,082)	-	(1,082)	-
Exceptional item pension exit settlement charge	(20,757)	-	(20,757)	-
Operating expenditure on social housing lettings	(75,748)	(130)	(75,878)	(51,690)
Operating Surplus on Social Housing Lettings	(11,843)	619	(11,224)	9,862
Void Losses	782	-	782	703

**Notes to the financial statements for the year ended
31 March 2026**

Note 4: Operating Surplus	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
The operating surplus is arrived at after charging:				
Tangible fixed assets depreciation and impairment:				
Housing stock	8,353	7,883	8,353	7,883
Accelerated depreciation on replaced components	438	226	438	226
Impairment of housing properties	1,082	-	1,082	-
Other fixed assets	443	433	443	433
Auditor's remuneration (excluding VAT):				
Fees payable for the audit of the parent and Group financial statements	53	41	53	32
Fees payable for other non-audit services	9	7	9	5
Operating lease charges:				
Land and buildings	38	36	38	36
Other fixed assets	660	634	660	634
	<u>660</u>	<u>634</u>	<u>660</u>	<u>634</u>
Note 5: Surplus on sale of fixed assets - housing properties	Shared Ownership	Other housing properties	Total	Total
Group and Association	2026 £'000	2026 £'000	2026 £'000	2025 £'000
Disposal proceeds	239	5,720	5,959	3,000
Carrying value of fixed assets	(275)	(1,467)	(1,742)	(1,131)
	(36)	4,253	4,217	1,869
Recycled Capital Grant (note 20)	-	-	-	-
Total surplus on sale of fixed assets	<u>(36)</u>	<u>4,253</u>	<u>4,217</u>	<u>1,869</u>

Notes to the financial statements for the year ended 31 March 2026

Note 6: Interest payable and similar charges

Group and Association	2026 £'000	2025 £'000
Bank loans and overdrafts	(3,942)	(4,188)
Other finance costs	(351)	(337)
Disposal Proceeds Fund & Recycled Capital Grant	(2)	(2)
Net interest on net defined benefit pension liability (note 12)	-	-
	(4,295)	(4,527)
Interest payable capitalised on housing properties under construction	822	1,310
	(3,473)	(3,217)
Capitalised rate used to determine the finance costs capitalised during the period	5.80%	6.12%

Note 7: Interest receivable and other income

Group and Association	2026 £'000	2025 £'000
Interest receivable and similar income	167	158
Net interest on net defined benefit pension liability (note 12)	503	799
	670	957

The Net interest on net defined pension liability is shown under interest receivable due to this being a net income figure.

**Notes to the financial statements for the year ended
31 March 2026**

Note 8: Units of housing stock

Group and Association	2026	2025
	No. of properties	No of properties
Social Housing	9,942	10,058
Affordable - General needs	1,318	1,252
Low-cost home ownership	180	163
Intermediate rent	124	127
Total Owned	11,564	11,600
Developed in the period	90	156
Acquired in the period	-	6
Right to Buys in the period	(100)	(32)
Right to Acquires in the period	(21)	(13)
Full staircasing	(2)	(1)
Rent to Buys in the period	(3)	-
Movement in period	(36)	95
Units under construction	121	175

Note 9: Tax on surplus on ordinary activities

The Group will not incur a tax charge in the year as FCHO has been granted exemption from taxation under the provision of Section 505 of the income and Corporation Taxes Act 1988 because of its charitable status.

The Association received a qualifying charitable donation of £298k in the period ended 31 March 2026 (2025: £460k). New Living Homes Ltd intends to make a qualifying charitable donation payment to FCHO within 9 months of the year end to eliminate any taxable profits.

Notes to the financial statements for the year ended 31 March 2026

Note 10: Directors remuneration

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
The aggregate emoluments paid to or receivable by non-executive directors and former non-executive directors excluding pension contributions	109	80	109	80
The aggregate emoluments paid to or receivable by executive directors and former executive directors excluding pension contributions	710	960	710	960
The emoluments paid to the highest paid director excluding pension contributions	182	164	182	164
The aggregate amount of directors or past directors pensions	118	100	118	100

The emoluments of the highest paid Director are equivalent to £14.88 per social housing unit

Directors are defined as, Non-Executive Directors, Chief Executive and the Executive Management Team. These are considered to be the key management personnel of the association.

The aggregate remuneration for key management personal is equivalent to £70.23 per social housing unit

The Chief Executive is a member of the Association's Group Pension Scheme; the entitlement of the Chief Executive is identical to those of other members no enhanced or special terms apply.

**Notes to the financial statements for the year ended
31 March 2026**

Note 10b: Directors remuneration continued

Board Members

The table below shows emoluments paid to the Board of FCHO during the discharge of their duties.

	2026	2025	Current Member of:					
Board members	£'000 Remuneration	£'000 Remuneration	Group Board	Audit & Risk Committee	People & Governance Committee	Investment & Development Committee	Customer & Communities Committee	New Living Homes Board
Board member								
Amanda Harris	15	15	X		X			
Ronnie Clawson	9	8	X	X				
Hilda Kaponda	-	7	X	X	X			
Emma Richman	9	8	X				X	
Ronald Smith	-	3	X		X	X		
Jean Mira	9	7	X	X	X			
Charlie Dunn	9	7	X			X		X
Collette King	1	-	X					
Margaret Goddard	3	3				X		X
Sabihah Khalil	-	4	X					
Kal Akhtar	7	6	X	X		X		
Simon Morris	7	6	X	X		X		X
Oliver Goldring	7	6	X		X			
Ade Alao	7	-	X			X		
Sarfaraz Akram	6	-	X	X				
Jackie Njoroge	6	-	X				X	
Gareth Rigby	1	-	X					
Gary Buckley	3	-					X	
Tracy Dixon	3	-					X	
Keith Barnes	1	-					X	
Imran Ghafoor	3	-					X	
Lee Bolton	3	-					X	
Scott Rutherford	1	-				X		
	<u>109</u>	<u>80</u>						

The aggregate amount of expenses paid to Board members in the period was £1,563 (£1,433 in 2025).

Notes to the financial statements for the year ended 31 March 2026

Note 11: Employee Information

The average number of persons employed during the year expressed as full-time equivalents (calculated based on a standard working week of 37 hrs):

	Group	Group	Association	Association
	2026	2025	2026	2025
	No.	No.	No.	No.
Housing maintenance	135	123	135	123
Housing management	145	134	145	134
Support services	22	25	22	25
Development	8	9	8	9
Other services	88	71	88	71
	<u>398</u>	<u>362</u>	<u>398</u>	<u>362</u>

Staff costs (including Executive Management Team) consist of:

	Group	Group	Association	Association
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Wages and salaries	16,290	14,340	16,290	14,340
Social Security costs	1,981	1,413	1,981	1,413
Cost of defined benefit scheme	21,025	960	21,025	960
Cost of defined contribution scheme	2,202	984	2,202	984
	<u>41,498</u>	<u>17,697</u>	<u>41,498</u>	<u>17,697</u>

Employers & members contribution for the defined benefit scheme are shown in note 12.

The remuneration paid to staff (including the Executive Management Team) earning over £60,000 upwards:

Group and Association	2026	2025
£60,000 - £69,999	19	14
£70,000 - £79,999	8	8
£80,000 - £89,999	5	4
£90,000 - £99,999	-	-
£100,000 - £109,999	2	2
£110,000 - £119,999	-	1
£120,000 - £129,999	-	1
£130,000 - £139,999	1	-
£140,000 - £149,999	1	-
£150,000 - £159,999	2	1
£160,000 - £169,999	-	1
£170,000 - £179,999	-	-
£180,000 - £189,999	2	-
£190,000 - £199,999	1	-

Notes to the financial statements for the year ended 31 March 2026

Note 12: Pension obligations

Two pension schemes are operated by the association.

a) Defined benefit pension scheme - (employees with a start date pre 1 September 2015)

The association participated as a contributing member of the Greater Manchester Fund (administered by Oldham MBC in accordance with the Local Government Pension Fund Regulations), which is a funded defined pension scheme where contributions payable are held in trust held separately from the company, until 02 July 2025 when FCHO ceased participation of the fund.

The financial assumptions underlying the last valuation are as follows:

Date of valuation 02 July 2025

The valuation was based on the following assumptions:

	31 March 2026		31 March 2025
Rate of return on accumulated assets	0.00%	pa	5.80% pa
Rate of salary increases	Benefit Increases +0.8%	pa	3.55% pa
Rate of pension increases	Bank of England RPI Inflation Curve -1%*	pa	2.75% pa
Discount rate	Bank of England Yield curve	pa	5.80% pa

As at the date of the most recent valuation, the duration of the Employer funded liabilities is 20 years. *CPI has been derived by subtracting 1% pa from the Bank of England's RPI curve up to 31st March 2030 and 0.1% pa thereafter. In addition, allowance has been made for the effective minimum (floor) of 0.0% (these increases can never be negative).

Mortality

The average future life expectancies at age of 65 are summarised below:

	Males		Females
Current Pensioners	20.0 yrs		23.5 yrs
Future Pensioners *	21.7 yrs		25.7 yrs

* Figure assumes members aged 45 as at the last formal valuation date

	31 March 2026	31 March 2025
Split of Scheme Assets:	Distribution %	Distribution %
Equities	64%	65%
Bonds	18%	17%
Property	9%	9%
Cash	9%	9%
Total	100%	100%

Notes to the financial statements for the year ended 31 March 2026

Asset and Liability Reconciliation

	31 March 2026	31 March 2025
	£'000	£'000
Reconciliation of fair value of plan assets		
At the beginning of the year	92,112	88,591
Interest income	1,316	4,301
Contributions by members	74	316
Contributions by the employer	268	1,128
Actuarial gains / (losses)	650	(599)
Other experience	(581)	-
Benefits paid	(484)	(1,625)
Effect of Settlements	(91,319)	-
Liability transferred/settled with FCHO	(2,036)	-
At the end of the year	-	92,112
Reconciliation of present value of plan		
At the beginning of the year	56,939	66,150
Current Service Cost	147	849
Interest Cost	813	3,198
Contributions by members	74	316
Changes in financial assumptions	10,736	(11,380)
Past service cost (including curtailments)	-	111
Changes in demographic assumptions	1,859	(114)
Other experience	357	(566)
Estimated benefits paid	(484)	(1,625)
Effect of Settlements	(70,441)	-
At the end of the year	-	56,939
Net pension scheme asset/(liability)	-	35,173
Amounts recognised in Other Comprehensive Income are as follows:		
Included in administrative expenses:		
Current service cost	147	849
Past service cost (including curtailments)	-	111
Effect of Settlements	20,878	-
Total operating charge	21,025	960
Amounts (charged) / credited to other finance costs		
Interest income on plan assets	1,316	4,301
Interest on pension scheme liabilities	(813)	(3,198)
Net interest costs return	503	1,103
Analysis of actuarial (loss)/gain recognised in Other Comprehensive Income		
Actual return less interest income included in net interest income	650	(599)
Changes in demographic assumptions	(1,859)	114
Other experience	(938)	566
Changes in assumptions on present value of liabilities	(10,736)	11,380
Actuarial (loss)/gain in other comprehensive income	(12,883)	11,461
Actuarial (losses) / gains on defined benefit pension scheme	(12,883)	11,461
Reduction of asset to nil	33,137	(12,732)
	20,254	(1,271)

Notes to the financial statements for the year ended

31 March 2026

The scheme's closing position as at 02 July 2025, as shown in the cessation valuation report, resulted in a final credit payable of £2,036,000, which was received by the Association in December 2025. The present value of the funded obligation as at 31 March 2026 comprises of approximately £0, £0 and £0 in respect of employee members, deferred pensioners and pensioners.

The actual employer's contributions for the year to 31 March 2026 were £0.27m (2025 £1.13m).

b) Defined Contribution Scheme

A defined contribution pension scheme is operated by the association which commenced on the 1 October 2015 on behalf of those employees who started post 1 September 2015. The assets of the scheme are held separately from those of the association in an independently administered fund provided by Aviva. The pension charge represents contributions payable by the association to the fund and amounted to £2,202,123 (2025: £983,503). Contributions amounting to £nil (2025: £92,160) were payable to the fund as at 31 March 2026 and are included in creditors.

**Notes to the financial statements for the year ended
31 March 2026**

Note 13: Tangible fixed assets - Housing properties

Group	Social housing properties held for lettings	Social housing properties under construction	Shared ownership completed	Shared ownership under construction	Total Social housing properties
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2025	297,373	15,723	26,998	399	340,493
Replaced components	11,974	-	-	-	11,974
Interest capitalised	-	752	-	60	812
Additions - Development	-	11,981	-	1,998	13,979
Additions - Acquisitions	17	-	-	-	17
Completed schemes	13,097	(13,097)	2,607	(2,607)	-
Disposals - sales under RTB & RTA	(2,030)	-	-	-	(2,030)
Disposals - Staircasing sales	-	-	(281)	-	(281)
Disposals - replaced components	(438)	-	-	-	(438)
At 31 March 2026	319,993	15,359	29,324	(150)	364,526
Depreciation and impairment					
At 1 April 2025	57,992	-	344	-	58,336
Depreciation charge in year	8,648	-	232	-	8,880
Impairment charge in year	-	1,082	-	-	1,082
Disposals	(1,016)	-	(5)	-	(1,021)
At 31 March 2026	65,624	1,082	571	-	67,277
Net Book Value at 31 March 2026	254,369	14,277	28,753	(150)	297,250
Net Book Value at 31 March 2025	239,383	15,723	26,654	399	282,158

**Notes to the financial statements for the year ended
31 March 2026**

Note 13: Tangible fixed assets - Housing properties

Association

	Social housing properties held for lettings	Social housing properties under construction	Shared ownership completed	Shared ownership under construction	Total Social housing properties
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2025	297,373	17,338	27,069	680	342,461
Replaced components	11,974	-	-	-	11,974
Interest capitalised	-	752	-	60	812
Additions - Development	-	12,088	-	2,000	14,088
Additions - Acquisitions	17	-	-	-	17
Schemes completed	13,097	(13,097)	2,607	(2,607)	-
Disposals - sales under RTB & RTA	(2,030)	-	-	-	(2,030)
Disposals - Staircasing sales	-	-	(281)	-	(281)
Disposals - replaced components	(438)	-	-	-	(438)
At 31 March 2026	319,993	17,081	29,395	133	366,603
Depreciation and impairment					
At 1 April 2025	57,992	-	344	-	58,336
Depreciation charge in year	8,648	-	232	-	8,880
Impairment charge in year	-	1,082	-	-	1,082
Disposals	(1,016)	-	(5)	-	(1,021)
At 31 March 2026	65,624	1,082	571	-	67,277
Net Book Value at 31 March 2026	254,369	15,999	28,824	133	299,326
Net Book Value at 31 March 2025	239,383	17,338	26,725	680	284,125

Notes to the financial statements for the year ended 31 March 2026

Note 13: Tangible fixed assets - Housing properties (continued)

The net book value of housing properties may be further analysed as:

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Freehold	281,718	264,799	283,795	266,767
Long leasehold	16,617	17,359	16,617	17,359
	<u>298,335</u>	<u>282,158</u>	<u>300,412</u>	<u>284,126</u>

Works to existing properties in the year:

	2026 £'000	2025 £'000
Components capitalised	11,974	11,182
Amounts charged to income and expenditure	5,921	5,167
	<u>17,895</u>	<u>16,349</u>

Total Social Housing Grant received or receivable to date is as follows:

	2026 £'000	2025 £'000
Social Housing Grant received	55,631	49,100
Social Housing Grant received and held in creditors as deferred income	-	-
Capital grant - Housing Properties	55,631	49,100
Recycled Capital Grant Fund	174	58
Total Housing Grant received	<u>55,806</u>	<u>49,158</u>

Finance costs

	2026 £'000	2025 £'000
Cumulative amount of finance costs included in the cost of housing properties	5,143	4,331

Impairment

In accordance with FRS 102 and SORP 2018 the Group has reviewed its housing properties for indicators of impairment. This review identified material cost increases on two active developments: Smithybridge, comprising 14 affordable rent units, and Shaw Street, comprising 30 affordable rent units. As a result, an impairment charge of £1.08m has been recognised in the accounts (2025: £nil).

These assets have been impaired as part of the 2025/26 accounts, as follows:

	2026 £'000	2025 £'000
Cost	1,082	-
Accumulated Depreciation	-	-
Net Book Value	<u>1,082</u>	<u>-</u>

**Notes to the financial statements for the year ended
31 March 2026**

Note 14: Tangible fixed assets - Other assets

Group and Association

	Office buildings	Equipment	Vehicles	Fixtures & Fittings	Community Assets	Works in Progress	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2025	9,446	6,153	48	289	103	172	16,211
Additions	-	-	-	-	-	530	530
Transfers	-	691	-	-	-	(691)	-
Disposals	-	-	-	-	-	-	-
At 31 March 2026	<u>9,446</u>	<u>6,844</u>	<u>48</u>	<u>289</u>	<u>103</u>	<u>11</u>	<u>16,742</u>
Depreciation							
At 1 April 2025	1,062	5,545	48	100	10	-	6,765
Charge in the year	112	256	-	72	3	-	443
Disposal	-	-	-	-	-	-	-
At 31 March 2026	<u>1,174</u>	<u>5,801</u>	<u>48</u>	<u>172</u>	<u>13</u>	<u>-</u>	<u>7,208</u>
Net Book Value at 31 March 2026	<u>8,272</u>	<u>1,044</u>	<u>-</u>	<u>117</u>	<u>90</u>	<u>11</u>	<u>9,534</u>
Net Book Value at 31 March 2025	<u>8,384</u>	<u>608</u>	<u>-</u>	<u>189</u>	<u>93</u>	<u>172</u>	<u>9,446</u>

The net book value of office buildings may be further analysed as:

	2026	2025
	£'000	£'000
Long leasehold	8,272	8,384
	<u>8,272</u>	<u>8,384</u>

Notes to the financial statements for the year ended 31 March 2026

Note 15: Properties for Sale

Group and Association

	2026	2025
	£'000	£'000
Shared ownership properties:		
At 1st April 2025	3,453	6,393
Completed properties additions	651	2,353
Work in progress additions	27	484
Disposal	(3,804)	(5,777)
	327	3,453
Properties developed for outright sale	-	-
	327	3,453
At 31st March 2026		

**Notes to the financial statements for the year ended
31 March 2026**

Note 16: Debtors	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Due within one year				
Rental and service charge arrears	3,692	3,099	3,692	3,099
Less: Provision for bad and doubtful debts	(1,071)	(1,084)	(1,071)	(1,084)
	<u>2,621</u>	<u>2,015</u>	<u>2,621</u>	<u>2,015</u>
Trade debtors	361	121	359	121
Amounts owed by group undertakings	-	-	-	40
Prepayments & accrued income	2,094	3,240	2,094	3,240
Social housing grant receivable	2,008	2,136	2,008	2,136
Other taxes and social security	214	629	195	613
Deposits on purchased schemes	6,327	93	6,327	93
Other debtors	339	7,209	339	7,209
Total due within one year	<u>13,964</u>	<u>15,443</u>	<u>13,943</u>	<u>15,467</u>
Due after more than one year				
Other debtors	8	8	8	8
Interest rate swaps - derivate assets	618	469	618	469
Total Due after more than one year	<u>626</u>	<u>477</u>	<u>626</u>	<u>477</u>
Total debtors	<u><u>14,590</u></u>	<u><u>15,920</u></u>	<u><u>14,569</u></u>	<u><u>15,944</u></u>

The other debtors due after more than one year represents £nil (£nil in 2025) obligation to have improvement work carried out to the properties transferred to FCHO net of £nil (£6.868m in 2025) shown within other debtors due within one year. As part of the Stock Transfer Agreement, FCHO was obliged to carry out enhancement works to its housing stock valued at £229,792,273 excluding VAT. FCHO is contracted with Oldham Council to undertake this work over a 15 year period which came to an end early 2026.

Note 17: Creditors - Amounts falling due within one year	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Trade creditors	1,719	4,912	1,588	4,609
Social housing grant in advances	-	-	-	-
Rent & service charges received in advance	3,613	3,206	3,613	3,206
Amounts owed to group undertakings	-	42	1,240	1,885
Other taxation and social security	455	348	455	348
Oldham MBC - RTB Clawback	3,706	1,951	3,706	1,951
Accruals and deferred income	7,491	6,341	6,638	5,001
Deferred capital grant (note 19)	616	537	616	537
Disposal proceeds fund (note 19)	2	2	2	2
Recycled capital grant fund (note 19)	10	7	10	7
Other creditors	1,805	2,213	677	907
	<u><u>19,418</u></u>	<u><u>19,559</u></u>	<u><u>18,545</u></u>	<u><u>18,453</u></u>

Notes to the financial statements for the year ended 31 March 2026

Note 18: Creditors - Amounts falling due after more than one year

	Group	Group	Association	Association
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Loan and borrowings facility	69,791	71,089	69,791	71,089
Recycled Capital Grant (note 20)	232	203	232	203
Deferred Capital Grant	49,180	43,487	49,180	43,487
Other	59	46	59	46
	<u>119,262</u>	<u>114,825</u>	<u>119,262</u>	<u>114,825</u>

Analysis of maturity of debt - Group and Association

	2026	2025
	£'000	£'000
Housing loans repayable by instalments:		
In two years or more but less than five years	10,500	39,000
In five years or more	60,000	32,500
Total Loans	<u>70,500</u>	<u>71,500</u>

Security

The bank loans are secured by a floating charge over the assets of the association and by fixed charges on individual properties.

Terms of repayment and interest rates

There are currently four fixed loan amounts drawn down and a revolving credit facility (RCF's), the repayment dates and interest rates are as follows:

		Repayment date	Interest rate
Fix 1	- £6.5m	19/09/2035	4.91%
Fix 2	- £6.5m	19/09/2035	5.11%
Fix 3	- £6.0m	19/09/2035	3.58%
Fix 4	- £6.5m	19/09/2035	5.10%
Variable	- £14.5m	19/09/2035	Sonia +1.3%
RCF	- £10.5m	19/09/2030	Sonia +1.1%
IRS	- £20.0m	28/05/2032	3.62%

In December 2023, FCHO entered into an Interest Rate Swap (IRS). The agreement runs from the 19th December 2023 to the 30th May 2032.

Under the terms of the arrangement, FCHO will receive 3 month SONIA (Sterling Overnight Index Average) variable rate of interest and receive a fixed rate of 3.616%. For the year ended 31 March 2026 the impact of the movement in fair value of the derivative is £149k.

At 31 March 2026 the group had undrawn loan facilities of £39.5m (2025 - £23.5m).

Notes to the financial statements for the year ended 31 March 2026

Note 19: Deferred capital grant

Group and Association	Social Housing Grant	Other Government Grants	Total Grant 2026 £'000	Total Grant 2025 £'000
As at 1 April 2025	38,174	6,062	44,236	41,420
Grants received during the year	5,054	1,419	6,473	3,480
Net grant in relation to disposals	(214)	(4)	(218)	(311)
Released to income in the year	(363)	(88)	(451)	(353)
As at March 2026	42,651	7,389	50,040	44,236
			2026	2025
			£'000	£'000
Amounts to be released within one year			628	546
Amounts to be released in more than one year			49,412	43,690
			50,040	44,236

As at 31 March 2026, there is £nil due for repayment and £nil has been paid in the year.

Other Government Grants received from GMCA in relation to the West Vale, Belgrave Road, Bury Road and Greenhill Road schemes are secured by charged property deed in favour of the GMCA.

Note 20: Recycled capital grant fund

Group and Association	2026 £'000	2025 £'000
As at 1 April 2025	203	-
Grants recycled	229	226
Interest accrued	2	2
Recycling of grant: new build	(57)	(171)
Transfer of grant from other RPs	(146)	146
Other	-	-
Repayment of grant to the HCA	-	-
As at March 2026	232	203

As at 31 March 2026, there is £nil due for repayment and £nil has been paid in the year.

Notes to the financial statements for the year ended 31 March 2026

Note 21: Provision for liabilities

Group and Association	2026 £'000	2025 £'000
Opening Balance	6,869	20,300
Development Agreement Utilised	(6,869)	(13,431)
Closing balance	<u>-</u>	<u>6,869</u>

The provision represents the best estimate of the costs of contracted works for the repair and improvement of transferred properties incurred under the Development Agreement, contracted to complete the works over a 15 year period which came to an end in early 2026. (See note 16 for further details).

Note 22: Capital Commitment

	Group 2026 £'000	Group 2025 £'000
Capital expenditure that has been contracted for but not been provided for in the financial statements	<u>22,031</u>	<u>32,642</u>
Capital expenditure that has been authorised by the Board but has not yet been contracted for	<u>59,897</u>	<u>15,232</u>

The above commitments will be financed primarily through cash generation and borrowings (£67,057k), which are available for drawdown under the post year-end refinancing loan arrangements, with the balance (£14,871k) funded through social housing grant.

Note 23: Operating Leases

Group and Association

At the end of the year the Group and Association had minimum lease payments under non-cancellable leases as set out below:

	2026 £'000	2025 £'000
Land & Buildings		
Less than one year	38	38
Later than one year but not later than five years	<u>152</u>	<u>152</u>
Total	<u>190</u>	<u>190</u>
Other leases		
Less than one year	384	406
Later than one year but not later than five years	<u>168</u>	<u>177</u>
Total	<u>552</u>	<u>583</u>

Notes to the financial statements for the year ended 31 March 2026

Note 24: Investment in Subsidiary

FCHO is the Parent entity in the Group and ultimate controlling party. These financial statements consolidate the results of FCHO and New Living Homes Ltd which is a subsidiary of the association at the end of the financial year (New Living Homes Ltd was incorporated on the 20 October 2016). The association owns all the share capital and has the right to appoint members of the board of the subsidiary and thereby has ultimate control. The subsidiary is a regulated company which has the same registered office as the group.

Note 25: Related party disclosure

The ultimate controlling party of the group is FCHO - Registered social housing provider. There is no ultimate controlling party of FCHO.

As a member of the Group FCHO has had the following transactions with its subsidiary:

2025/26	Income	Expenditure	Debtors/(Creditors)
	£'000	£'000	£'000
New Living Homes Limited	701	(5,626)	(1,240)

The above transaction relates primarily to recharges in relation to staffing from FCHO to the subsidiary, also included within the transactions above are running costs FCHO incurs on its behalf in managing New Living Homes Ltd.

The association received a qualifying charitable donation payment of £0.298m in the period ended 31 March 2026 (2025: £0.460m).

No Board members of the Association are a tenant. One Board member was a tenant during the period ended 31 March 2025.

Board Member's tenancy arrangements are on normal commercial terms, and they are not able to use their position on the board to their advantage. Rent charged to the Tenant Board members was £nil (2025: £1,800). There are no arrears on their tenancies at the reporting period end (2025: £Nil).

Notes to the financial statements for the year ended 31 March 2026

Note 26: Financial Instruments

The Group's and Association financial instruments may be analysed as follows:

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Financial assets				
Fixed assets measured at historical cost:				
Trade receivables	361	121	359	121
Other receivables due within one year	11,509	12,082	11,490	12,107
Other receivables due after more than one year	626	477	626	477
Investments in short term deposits	-	-	-	-
Cash and cash equivalents	5,388	4,513	4,444	3,082
Total financial assets	<u>17,884</u>	<u>17,193</u>	<u>16,919</u>	<u>15,787</u>
Financial assets - measured at fair value through other comprehensive income				
Interest rate swaps	618	469	618	469
Financial liabilities				
Financial liabilities measured at amortised cost:				
Loans payable	69,791	71,089	69,791	71,089
Financial liabilities measured at historical cost:				
Trade creditors	1,719	4,912	1,588	4,609
Other creditors due within one year	17,698	14,647	16,957	13,845
Other creditors after more than one year	49,471	43,736	49,471	43,736
Financial liabilities - measured at fair value through other comprehensive income				
Interest rate swaps	-	-	-	-
Total financial liabilities	<u>138,680</u>	<u>134,384</u>	<u>137,807</u>	<u>133,279</u>

It is the Association's treasury policy to hedge interest rate risk exposure arising from its floating loans by entering into vanilla fixed to floating interest rate swaps.

The Association considers that an economic relationship exists between the hedge instrument (interest rate swap) and the hedge item (floating loan) in that the values of the hedge item and hedging instrument are expected to typically move in opposite directions in response to movements in the same risk, the hedge risk, over the life of the hedge.

The Association only has one swap, entered into on the 19th December 2023 until 28 May 2032 for £20m. Cashflows on the interest rate swaps are quarterly between;

Interest rate swaps	2026	2025
	£000	£000
December 2023 - 28 May 2032	£20,000	£20,000

The interest rate swaps had a combined market valuation as at 31 March 2026 of an asset of £618k (2025: £469k).

Any movements in fair value of the swaps are recognised annually in other comprehensive income in the Statement of Comprehensive Income (SOCl). During 2025-26, the change in value was a gain of £149k which was recognised within other comprehensive income and can be identified on the face of the Statement of movement in Reserves (2024/25: £183k).

Note 27: Net debt reconciliation

Group

	As at 1 April 2025	Cash flows	Other non-cash changes	As at 31 March 2026
	£'000	£'000	£'000	£'000
Cash at bank and in hand	4,513	875	-	5,388
Cash and cash equivalents	-	-	-	-
Bank Loans	(71,089)	1,297	-	(69,792)
Net Debt	<u>(66,576)</u>	<u>2,172</u>	<u>-</u>	<u>(64,404)</u>