# Peak District Rural Housing Association Limited

## REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2026

A registered provider under Co-operative and Community Benefit Society with Charitable Rules
Registration No: IP26807R
Homes England Registered No. L3899

# PEAK DISTRICT RURAL HOUSING ASSOCIATION LTD

## REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2026

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## PEAK DISTRICT RURAL HOUSING ASSOCIATION LTD

## ASSOCIATION INFORMATION

For the year ended 31 March 2026

**Board of Management**

| | |
|---|---|
| **Chair:** | **Mr David Skinner** |
| **Vice Chair:** | **Mr Ian Sharpe** |
| **Board Members:** | **Mrs Mary Alcock**<br>**Mr Simon Beynon**<br>**Mr Ian Fullilove**<br>**Mr William German**<br>**Mrs Fiona Hadfield (resigned 31.5.2025)**<br>**Mr Daniel Kinghorn**<br>**Mr James Lunney**<br>**Mr Paul Newman** |
| **Registered Office:** | **Peak District Rural Housing Association**<br>C/o Rural Action Derbyshire<br>Town Hall<br>Bank Road<br>Matlock<br>Derbyshire<br>DE4 3NN |
| **Auditor:** | **BDO**<br>Two Snowhill<br>Birmingham<br>B4 6GA |
| **Banker:** | **Barclays Bank PLC** |
| **Secretary:** | **Mr Richard Mugglestone** |

# PEAK DISTRICT RURAL HOUSING ASSOCIATION LTD

## ANNUAL REPORT OF THE BOARD OF MANAGEMENT

For the year ended 31 March 2026

**Principal Activities**

The principal activity of the Association during the year was the provision and management of affordable housing in the Peak District and surrounding rural area.

**Review of the Year**

Despite continuing economic uncertainty, cost pressures and challenges affecting the construction and maintenance sectors, Peak District Rural Housing Association continued throughout 2025/26 to deliver against its key Business Plan objectives and contribute to the provision of affordable homes in the Peak District and surrounding rural communities.

The Association values its strong working relationships with Community Land Trusts, Parish Councils, local authorities, the Peak District National Park Authority and other partners. These relationships remain fundamental to identifying local housing needs, securing suitable development opportunities and delivering affordable homes in areas where development can be particularly challenging.

The Association continued to perform well across the majority of its tenancy management activities. Rent arrears management remained a particular area of focus, reflecting the continuing pressures on household finances. The maintenance service also remained a priority, with continued attention given to contractor management, service quality, responsiveness and the experience of residents.

During 2025/26, the Association continued to operate within the strengthened consumer regulation framework introduced following the Social Housing (Regulation) Act 2023. The Board supports the emphasis placed by the Regulator of Social Housing on safe and good-quality homes, transparent and accountable services, effective engagement with residents and the fair and respectful treatment of tenants.

The Association continued to assess and monitor its compliance with the Safety and Quality Standard; Transparency, Influence and Accountability Standard; Neighbourhood and Community Standard; and Tenancy Standard. Compliance with the Consumer Standards forms part of the Association's ongoing assurance framework and is supported by internal review and audit activity.

Tenant Satisfaction Measures continue to provide an important source of evidence about residents' experience of the Association's homes and services. The Board and officer working groups have continued to review the results, compare performance with other similar associations and identify areas where further improvement is required. Particular attention continues to be given to those measures where satisfaction is lower than the Association's overall results or relevant peer comparisons.

The Association's operational and financial performance during 2025/26 remained generally sound. However, the year-on-year financial metrics reflect the impact of increased investment, higher operating costs and financing pressures. Operating margin, interest cover, reinvestment and return on capital employed were lower than in 2024/25, while gearing and unit costs increased. Notwithstanding these movements, operating margin remained in line with the smaller and rural housing association benchmark, development performance exceeded the relevant benchmarking medians, and headline social housing unit costs continued to compare favourably with both benchmarking groups.

Overall, the Board is satisfied with the progress made by the Association and is pleased to report total comprehensive income for the year of £14,253 as had been planned, compared with £232,056 in 2024/25.

During the year, the comprehensive servicing arrangements with Midlands Rural Housing and Village Development Association Limited continued. These arrangements supported the delivery of the Association's Business Plan objectives, maintained its reputation and provided operating efficiencies and financial benefits.

**Value for Money**

Delivering Value for Money is integral to the way in which the Association operates and is overseen directly by the Board. This includes understanding the cost and quality of services, identifying the principal drivers of expenditure, setting targets for key financial measures and comparing performance with relevant peers.

**Value for Money** (continued)

The Regulator KPI metrics comprises a range of indicators, principally drawn from the Association's financial statements, across the categories of business health, development, outcomes delivered, effective asset management and operating efficiency. The measures enable the Board to monitor financial capacity, investment, cost control and delivery against the Association's core objectives.

The Association applies a commercial and evidence-based approach to decision-making. Its efficient operating model, including the procurement of services from Midlands Rural Housing, enables the Association to focus its resources on the activities that make the greatest contribution to its objectives and to the services received by residents.

Performance in 2025/26 remained positive in a number of important respects. The Association's operating margin was broadly in line with its smaller and rural housing association peers, development performance exceeded the relevant benchmarking medians, and headline social housing unit costs remained significantly below both the smaller and rural association median and the wider provider median. However, the reduction in interest cover, reinvestment and return on capital employed will remain under close scrutiny.

Operating Efficiency and Unit Costs

The Association's headline social housing unit cost increased from £3,173 in 2024/25 to £3,937 in 2025/26, an increase of approximately 24%. The movement reflects the effect of higher expenditure and investment during the year.

Despite the increase, the Association's unit cost continues to compare favourably with its peers. The 2025/26 cost of £3,937 per unit was £981 below the smaller and rural housing association median of £4,918 and £3,050 below the wider provider median of £6,987. This provides evidence that the Association's operating model remains comparatively efficient, although the Board will continue to monitor the year-on-year increase and the factors contributing to it.

Business Health

As a responsible rural landlord, the Association seeks to balance the delivery of quality services and investment in existing homes with the provision of new affordable housing. As a profit-for-purpose organisation, surpluses are retained and reinvested in existing properties and new homes to meet housing need across the Association's area of operation.

The Association achieved an overall operating margin of 27.2% in 2025/26, compared with 34.4% in 2024/25. Although this represents a reduction of 7.2 percentage points, the result remained broadly in line with the smaller and rural housing association benchmarking median of 27.34% and was substantially above the wider provider median of 12.20%.

The decrease in operating margin reflects the more challenging operating environment and the balance being struck between financial performance, service delivery and investment. The Board will continue to monitor operating costs, income collection, rent loss and void performance to protect the Association's underlying financial strength.

EBITDA MRI interest cover measures the Association's ability to generate sufficient cash from its operating activities to meet its interest commitments after taking account of expenditure on major repairs. EBITDA MRI interest cover reduced from 139.5% in 2024/25 to 62.3% in 2025/26. This was below both the smaller and rural housing association median of 168.2% and the wider provider median of 151.0% but is acceptable to the Board and the Regulator as the profile of being below the 100% target is only short term whilst the Association invests in its existing homes and brings them up to the EPC C target by 2030. Beyond that time the metric returns to above the target figure.

The movement is significant and reflects the effect of financing costs and investment in the Association's homes. Interest cover, cash flow and covenant performance will therefore remain areas of close Board oversight. The Association will continue to manage expenditure, treasury arrangements and investment commitments carefully to maintain financial resilience and appropriate covenant headroom.

**Value for Money** (continued)

Following the treasury work undertaken in previous years, including arrangements for additional borrowing, the fixing of interest rates on previously variable-rate debt and discussions with lenders concerning covenant definitions, the Association continues to keep its cash flow, loan portfolio and covenant position under close review.

Gearing increased from 31.9% in 2024/25 to 33.4% in 2025/26. This was above the smaller and rural housing association median of 31.20% and the wider provider median of 14.35%. The movement is consistent with the Association's borrowing and investment requirements, including the financing of new affordable homes. The Board recognises that gearing must be managed alongside liquidity, interest cover and future investment capacity.

Development Capacity and Outcomes Delivered

The Association's development programme is not linear and is influenced by the availability and timing of grant funding, planning decisions, land opportunities and the completion of individual schemes.

New units developed during 2025/26 represented 0.9% of units owned, unchanged from 2024/25. This was above the smaller and rural housing association median of 0.74%. The result demonstrates the Association's continuing commitment to delivering new affordable homes despite the financial and practical challenges associated with rural development.

Development can have a short-term negative effect on financial viability measures and gearing, the Board remains committed to the provision of new affordable homes where schemes respond to evidenced local need and can be delivered within the Association's financial capacity.

This commitment must be balanced with the need to invest in existing properties and maintain appropriate standards for residents. Reinvestment will fluctuate between years depending on the timing of new developments and the planned replacement of components such as windows, kitchens, bathrooms and heating systems.

Reinvestment

Reinvestment represented 9.8% of the value of the Association's housing assets in 2025/26, compared with 13.2% in 2024/25. The 2025/26 result was below the smaller and rural housing association median of 6.75%, but above the wider provider median of 4.00%.

The substantial year-on-year movement reflects the timing and profile of expenditure rather than a reduction in the Association's long-term commitment to its homes. Investment requirements will continue to be informed by stock condition information, statutory safety obligations, component replacement programmes, energy-efficiency priorities and the Association's wider asset management objectives.

The Board will continue to monitor delivery against the planned investment programme and ensure that the balance between investment in existing homes and expenditure on new development remains appropriate and financially sustainable.

Effective Asset Management

Return on Capital Employed reduced from 2.9% in 2024/25 to 2.0% in 2025/26. This was below the smaller and rural housing association median of 2.70% and the wider provider median of 2.59%.

The Association's return is affected by the nature of rural housing development. Many of its homes are delivered on rural exception sites, where the costs of providing infrastructure, services and access can be comparatively high without a corresponding increase in the rents that can be charged.

The reduction in return also reflects the interaction between operating performance, increased costs and the Association's asset base. The Board will continue to consider return on capital alongside the wider social value delivered by affordable rural housing, while ensuring that assets remain financially sustainable and make an appropriate contribution to the Association's objectives.

| Regulator Metrics | PDRHA 2025/26 | PDRHA 2024/25 | Year on year trend | 2026 Benchmarking Group - Acuity – smaller/rural housing associations | 2026 Wider Benchmarking Group - Acuity – all providers |
|---|---|---|---|---|---|
| | | | | Median | Median |
| Operating Margin (RSH 101) | 27.2% | 34.4% | ▼ | 27.34% | 12.20% |
| EBITDA MRI % Interest Cover (RSH 103) | 62.3% | 139.5% | ▼ | 168.2% | 151.0% |
| Units Developed as % of Units Owned (RSH204) | 1.2% | 0.9% | ◀ | 0.74% | 0% |
| Gearing (RSH 203) | 33.4% | 31.9% | ▲ | 31.20% | 14.35% |
| Reinvestment % (RSH 304) | 9.8% | 13.2% | ▼ | 6.75% | 4.00% |
| Return on Capital Employed (RSH401) | 2.0% | 2.9% | ◀ | 2.70% | 2.59% |
| Headline Social Housing Unit Cost (RSH501) | £3,937 | £3,173 | ▲ | £4,918 | £6,987 |

▲ Indicator has improved from previous year

◀ Indicator has stayed within 1% of previous year

▼ Indicator has worsened from previous year

**Board Members**

The Board of Management of the Association during the year are as stated on page 2.

Each member of the Board of Management, with the exception of those co-opted from Parish Councils, holds one fully paid share of £1 in the Association. New Board members acquire their share on appointment.

Board Members co-opted from Parish Councils are not required to become shareholders of the Association.

**Liability Insurance**

The Association has taken out liability insurance on behalf of the members of the Board of Management.

**Future Outlook**

The Association recognises that the wider operating environment continues to be affected by economic uncertainty, cost pressures, financing conditions and increasing regulatory expectations. The Association nevertheless has the resources and governance arrangements required to respond positively, maintain the viability of the business and continue delivering its principal aims and objectives.

The Board will maintain a careful balance between investment in existing homes, the cost and quality of management services, financial capacity and the delivery of new affordable housing. Particular attention will be given to the reduction in EBITDA MRI interest cover and return on capital employed, together with the increase in gearing and headline unit costs. These measures will be considered alongside the Association's continued development activity, comparatively low unit costs and operating margin performance.

Planning approvals and new housing development across the Derbyshire Dales continue to create opportunities for the Association to secure affordable homes through planning obligations. Although many of these opportunities are concentrated in the larger settlements, the Association will continue to pursue suitable schemes in villages and rural communities.

**Future Outlook** (continued)

Such opportunities are not expected to replace the use of rural exception sites, which remain an important means of meeting identified housing need, particularly within the Peak District National Park. The Association will continue to work with communities, local authorities, landowners and other partners to identify deliverable opportunities for new affordable homes.



Richard Mugglestone (Sep 29, 2026 10:28:43 GMT+1)

**Mr Richard Mugglestone**
Secretary
29th September 2026

## PEAK DISTRICT RURAL HOUSING ASSOCIATION LTD

## STATEMENT OF BOARD'S RESPONSIBILITIES IN RESPECT OF THE BOARD REPORT AND THE FINANCIAL STATEMENTS

For the year ended 31 March 2026

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

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of its income and expenditure for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Association or to cease operations or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

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




**Mr Paul Newman**
Board member
29th September 2026

## PEAK DISTRICT RURAL HOUSING ASSOCIATION LTD

## STATEMENT OF INTERNAL CONTROLS ASSURANCE

For the year ended 31 March 2026

The Board of Management has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The Board of Management recognises that no system of internal control can provide absolute assurance against or eliminate all risk of failure to achieve business objectives.

In meeting its responsibilities, the Board of Management has adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes regular evaluation of the nature and extent of risk to which the Association is exposed and is consistent with best practice principles as required by the regulator. In this context, the Board of Management understand that there are no regulatory concerns that would lead to The Regulator of Social Housing intervening in the affairs of the Association.

The Board of Management is also able to confirm that there have been no reported cases of fraud during 2025/26, and that the necessary policies and procedures are in place for dealing with and reporting such matters.

The processes adopted by the Board of Management in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

**Identification and evaluation of key risks**
The Association undertakes a comprehensive annual review of its risk map, which is linked into business objectives and firmly embedded in the internal control system. Ongoing monitoring and reporting mechanisms assist in the delivery of the Risk management action plan.

**Monitoring and corrective action**
The Board of Management receives regular management reports on all aspects of the work of the Association, together with proposals on corrective action when required. The annual report on assurance from the Secretary assists in the consideration of effectiveness of systems in place, as do any reports received from external sources such as Homes England and The Regulator of Social Housing.

**Control environment and procedures**
Midland Rural Housing manages the operations of the Association under a formal service agreement. There is a comprehensive set of policies and procedures documenting all aspects of the Association's work including standing orders, delegated authority, treasury management strategy, budgetary information and fraud prevention.

**Information and financial reporting systems**
There is regular reporting of key performance indicators to assess progress towards the achievement of key business objectives and targets.

Financial reporting procedures include detailed annual budgets and quarterly management accounts. These are approved by the Board of Management, who also review key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

Internal Audit who provide independent verification to the Board of Management also review the internal control framework under a three-year rolling programme.

The Board of Management confirms that there are ongoing processes for maintaining sound systems of internal control and for managing significant risks. These processes have been in place throughout the period, up to the date of the signing of the financial statements and they are regularly reviewed in conjunction with Midlands Rural Housing.

On behalf of the Board of Management

Paul Newman

Paul Newman (Sep 29, 2026 09:29:55 GMT+1)

**Mr Paul Newman**
Board member
29th September 2026

# INDEPENDENT AUDITOR'S REPORT TO PEAK DISTRICT RURAL HOUSING ASSOCIATION LIMITED

For the year ended 31 March 2026

**Report on the audit of the financial statements**

**Opinion**

In our opinion:

- the financial statements give a true and fair view of the state of the Association's affairs as at 31 March 2026 and of the Association's surplus and the Association's cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

We have audited the financial statements of Peak District Rural Housing Association ("the Association") for the year ended 31 March 2026 which comprise of the following:

- Association Statement of Comprehensive Income
- Association Statement of Financial Position
- Association Statement of Changes in Reserves
- Association Statement of Cashflows
- Notes 1 to 22 to the financial statements including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

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

*Independence*

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

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Association's ability to continue as a going concern.

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

**Other information**

The board are responsible for the other information. The other information comprises the information included in the Report and Financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this other information we are required to report that fact.

We have nothing to report in this regard.

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

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

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

**Responsibilities of the board**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

*Non-compliance with laws and regulations*

Based on:

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

we considered the significant laws and regulations to be the Co-operative and Community Benefit Society Act 2014, Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice) and UK tax legislation.

The Association is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation, the Bribery Act 2010, employment law and data protection.

Our procedures in respect of the above included:

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

*Fraud*

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

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- A review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias.

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.
A further description of our responsibilities 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 members of the Association, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:
BDO LLP
2F0712164E124B0...
BDO LLP
Statutory Auditor
Birmingham, UK
Date: 30 September 2026

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

## PEAK DISTRICT RURAL HOUSING ASSOCIATION LTD

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

| | Note | 2026 £ | 2025 £ |
|---|---|---|---|
| Turnover | 3 | 1,627,558 | 1,815,328 |
| Cost of sales | 3 | - | (119,828) |
| Operating costs | 3 | (1,185,542) | (1,071,026) |
| **Operating surplus** | 3 | 442,016 | 624,474 |
| Interest receivable and similar income | 8 | 36,932 | 9,635 |
| Interest payable and similar charges | 9 | (464,208) | (414,580) |
| **Surplus for the year** | | 14,740 | 219,529 |
| **Other comprehensive income** | | | |
| Remeasurement of Social Housing Pension Scheme | 19 | (487) | 12,527 |
| **Total comprehensive income for the year** | | 14,253 | 232,056 |

The notes on pages 17 to 34 form part of these financial statements.

Turnover is derived from continuing activities.

## PEAK DISTRICT RURAL HOUSING ASSOCIATION LTD

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

| | Note | 2026 £ | 2025 £ |
|---|---|---|---|
| **Tangible fixed assets** | | | |
| Housing properties | 12 | 22,410,325 | 20,545,864 |
| Net book value tangible fixed assets | | 22,410,325 | 20,545,864 |
| | | | |
| **Current assets** | | | |
| Properties for sale and work in progress | 11 | 50,481 | - |
| Trade and other debtors | 13 | 67,197 | 1,078,572 |
| Cash and cash equivalents | | 426,531 | 734,421 |
| **Total current assets** | | 544,209 | 1,812,993 |
| | | | |
| **Creditors**: amounts falling due within one year | 14 | (592,706) | (589,794) |
| **Net current (liabilities)/assets** | | (48,497) | 1,223,199 |
| | | | |
| **Creditors:** amounts falling due after one year | 15 | (18,885,253) | (18,285,134) |
| **Provision for liabilities** | | | |
| Pension liability | 19 | (38,896) | (60,503) |
| | | | |
| **Net assets** | | 3,437,679 | 3,423,426 |
| | | | |
| **Capital and reserves** | | | |
| Called up share capital | 20 | 41 | 41 |
| Revenue reserves | | 3,437,638 | 3,423,385 |
| | | | |
| **Total funds** | | 3,437,679 | 3,423,426 |

The notes on pages 17 to 34 form part of these financial statements.

These financial statements were approved by the Board of directors on 15 September 2026 and were signed on 29th September 2026 on its behalf by:

**Mr Paul Newman** Board member

Paul Newman

Paul Newman (Sep 29, 2026 09:29:55 GMT+1)

**Mr William German** Board member

William German

William German (Sep 29, 2026 10:24:51 GMT+1)

**Mr Richard Mugglestone** Secretary

Richard Mugglestone (Sep 29, 2026 10:28:43 GMT+1)

## PEAK DISTRICT RURAL HOUSING ASSOCIATION LTD

## STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2026

| | Called up share capital | Revenue reserve | Total equity |
|---|---|---|---|
| | £ | £ | £ |
| Balance at 1 April 2025 | 41 | 3,423,385 | 3,423,426 |
| **Total comprehensive income for the period** | | | |
| Surplus for the year | - | 14,740 | 14,740 |
| Remeasurement of Pension Schemes | - | (487) | (487) |
| **Balance at 31 March 2026** | 41 | 3,437,638 | 3,437,679 |

| | Called up share capital | Revenue reserve | Total equity |
|---|---|---|---|
| | £ | £ | £ |
| Balance at 1 April 2024 | 41 | 3,191,329 | 3,191,370 |
| **Total comprehensive income for the period** | | | |
| Surplus for the year | - | 219,529 | 219,529 |
| Remeasurement of Pension Schemes | - | 12,527 | 12,527 |
| **Balance at 31 March 2025** | 41 | 3,423,385 | 3,423,426 |

The notes on pages 17 to 34 form part of these financial statements.

## PEAK DISTRICT RURAL HOUSING ASSOCIATION LTD

## STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2026

| | Note | 2026 £ | 2025 £ |
|---|---|---|---|
| **Cashflows from operating activities** | | | |
| Surplus for the year | 3 | 14,740 | 219,529 |
| *Adjustments for non-cash items:* | | | |
| Deferred government grants amortisation | 14 | (107,421) | (97,593) |
| Depreciation of tangible fixed assets | 12 | 326,951 | 293,363 |
| Pensions costs less contributions payable | 19 | (22,094) | (27,623) |
| Interest receivable | 8 | (36,932) | (9,635) |
| Interest payable | 9 | 464,209 | 414,580 |
| Decrease in stock | 11 | (50,481) | - |
| (Increase)/decrease in trade & other debtors | | (4,158) | 46,299 |
| Increase/(decrease) in trade and other creditors | | 56,234 | (198,562) |
| **Net cash from operating activities** | | **641,048** | **640,358** |
| **Cashflows from investing activities** | | | |
| Acquisition of tangible fixed assets | | (1,165,081) | (2,938,117) |
| Capitalised development expenditure | | (10,746) | 1,243 |
| Proceeds from sale of fixed assets | | 1 | 1 |
| Proceeds from receipt of government grants | | 404,064 | 929,678 |
| Interest received | 8 | 36,932 | 9,635 |
| **Net cash used in investing activities** | | **(734,830)** | **(1,997,560)** |
| **Cashflow from financing activities** | | | |
| Interest paid | | (500,756) | (356,622) |
| Loan amortisation charges | 9 | 6,748 | 4,724 |
| Proceeds from new loan | | 382,500 | 2,546,268 |
| Repayment of borrowings | | (102,600) | (266,156) |
| **Net cash used in financing activities** | | **(214,108)** | **1,928,214** |
| **Net change in cash and cash equivalents** | | **(307,890)** | **571,012** |
| Cash and cash equivalents at start of period | | 734,421 | 163,409 |
| **Cash and cash equivalents at end of period** | | **426,531** | **734,421** |

The notes on pages 17 to 34 form part of these financial statements.

## 1 LEGAL STATUS

Peak District Rural Housing Association Ltd (PDRHA) is incorporated under the Co-operative and Community Benefit Society Act 2014. The company registration number is IP26807R and it is a Public Benefit Entity. It is registered with The Regulator of Social Housing (registration number L3899). Its principal place of business is Memorial House, Stenson Road, Coalville, LE67 4JP.

## 2 PRINCIPAL ACCOUNTING POLICIES

### Basis of preparation

The financial statements of the Association are prepared in accordance with Financial Reporting Standard 102 - the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2018 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The presentation and functional currency of these financial statements is sterling.

The financial statements are prepared on an historical cost basis.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

### Going Concern

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

The Association prepares a 5 year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2026 by the Board.

As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework to use five main types of sensitivity testing against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure.

The Board, after reviewing the Association budgets for 2026/27 and the Association's medium term financial position as detailed in the business plan, is of the opinion that, taking account of severe but plausible downsides, the Association have adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

- Maintenance costs – budget and business plan scenarios have been modelled to take account of cost increases and delays in maintenance expenditure, with major works being phased into future years;
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of potential future reductions in rents;
- Liquidity – current available cash and unutilised loan facilities gives significant headroom for committed spend and other forecast cash flows that arise; and
- The Association's ability to withstand other adverse scenarios such as higher interest rates and number of void properties.

**2 PRINCIPAL ACCOUNTING POLICIES (continued)**
**Going Concern (continued)**

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

**Turnover**

Turnover represents rental and service charge income receivable (net of void losses), fees receivable, proceeds from first tranche sales of low-cost home ownership and from properties developed for open market sales, and amortisation of Social Housing Grant (SHG) under the accrual model. Rental income is recognised on the execution of tenancy agreements. Proceeds on sale are recognised on practical completions. Other income is recognised as receivable on the delivery of the services provided.

**Cost of sales**

Cost of sales represents the directly attributable costs of products or services sold, namely First Tranche Shared Ownership Sales, Development Contract costs and Gardening Services costs. Where costs cannot be directly attributed then they are apportioned on an appropriate basis.

**Operating Costs**

Operating costs represent the costs and overheads associated with delivering the services rendered and in the general running of the business.

**VAT**

The Association is VAT registered but a large proportion of its income is exempt for VAT purposes and therefore gives rise to a partial exemption calculation. Expenditure is therefore shown inclusive of VAT and the input VAT recovered is included as a credit in the income and expenditure account.

**Interest receivable and Interest payable**

Interest receivable and similar income include interest receivable on funds invested.

Interest payable and similar charges include interest payable.

Borrowing costs that are attributable to the acquisition, construction or production of Housing Properties that take a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Interest receivable and interest payable are recognised in the statement of comprehensive income as they accrue.

**Taxation**

The Association is generally exempt from Corporation Tax on income and gains to the extent that these are derived from the Association's charitable activities. The tax expense in the year relates to non-exempt activities in the Association.

**Pensions - Defined benefit plans**

A defined benefit plan is a post-employment plan other than a defined contribution plan. The Association's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plans assets is deducted. The Association determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

**2 PRINCIPAL ACCOUNTING POLICIES (continued)**

**Pensions - Defined benefit plans (continued)**

The discount rate is the yield at the statement of financial position date on AA credit rated bonds denominated in the currency of, and having maturity dated approximating to the terms of the Association's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Association recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

The Pensions Trust Social Housing Pension Scheme

The Association participates in The Pensions Trust Social Housing Pension Scheme via Joint Contracts of Employment with Midlands Rural Housing and Village Development Association Ltd (MRH) and three other rural housing associations. The entire assets and liabilities of this pension scheme is declared in the accounts of MRH.

The Association is liable for a share of the full pension deficit arising under this plan via a legal agreement between the Association, MRH and the three other rural housing associations. This share of the deficit is recognised as a provision in the accounts and changes in the liability are reported in the Statement of Comprehensive Income as Other Comprehensive Income.

**Housing properties**

Costs include the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:-

| | **years** |
|---|---|
| New Build Structures | 125 |
| Shared Ownership Structures | 100 |
| Roofs | 50 |
| Bathrooms | 30 |
| Decarbonisation Works | 30 |
| Windows and doors | 20 |
| Kitchens | 20 |
| Heating Systems | 15 |
| Other components | 30 |

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant changes since the last annual reporting date in the pattern by which the Association expects to consume an asset's future economic benefits.

Non component works to existing properties

The amount of expenditure incurred, which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the statement of comprehensive income in the period in which it is incurred.

Interest capitalised

Development schemes are charged with interest by the developing agents. Commercial rates of interest are used for this calculation and the charge is arrived at by considering interest earned on capital grants received in advance, thereby reducing the interest chargeable once scheme costs exceed capital grants received. In certain cases the interest earned on the capital grants received in advance exceeds the interest payable and this is included in the income and expenditure account as interest receivable.

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

**2 PRINCIPAL ACCOUNTING POLICIES (continued)**

**Impairment of Fixed Assets**

The Association's internal controls are designed to identify where impairment triggers for reduction in the value of housing properties and other tangible fixed assets as held on the Statement of Financial Position have occurred through an annual assessment. Where a trigger is identified then an assessment will be performed and where there is evidence of impairment, assets are written down to the recoverable amount, this is likely to be the value in use of the asset based on its service potential. Where an asset is currently deemed not to be providing service potential to the group, its recoverable amount is its fair value less costs to sell. The resulting impairment loss is recognised as expenditure in income and expenditure.

**Properties held for sale and work in progress**

Completed properties and properties under construction for open market sales are recognised at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Interest incurred is also capitalised during the course of obtaining planning and throughout the work in progress up to the point of practical completion of the development scheme. Assessing net realisable value requires use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

**Tenant arrears, trade and other debtors**

Tenants arrears, trade and other debtors are recognised at an undiscounted amount of the cash or other consideration expected to be received net of impairment. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Prepayments are valued at the amount prepaid net of any trade discounts due.

**Impairment of financial assets (including trade and other debtors)**

A financial asset not carried at fair value through the statement of comprehensive income is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Association would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in surplus. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus.

**Cash and cash equivalents**

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

**2 PRINCIPAL ACCOUNTING POLICIES (continued)**

**Trade and other creditors**

Trade and other creditors are recognised at an undiscounted amount of the cash or other consideration expected to be received net of impairment. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

**Loan and interest-bearing borrowings classified as basic financial instruments**

Interest-bearing borrowings are recognised initially at transaction value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

**Social housing grant**

Social housing grant is initially recognised at transaction value as a long term liability, specifically as deferred grant income and released through the statement of comprehensive income as income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated social housing grant is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

**Key Judgements, Estimates and Assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on the amounts recognised in the financial statements.

Impairment of property values

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income/Financial Activities. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at a scheme level whose cash income can be separately identified.

Factors taken into consideration in reaching the decision as to whether there are indicators of impairment of housing properties are:

- The development programme;
- Government policy, regulation or legislation;
- Demand;
- Market Value; and
- Obsolescence.

No triggers for impairment have been identified.

**2 PRINCIPAL ACCOUNTING POLICIES (continued)**
**Key Judgements, Estimates and Assumptions (continued)**

Value of schemes in development

The Association capitalises development expenditure in accordance with the accounting policy earlier in this note. Initial capitalisation is based on management's judgement that the development scheme is confirmed, usually when board approval has taken place. In determining if an approved scheme is likely to cease, management monitors the development programme and considers if changes have occurred that result in an impairment.

Cost apportionment on development schemes

The Association apportions the cost of individual properties on development schemes using a square metre basis and a cost per square metre based on tenure type.

The recoverability of rent arrears and trade debtors

The estimate for rent arrears and trade debtors relates to the recoverability of the outstanding balances at the reporting date. For rental arrears experience shows that the longer a debt is outstanding the greater the likelihood that the debt will not be recovered in full. Based on this a provision for bad and doubtful arrears debts is estimated based on an individual basis for current tenant arrears and 100% of former tenant arrears. Trade Debtors are reviewed on an individual balance basis and a provision created for bad and doubtful debts based on the on the age and likely recoverability of the debt.

Defined benefit pensions liabilities

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Note 19.

| | Turnover | Cost of Sales | Operating costs | Operating surplus | Turnover | Cost of Sales | Operating costs | Operating surplus |
|---|---|---|---|---|---|---|---|---|
| | | 2026 | | | | 2025 | | |
| | | £ | | | | £ | | |
| **3 PARTICULARS OF TURNOVER, COST OF SALES, OPERATING EXPENDITURE AND OPERATING SURPLUS** | | | | | | | | |
| **Social housing lettings** | | | | | | | | |
| General needs | 1,369,358 | - | (1,005,798) | 363,560 | 1,341,407 | - | (941,818) | 399,589 |
| Low cost home ownership | 148,736 | - | (61,304) | 87,432 | 144,420 | - | (58,333) | 86,087 |
| | 1,518,094 | - | (1,067,102) | 450,992 | 1,485,827 | - | (1,000,151) | 485,676 |
| **Other social housing activities** | | | | | | | | |
| Managed properties | 94,890 | - | (118,322) | (23,432) | 105,754 | - | (70,760) | 34,994 |
| First tranche shared ownership sales | - | - | - | - | 212,000 | (119,828) | - | 92,172 |
| Other | 14,392 | - | - | 14,392 | 11,621 | - | - | 11,621 |
| | 109,282 | - | (118,322) | (9,040) | 329,375 | (119,828) | (70,760) | 138,787 |
| **Total social housing** | 1,627,376 | - | (1,185,424) | 441,952 | 1,815,202 | (119,828) | (1,070,911) | 624,463 |
| **Non-social housing activities** | 182 | - | (118) | 64 | 126 | - | (115) | 11 |
| **Total** | 1,627,558 | - | (1,185,542) | 442,016 | 1,815,328 | (119,828) | (1,071,026) | 624,474 |
| Profit(loss) on disposal of tangible fixed assets | | | | - | | | | - |
| **Operating surplus**/ (deficit) | | | | **442,016** | | | | **624,474** |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | General Needs £ | Low cost home ownership £ | 2026 Total £ | 2025 Total £ |
|---|---|---|---|---|
| **3 SOCIAL HOUSING** | | | | |
| Rent receivable net of identifiable service charges | 1,244,356 | 129,494 | 1,373,850 | 1,352,934 |
| Service charges receivable | 30,021 | 6,802 | 36,823 | 35,300 |
| **Net rents receivable** | **1,274,377** | **136,296** | **1,410,673** | **1,388,234** |
| Amortised government grant | 94,981 | 12,440 | 107,421 | 97,593 |
| **Total income from lettings** | **1,369,358** | **148,736** | **1,518,094** | **1,485,827** |
| Expenditure on lettings activities: | | | | |
| Management | 238,459 | 25,901 | 264,360 | 291,693 |
| Service charge costs | 54,747 | 5,241 | 59,988 | 52,653 |
| Routine maintenance | 311,857 | 6,013 | 317,870 | 248,214 |
| Planned maintenance | 91,371 | 2,546 | 93,917 | 94,005 |
| Major repairs expenditure | - | - | - | 13,030 |
| Bad debts | (41) | 1,514 | 1,473 | 4,747 |
| Depreciation of housing properties | 306,863 | 20,089 | 326,952 | 293,361 |
| Other costs | 2,542 | - | 2,542 | 2,448 |
| **Total expenditure on lettings** | **1,005,798** | **61,304** | **1,067,102** | **1,000,151** |
| **Operating surplus on lettings** | **363,560** | **87,432** | **450,992** | **485,676** |
| Void losses | 18,068 | 688 | 18,756 | 1,949 |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| 4 HOUSING STOCK | 2025 Number | Additions Number | Disposals Number | Reclassified Number | 2026 Number |
|---|---|---|---|---|---|
| **Social housing accommodation** | | | | | |
| General needs rented | 151 | 3 | - | - | 154 |
| Affordable rented | 42 | - | - | 1 | 43 |
| Low cost home ownership | 46 | 1 | - | - | 47 |
| Managed on behalf of other landlords | 79 | - | (1) | (1) | 77 |
| Total social housing managed | 318 | 4 | (1) | - | 321 |
| **Non-social housing managed** | | | | | |
| Freehold | 1 | - | (1) | - | - |
| Total non-social housing managed | 1 | - | (1) | - | - |
| **Total housing stock** | **319** | **4** | **(2)** | **-** | **321** |

| | 2026 Number | 2025 Number |
|---|---|---|
| **Housing units awaiting transfer from development agents (inc above)** | **-** | **11** |

| | 2026<br>£ | 2025<br>£ |
|---|---|---|
| **5 EXPENSES AND AUDITORS' REMUNERATION** | | |
| Included in profit are the following: | | |
| Depreciation of housing properties | 326,951 | 293,363 |
| Auditor's remuneration: | | |
| Audit of these financial statements | 15,525 | 15,000 |

| | 2026<br>Number | 2025<br>Number |
|---|---|---|
| **6 STAFF NUMBERS AND COSTS** | | |

The association employs staff on Joint Contracts of Employment with Midlands Rural Housing and Village Development Association Limited (MRH) and three other rural housing associations. The numbers in this note relate to PDRHA's share of these staff. Management and development services are provided under a management contract with MRH.

The average number of persons employed by the Association during the year, analysed by category, was as follows:

| | | |
|---|---|---|
| Office staff | 2 | 3 |
| | 2 | 3 |

| | 2026<br>£ | 2025<br>£ |
|---|---|---|
| Recharges from MRHA under the above contract during the year were as follows: | | |
| Staff costs | 146,979 | 135,465 |
| Finance processing/accounting costs | 42,879 | 39,183 |
| Other recharges | 19,274 | 22,747 |
| | 209,132 | 197,395 |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

| | 2026<br>£ | 2025<br>£ |
|---|---|---|
| **7 BOARD MEMBERS** | | |
| Nil remuneration was payable to members of the Board of Management during the period (2025: Nil) | | |
| The number of people serving on the Board during the year was 11 (2025: 10) | | |
| Total expenses reimbursed to the committee members | **-** | **582** |
| **8 INTEREST RECEIVABLE AND SIMILAR INCOME** | | |
| Bank interest receivable | 36,932 | 9,635 |
| **9 INTEREST PAYABLE AND SIMILAR CHARGES** | | |
| Loan interest | 417,336 | 305,097 |
| Amortisation of loan fees | 6,749 | 4,724 |
| Development agents | 17,000 | 94,284 |
| FRS102 adjustment | 20,589 | (692) |
| Recycled capital grant fund | 2,534 | 11,167 |
| | 464,208 | 414,580 |
| **10 TAXATION** | | |
| No liability to taxation arises on the Association in the current year. | | |
| **11 PROPERTIES FOR SALE AND WORK IN PROGRESS** | | |
| Schemes developed for shared ownership sale | 50,481 | - |

**12 TANGIBLE FIXED ASSETS**

| | Housing properties | | | |
|---|---|---|---|---|
| | Under construction | Social housing letting | Low cost home ownership | Total housing properties |
| **Cost** | | £ | | |
| 1 April 2025 | 1,080,808 | 21,578,422 | 2,180,951 | 24,840,181 |
| Restatement of 1 April 2025 | (1,015,586) | - | - | (1,015,586) |
| Restated 1 April 2025 | 65,222 | 21,578,422 | 2,180,951 | 23,824,595 |
| Additions | 32,189 | 1,526,877 | 223,186 | 1,782,252 |
| Replacement components | 11,209 | 397,952 | - | 409,161 |
| Properties completed in the year | (58,949) | 47,896 | 11,053 | - |
| Disposals | - | (24,159) | - | (24,159) |
| 31 March 2026 | 49,671 | 23,526,988 | 2,415,190 | 25,991,849 |
| | | | | |
| **Accumulated depreciation** | | | | |
| 1 April 2025 | - | 3,051,891 | 226,840 | 3,278,731 |
| Provision in the year | - | 307,047 | 19,904 | 326,951 |
| Disposals | - | (24,158) | - | (24,158) |
| 31 March 2026 | - | 3,334,780 | 246,744 | 3,581,524 |
| | | | | |
| **Net book value** | | | | |
| 31 March 2026 | 49,671 | 20,192,208 | 2,168,446 | 22,410,325 |
| | | | | |
| 31 March 2025 | 65,222 | 18,526,531 | 1,954,111 | 20,545,864 |

During the year completed properties transferred from developing agents were reclassified from Under Construction Additions to either Social Housing Lettings Additions or Low Cost Home Ownership Additions. This better reflects the allocation of costs between developing agents and PDRHA. This resulted in a restatement of the opening position at 1 April 2025 for Costs in the note above.

| | 2026 | 2025 |
|---|---|---|
| | £ | £ |
| Additions to housing properties incudes: | | |
| Direct administration costs | 10,746 | (1,243) |

There were no other fixed assets held under finance lease at the year-end (2025: £nil).

The Association had property with a net book value of £11,853k pledged as security at 31 March 2026 (2025: £11,946k).

No schemes are awaiting transfer from development agents.

| | 2026 | 2025 |
|---|---|---|
| | £ | £ |
| **13 TRADE AND OTHER DEBTORS** | | |
| Current tenant arrears | 29,440 | 24,073 |
| Less provision for bad and doubtful debts | (2,715) | (7,861) |
| Former tenant arrears | 2,187 | 946 |
| Less provision for bad and doubtful debts | (2,187) | (946) |
| Trade debtors | 4,489 | 10,646 |
| Prepayments and accrued income | 35,930 | 1,051,714 |
| Taxation and social security | 53 | - |
| Total debtors | 67,197 | 1,078,572 |
| Due within one year | 67,197 | 1,078,572 |
| | 67,197 | 1,078,572 |

| | | |
|---|---|---|
| **14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR** | | |
| Loans and overdrafts (see note 16) | 141,364 | 133,030 |
| Trade creditors | 149,419 | 99,582 |
| Rent received in advance | 70,090 | 55,999 |
| Accruals and deferred income | 100,942 | 162,329 |
| Taxation and social security | - | 6,790 |
| Deferred government grants (see note 17) | 107,421 | 109,461 |
| Other creditors | 23,470 | 22,603 |
| | 592,706 | 589,794 |

| | | |
|---|---|---|
| **15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR** | | |
| Loans and overdrafts (see note 16) | 7,772,744 | 7,473,841 |
| Deferred government grants (see note 18) | 11,112,509 | 10,729,988 |
| Recycled capital grant fund (see note 19) | - | 81,305 |
| | 18,885,253 | 18,285,134 |

| | 2026 | 2025 |
|---|---|---|
| | £ | £ |
| **16 LOANS** | | |
| Bank loans | 6,585,029 | 6,124,052 |
| Building Societies | 1,329,079 | 1,482,819 |
| | 7,914,108 | 7,606,871 |

All loans are in Sterling and are secured by fixed charges on individual properties.

Loans have various fixed and variable rates of interest ranging between 2.8% (2025: 2.8%) and 6.3% (2025: 7.0%). The maturity of fixed rate interest arrangements does not necessarily lead to a requirement to repay the debt. Interest is payable on differing terms varying between monthly, quarterly and annually.

| | | |
|---|---|---|
| Loans are repayable as follows: | | |
| In one year or less | 141,364 | 133,030 |
| Between one and two years | 147,519 | 139,180 |
| Between two and five years | 524,659 | 499,826 |
| In more than five years | 7,100,566 | 6,834,835 |
| | 7,914,108 | 7,606,871 |

The Association has loans that are classified as both basic (measured at amortised cost) and non-basic (measured at fair value) under FRS102. The non-basic loans are a result of clauses with the Coop bank loans where the loans are repayable on demand.

The loan valuations above include a decrease of £61,637 (2025: decrease £41,048) in respect of FRS102 Basic Financial Instruments amortised cost valuation method.

| | | |
|---|---|---|
| The carrying value of the loans by category are summarised below; | | |
| Measured at amortised cost | 7,846,122 | 7,531,341 |
| Measured at fair value | 67,986 | 75,530 |
| | **7,914,108** | **7,606,871** |
| Fair value gain/(loss) on loans included in statement of comprehensive Income | 20,589 | 692 |

The loan valuations above include an increase of £61,638 (2025: £41,048) in respect of FRS102 Basic Financial Instruments amortised cost valuation method.

## 17 DEFERRED GOVERNMENT GRANTS

| | Social housing grant | Other government grant | Total |
|---|---|---|---|
| | £ | £ | £ |
| At 1 April 2025 | 8,646,875 | 2,192,574 | 10,839,449 |
| Received in the year | 321,840 | 166,062 | 487,902 |
| Released to income in the year | (86,042) | (21,379) | (107,421) |
| Disposed in the year | - | - | - |
| At 31 March 2026 | 8,882,673 | 2,337,257 | 11,219,930 |
| | | | |
| Deferred government grant to be released within one year | 86,042 | 21,379 | 107,421 |
| Deferred government grant to be released in more than one year | 8,796,631 | 2,315,878 | 11,112,509 |

## 18 RECYCLED CAPITAL GRANT

| | Recycled capital grant fund |
|---|---|
| | £ |
| At 1 April 2025 | 81,305 |
| Utilised during the year | (83,839) |
| Interest credited to the fund | 2,534 |
| Transferred to fund during the year | - |
| At 31 March 2026 | - |

## 19 PENSION SCHEMES

As detailed in Note 6 employees are employed on Joint Contracts of Employment with Midlands Rural Housing and Village Development Association Limited (MRH). MRH participates in The Pensions Trust - Social Housing Pension Scheme. The entire assets and liabilities of this pension scheme are declared in the accounts of MRH.

A legal agreement has been entered into between the 5 entities involved in the joint contracts of employment identifying how the pension liability of those jointly employed staff will be met by each entity. The Association recognises its share of the full pension deficit arising under the plan that is payable to MRH.

Summary of the movement on pension scheme liabilities

| | 2026 | 2025 |
|---|---|---|
| | £ | £ |
| Net liability as at 1 April | 60,503 | 100,653 |
| Contributions paid | (22,094) | (27,623) |
| Change in Liability (charged to SOCI) | 487 | (12,527) |
| Net liability as at 31 March | 38,896 | 60,503 |

**The Pensions Trust - Social Housing Pension Scheme**

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

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

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

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

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

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

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

The Pensions Trust (TPT) is involved in a current court case regarding the administration of its defined benefit pension schemes, including the Social Housing Pension Scheme (SHPS). Following a benefits review, TPT are asking the court to determine if changes made to the scheme rules in the past were in accordance with the trust deed and rules, and if not, whether certain amendments are invalid. If the court determines that historic amendments have resulted in amendments that are invalid this could result in increased pension liabilities. The court hearing finished on 28 March 2025, no ruling has yet been given nor is expected until late 2026.

The estimated impact on Peak District Rural Housing Association Limited if these pension changes are ruled not to have been valid is up to £19,000.

This estimate is based on the current investment strategy and applicable valuation assumptions used for the purpose of the scheme triennial review. The potential impact on the FRS 102 defined benefit pension obligation is not expected to be materially different from this estimate. The size of the potential liability is due to the retrospective nature of the changes, the length of time involved, and the number of Scheme members affected. In the event of an adverse ruling, the precise impact on the income statement and balance sheet will be assessed and a payment plan would be agreed with the Trustee with payments made, as normal, over a number of years.

Following the ruling in another pensions legal case (Virgin Media Ltd v NTL Pension Trustees II Ltd & Ors), the Trustee was advised that further clarification should be obtained in the Trustee's own court application on several points arising from the judgment. As a result, the Trustee has stated it will not be in a position to assess the extent of the changes (if any) which are required as a result of the Virgin Media judgment until it receives answers to the questions it is asking in its court application. These matters were considered by the High Court in the same hearing that closed on 28 March 2025. No ruling has yet been given. Subsequent to the hearing, the government has stated that it intends to legislate to allow pension schemes to retrospectively obtain actuarial confirmation under section 37 of the Pension Schemes Act 1993. While the legislation has not yet been laid, it is expected that once the new regulations are effective, they will significantly mitigate any risk of additional liabilities on these matters should there be an adverse ruling. At this time, no estimate has been made of the additional liabilities that may have arisen in the event of an adverse ruling by the High Court.

Management have considered all information available to them in respect of the ongoing court case. This includes discussions with the scheme's actuary, information provided by TPT and known information relating to the complexity of the case. Taking all this information together management have concluded that the best estimate of benefits payable used in measuring the defined benefit pension obligation recognised in these financial statements should not include an estimate for any additional liabilities that may arise if the high court makes an adverse ruling.

| | 2026 | 2025 |
|---|---|---|
| | £ | £ |
| **20 SHARE CAPITAL** | | |
| **Share capital** | | |
| Allotted, issued and fully paid at 1 April and 31 March | 41 | 41 |

At 31 March 2026, the Association had 41 ordinary shares (2025: 41) in issue, with each share having a nominal value of £1. The shares have no rights to dividends nor to any share of assets of the Association in the event of it ceasing to operate.

| | | |
|---|---|---|
| **21 CAPITAL COMMITMENTS** | | |
| Capital expenditure that has been authorised by the Board of Management but has yet been contracted for | 3,088,000 | 3,360,000 |
| Sources of Funding | | |
| Social Housing Grants | 1,375,000 | 1,170,000 |
| Other Government Grants | 180,000 | 255,000 |
| New Loan Facilities | 1,533,000 | 1,935,000 |

**22 RELATED PARTIES**

Board Member, Mr David Skinner (was Frederickson), was also on the Board of Midlands Rural Housing and Village Development Association Limited until his resignation on 30 September 2025. Board Member, Mr Paul Newman, was also on the Board of Midlands Rural Housing and Development Association Limited from his appointment on 9 March 2026.

Payments made during the year to Midlands Rural Housing and Village Development Association Limited on an arm's length basis in respect of staff costs, finance processing, accounting, development and other recharges are as disclosed in Note 6.