

Citizen Housing Group Limited
and its subsidiaries
An exempt charity



Financial Statements

for the year ended 31 March 2025



Registered Co-operative and Community
Benefit Society Number 8181
Regulator of Social Housing Number 5075

Registered office:
4040 Lakeside, Solihull Parkway, Birmingham, B37 7YN

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Highlights of 2024/25

 £210.7M
Turnover

 £44.7M
Operating Surplus

 G1/V2
Regulatory
Judgement
18/12/2024

 4.46/5
Customer
satisfaction

 401
new social and
affordable homes
developed

 20.2%
Operating Margin

 2.12%
Current rent
arrears

 RoSPA
Health and Safety
Gold Award

 HQN MIST
Accreditation

 Customer
Contact
Association
Accreditation

 WMCA
Commitment
to Collaborate to
Prevent and Relieve
Homelessness

 Cyber
Essentials
Certification

 IT Service
Management
ISO20000
Accreditation

 SHIFT
Gold
Accreditation

 ISO10002
Complaint
Handling
Accreditation

☆ UK Housing Award Winner 2024 ☆
Financial Inclusion Initiative of the Year

Board, executive directors and advisers

Board

| | | |
|-------------------------|---------------------------------------------------|-----------------------------|
| Colin Dennis | Chair (to 31 December 2024) | (Resigned 31 December 2024) |
| Susan Brooksbank-Taylor | Senior Independent Director (to 31 December 2024) | |
| Angela Carpenter | Chair (from 1 January 2025) | |
| Joan Allen | Senior Independent Director (from 1 January 2025) | |
| David Blower | Citizen Board Member | |
| Kevin Rodgers | Citizen Board Member | |
| Stephen Russell | Group Chief Executive | |
| Monica Shafiq | Citizen Board Member | (Resigned 31 December 2024) |
| Kyle Smith | Citizen Board Member | (Appointed 1 January 2025) |
| Andy Spencer | Citizen Board Member | (Appointed 1 January 2025) |
| Claire Williams | Citizen Board Member | |

The Group Chief Executive does not hold an interest in the Association's shares.

Executive Directors

| | |
|------------------|----------------------------------|
| Kevin Rodgers | Chief Executive |
| Nick Byrne | Executive Director – Development |
| Gary Booth | Chief Financial Officer |
| Madeleine Nelson | Chief Operating Officer |

Membership of the Group Committees in operation at the date of signing of the financial Statements was:

Audit and Risk Committee

| | |
|------------------|----------------------------|
| David Blower | Chair/Citizen Board Member |
| Jenny Horrabin | Independent |
| Philip Ingle | Independent |
| Stephen Russell | Independent |
| Mark Sayer | Independent |
| Karthik Srinivas | Independent |

Remuneration Committee

| | |
|-------------------------|----------------------------------------------------|
| Susan Brooksbank-Taylor | Chair / Citizen Board Member (to 31 December 2024) |
| Angela Carpenter | Chair / Citizen Board Member (from 1 January 2025) |
| David Blower | Citizen Board Member |
| Monica Shafiq | Citizen Board Member |
| Kyle Smith | Citizen Board Member |

Board, executive directors and advisers

Customer Assurance Committee

| | | |
|-------------------------|------------------------------|-----------------------------|
| Joan Allen | Chair / Citizen Board Member | |
| Ahmad Ahmad | Independent Committee Member | |
| Kay Bangura | Independent Committee Member | (Appointed 16 October 2024) |
| Emma Brown | Independent Committee Member | |
| Susan Brooksbank-Taylor | Citizen Board Member | (Appointed 1 January 2025) |
| Liam Grant | Independent Committee Member | (Appointed 16 October 2024) |
| Angela Carpenter | Independent Committee Member | (Resigned 31 December 2024) |
| Chris Maitland | Independent Committee Member | (Resigned 28 June 2024) |
| Angela Nichols | Independent Committee Member | (Appointed 16 October 2024) |
| Chichi Ogbonnaya | Independent Committee Member | |
| Rosie Pocklington | Independent Committee Member | |
| Frances Sherwood | Independent Committee Member | Appointed 16 October 2024) |
| Greg Smith | Independent Committee Member | |
| Caroline Wilson | Independent Committee Member | |

Advisers

| Statutory auditor | Internal auditor | Principal bankers | Principal solicitors |
|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Beever and Struthers Colmore Building 20 Colmore Circus Queensway Birmingham B4 6AT | RSM UK Risk Assurance Services LLP 10th Floor 103 Colmore Row Birmingham B3 3AG | Barclays Bank plc PO Box 3333 One Snowhill Snow Hill Queensway Birmingham B4 6GN | Trowers and Hamlin 3 Bunhill Row London EC1Y 8YZ |
| | | | Anthony Collins 134 Edmund Street Birmingham B3 2ES |
| | | | |
| | | | |

Taxation advisers

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Registered office

4040 Lakeside
Solihull Parkway
Birmingham
B37 7YN

Strategic Report



Citizen Housing Group Limited and its subsidiaries

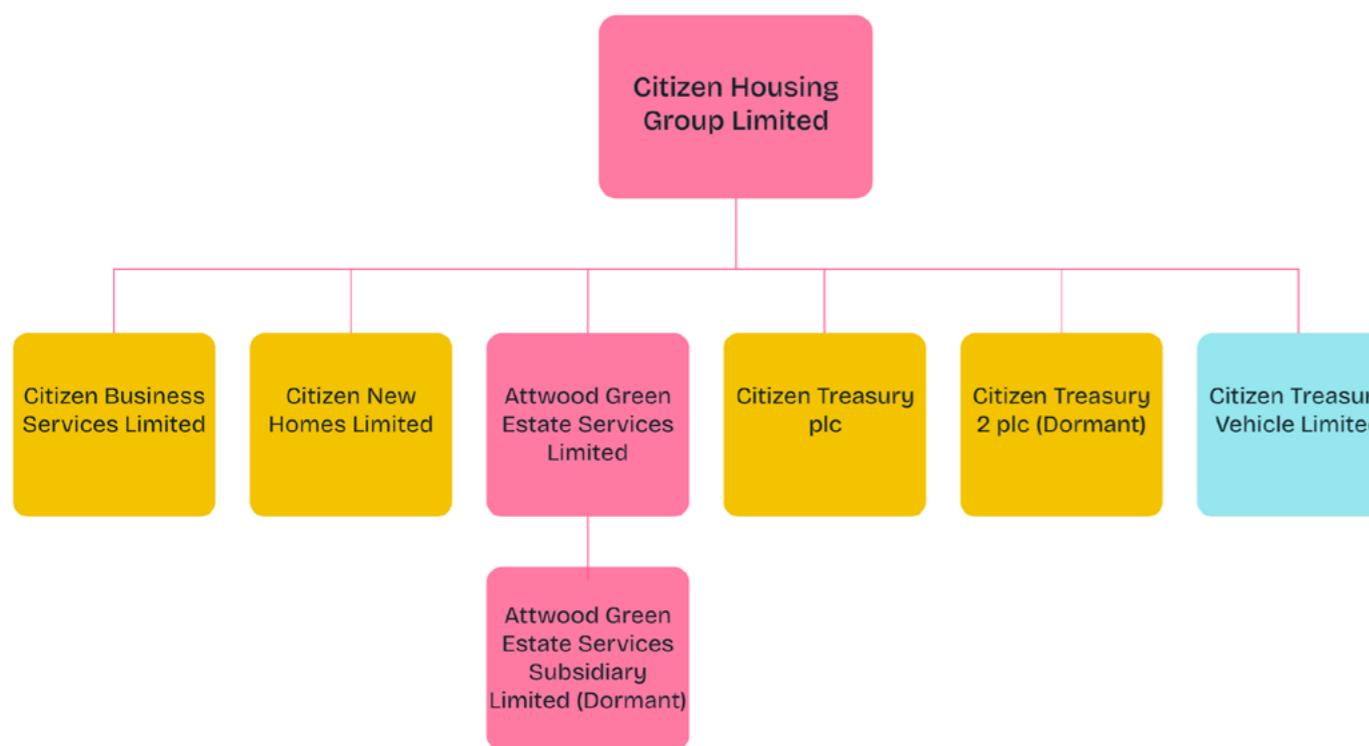
Strategic Report

Group Overview

Citizen Housing Group exists to provide good quality homes in a variety of ways for people who might otherwise be unable to afford them. Our purpose is to provide homes that are a foundation for life. We work to ensure that our customers and the other businesses we work with have successful and sustainable relationships with us. This purpose is shared by all of our group members and, increasingly, every part of the Group is working to deliver this purpose in a consistent and unified way.

The Group operates across the West Midlands in Coventry, Birmingham, Solihull and across the counties of Herefordshire and Worcestershire. The majority of the Group's 32,298 properties are general needs rented housing, but the Group also owns and manages a number of retirement living schemes and a small portfolio of supported housing (together with specialist care and support providers). The Group is registered with the Regulator of Social Housing (RSH) and is monitored against the RSH's regulatory framework for social housing. The Group Parent is one of a small number of Homes England Development Partners in the West Midlands and is a member of the Matrix Housing Partnership, led by GreenSquareAccord housing association and made up of Midlands-based housing associations. Matrix was announced as a strategic partner with Homes England in July 2018.

The Group and its subsidiary undertakings throughout the year ended 31 March 2025 is shown in the diagram below:



Charitable Co-operative and Community Benefit Society

Company Limited by Shares

Company Limited by Guarantee

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Purpose and Values

The Citizen brand truly reflects our aspirations and shared sense of social purpose. It is about valuing people and providing a foundation for each person to make the most of life. We believe that being a citizen is a hugely important concept. It means being a part of society, having a stake, having rights and responsibilities and being respected.

Our purpose and values represent who we are and what we want to achieve, and we are passionate about them; they underpin the work that we do and the way that we do it.

Home is where we feel safe. It's where we can be ourselves. It's where we feel really comfortable – where we can recharge our batteries, care for loved ones and make future plans. It's where we grow up and grow old.

There are some fundamental challenges that our customers face, and we want to be an organisation which can help them to deal with these. Homelessness, poor health, overcrowded housing and increasing pressure on household incomes and increases in the cost of living (including significant increases in fuel costs) are just some of the challenges that we want to support our customers to tackle head on.

We want to provide more than just a home; we want to provide a foundation for life.

Our purpose: to provide homes that are a foundation for life

Values

🚀 **We are Brave**
We are willing to take on the tough stuff.
We challenge ourselves.
We don't give up.

🤝 **We are Honest**
We take responsibility.
We are realistic.
People trust us to do what we say we will do.

🏆 **We are Ambitious**
We find solutions.
We aren't afraid to try things out.
We keep learning and improving.

👤 **We are Citizen**
We are committed to our people and places.
We believe everyone has something to give.
We encourage every person to be the best they can be.

Business Strategy

Our updated 2024-2026 business strategy was launched in March 2024. Our purpose has not changed. In this current cost of living challenge, where energy and household costs are at the highest they have been in years, we believe that providing Homes that are a Foundation for Life is vital. But we need to make sure that we are focussing on the right things to achieve this in this new social and economic climate.

This strategy is about our people, our staff and customers, and describes how and where their voices shape what we do. We asked staff and customers to tell us what is important to them, what is and is not working, and what our priorities should be.

Citizen Housing Group Limited and its subsidiaries Strategic Report

Business Strategy (continued)

We have taken three years of customer perception and transaction surveys giving us over 150,000 responses, and insights from staff workshops, surveys and roadshows to set the priorities of this strategy. The feedback we have received tells us there is a lot to be proud of, but there is still more to do.

Our Business Strategy focusses on the three areas we know we need to invest in to meet our objectives and achieve our vision.

People

Our customers will be front and centre. We will build relationships with our customers based on transparency, fairness and respect, where they can rely on us to deliver the services they need. A key part of this will be the Putting our Citizen's First Programme, which will focus on improving systems, process and procedures and crucially break down barriers to improve how we work across departments. We will improve how we communicate, making sure it is a two-way street between us and customers, and between teams to ensure we deliver brilliant services. We know we cannot achieve this without investing in our staff so we will be looking at what we can do to make sure staff are motivated, trained and rewarded for the work they do.

Homes

Investing in our homes is not just about building new, but about improving what we already have and taking those tough decisions to remove properties that are no longer fit for purpose. At Citizen we are more than just about putting a roof over someone's head, we are a part of the community. Sometimes this means huge investment in regeneration or development, or it could mean ensuring homes are comfortable to live in. This investment benefits the current household, future households, and the community by helping to reduce carbon emissions, improve the look and feel of the area, and most importantly make sure our homes are safe and warm.

Partnerships

We know that we can deliver more if we do it in partnership. We have seen some real successes with grant funding and partnership work over the last strategy and we want to do even more. We also want to use our partnerships to push regional and national decision making to benefit our customers.

Our business strategy acts as a guide for all our activities. It provides a clear linkage that runs from the work of an individual member of staff through to decisions to raise funds on the financial markets. We are committed to monitoring how we perform and making sure that we deliver against the objectives set out in this strategy. This will help us to focus on what is working well and where we need to make improvements.

Progress in respect of the projects that will enable us to meet our business strategy commitments are regularly monitored by both the Senior Leadership Team (SLT) and the Citizen Board. Our core measures are grouped around the key themes of Customer, People, Compliance and Financial Health, and will help us to make sure we can monitor the impact we have on our customers by understanding how they experience our services and rate us.

Citizen Housing Group Limited and its subsidiaries Strategic Report

Business Strategy (continued)

Our carefully selected and strategically limited areas of diversification from our primary purpose (e.g. building homes for outright sale) are closely controlled, managed and monitored to ensure that they do not add significantly to the risks faced by our group. The profits that these activities generate are 'profit for purpose', and together with the financial surpluses generated by our asset-owning business, these are reinvested into our homes and communities to fund new developments, improvements to our customers' homes and new and improved systems and services.

Regeneration

Our ambitious plans to continue our regeneration of some of our most challenging estates and communities in Coventry continue to move steadily ahead, as planned.

We are now entering the final phase of our Spirit Quarters regeneration scheme, and have Board approval and planning permission secured for the final stage of the regeneration area. Phase 6 will deliver 190 homes (of which 90 will be for Citizen), with start on site scheduled for Summer 2025.

Additional regeneration schemes are focussing on some of our older and more challenging tower blocks that are now nearing the end of their expected economic life and are no longer fit for purpose.

- **Spon End** – we have secured £20.1m of Homes England grant for the first 148 homes to be built in phase 1 and demolition of the phase 1 tower blocks has commenced. This regeneration will bring high-quality, energy-efficient homes to Spon End, improve access to green space and open up the River Sherbourne. Just as importantly, it has been shaped by the community. We have spent time listening to residents and incorporating their feedback into our plans.
- **Wyken** – first tower block demolished in May 2023. Vacant possession of second tower block secured in January 2025 and approval to demolish the building now secured. Planning application for redevelopment of the site to be submitted in May 2025, following positive consultation with the community in February 2025.
- **Ferrers Close** - 99% vacant possession secured, and we are actively engaging with the remaining resident to agree suitable alternative housing. Demolition is scheduled for Autumn 2025.

Building Safety

We continue to invest in our homes and communities through a wide ranging scope of works aligned to achieving compliance with regulatory safety obligations and building safety priorities. The safety of our homes and our residents who live there continues to be of paramount importance to us and is a key corporate objective. We have a dedicated Building Safety Department led by our Director of Building Safety, who is responsible for ensuring that all our homes comply with building safety regulations and legislation and that all requirements arising from the Building Safety Act, Fire Safety Act and all associated enabling regulations are fully implemented.

During the past year Citizen has re-procured contracts to deliver all of its home safety obligations in a new and innovative way. The new contract, which commenced from 7 April 2025, combines all the required safety inspections in tenants' homes into a single annual visit. These annual home safety inspections will be delivered to all tenanted homes and include gas servicing and repairs, electrical safety inspections and repairs, inspection and repair of ventilation systems, inspection of flat fire doors, service and repair of electric, oil and solar heating systems, a Health and Safety inspection of the home and will provide building and fire safety information to customers. This will ensure that all of Citizen's homes remain safe and compliant for residents and has saved over £100k per year.

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Building Safety (continued)

We have also invested in new technology to improve safety within Citizen's buildings and homes. This includes fitting monitors to passenger lifts that are connected to the internet and provide real time information on the condition and operation of each lift. We have upgraded domestic fire detection systems to homes as part of the 5-yearly electrical safety inspection programme including installing remote, internet connected, monitoring of detection systems in our high-rise buildings.

The Building Safety Act 2022 imposed a number of new obligations, particularly with regard to managing safety within higher risk buildings (HRBs). These buildings are required to be registered with the Building Safety Regulator and have building safety cases prepared and maintained, ready for assessment and certification as safe by the Regulator. All buildings are registered and we have prepared building safety cases for each HRB which are held and maintained within our cloud-based digital modelling and data collection platform (TwinnedIT), which allows us to store and record critical information relating to our obligation of providing a 'Golden Thread' of information to support Building Safety Cases for each of our buildings over 18m. We have submitted four building safety case reports to the Building Safety Regulator (BSR) which are currently being assessed by the regulator.

In the next 12 months we plan to:

- Embed and develop the new 'home safety visit' programme to ensure that Citizen maximises the value and effectiveness of this innovative initiative.
- Further develop and implement a resident engagement strategy around building and fire safety.
- Deliver 1,500 new boilers and heating systems.
- Deliver 1,000 new fire doors.
- Continue to implement new technologies to enhance building safety

Damp and Mould / Complex Repair Cases

The continuous investment in our customers' homes remains a key priority for us and features heavily in our financial plans and business plan. We have invested significantly in tackling damp and mould, identifying the root cause of issues whilst also prioritising our more vulnerable customers.

Following several high-profile damp, mould and condensation (DMC) cases in the public domain, concerning other Registered Providers and Local Authorities, where at least one of which resulted in tragic consequences, the impact and management of damp and mould in our properties and the cause and remediation of complex repair cases continues to be a high priority for Citizen, and is reviewed by our SLT on a regular basis.

Our decarbonisation and asset programmes continue to improve properties in terms of heating, ventilation and EPC values. These programmes are influenced by regular hot spot analysis regarding reports of damp, mould and condensation (DMC). We have successfully installed over 2,000 environmental monitors and 3,000 ventilation systems over the last two years, partially assisted through funding secured from the West Midlands Combined Authority (WMCA) Social Housing Quality Fund (SHQF), and very much led by data from our extensive programme of stock condition surveys. We continue to invest in works that will contribute to our plan to reduce the incidence of damp and mould. The installation of ventilation systems when a property is void and likely to be susceptible to DMC is also now a standard procedure. The installation of environmental monitoring is helping us to identify DMC patterns and to take proactive action when alerts are raised regarding potential DMC conditions. For example, low temperatures and limited use of heating in the home has directed us to customers who may need money advice to cope with high energy bills. These monitoring systems are also showing a clear correlation between the installation of ventilation and a reduction in DMC. Similarly, an analysis of DMC cases reported by customers, in properties where preventative and remedial action has been taken by Citizen, is showing a reduction in cases being raised.

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Damp and Mould / Complex Repair Cases (continued)

We have a dedicated damp and mould team in place and monitor damp and mould cases as part of our weekly performance reports. A comprehensive online damp and mould training course is in place for staff visiting and supporting customers and hundreds of our staff have already completed this. In addition to this, our team of DMC responders have attained recognised qualifications through a training programme jointly created with Coventry City College.

Helping customers to understand the causes of DMC and the importance of reporting it to Citizen when help is needed is a key part of our approach to reducing this issue for our customers. Our website now contains helpful videos and information to assist customers. We have also held live social media events and drop-in sessions in local neighbourhoods to engage with customers on this important topic. All customers receiving a visit to deal with DMC are provided with information sheets and a hygrometer to assist with monitoring humidity and temperature levels.

In June 2023, we commissioned Savills to carry out a 100% independent stock condition survey of our homes and to highlight any outstanding repair issues. We use this intelligence to identify potentially systemic or complex repair issues that may be replicated across our homes or neighbourhoods. We feed this into our long-term asset management strategy to take proactive actions to prevent complex repair cases. This has improved our data-based evidence to strengthen our relationship with our customers. Our new case management process helps to speed up our responses and tailor our approach where there are instances of litigation. In complex repair cases (the majority of which cite damp and mould), works are completed following receipt of a full inspection report from an expert surveyor and a specification of the works that improves diagnosis and categorisation.

Positive changes have been made to our response times, and we have built in additional resilience to service complex repairs. We have expanded our team with new permanent roles which is a huge step forward to improving services based on customer feedback.

On 9 January 2024, the Awaab's Law consultation was launched by the Secretary of State for Levelling Up, Housing and Communities. Awaab's Law will introduce strict time limits for social housing providers to ensure they are taking swift action to address dangerous hazards such as damp and mould. It proposes legal requirements for social landlords to investigate hazards within 14 days, to start fixing them within a further 7 days, and to make emergency repairs within 24 hours. Landlords will be expected to keep clear records of their work to rectify hazards, to improve transparency and ensure that all tenants live in safe, decent and secure homes. The Government have recently announced that the secondary legislation relating to the implementation of Awaab's Law, will be rolled out in phases. The first phase will focus on damp, mould and condensation and will take effect from October 2025. The exact details are yet to be released but it is envisaged that the timescales and actions mentioned above will apply. Citizen has evaluated the proposals and responded to the consultation, including holding a workshop event with key managers from across the affected service areas to understand the implications. Plans are now being developed to ensure compliance with the new law.

In preparation, the Repairs team have already moved to an internal stretch target to inspect and make safe all priority DMC cases within 5 working days and all moderate cases within 12 days. Customers reporting severe DMC are now receiving a written report after the initial inspection and work is underway to move to providing reports for moderate cases, preferably through an automated workflow in our housing management system. This is to be developed over the coming months with support from our Transformation Team. Final arrangements regarding our implementation plan will be subject to consultation with our Customer Repairs Panel.



Citizen Housing Group Limited and its subsidiaries Strategic Report

Putting our Citizens First

Since 2022 we have been developing and now delivering a new change programme 'Putting our Citizens First' aimed directly at tackling poor customer perception and to simplify working practices. The vision for this programme is "To put our citizens first, working as one team, delivering great services."

We started this work by gaining a full understanding of what our customers wanted to see from Citizen and where we are not meeting their expectations. The programme of work has been developed as a result of this input and is now delivering a co-ordinated set of activities to improve the customer experience by creating a new operating model based on modern cloud technologies.

During 2024, a number of early-wins were achieved which have built confidence in the delivery team and also prepared us for more wide-scale changes. During early 2025, we implemented a new version of our Housing Management system which provides a modern experience for customers and staff. We have also procured and started implementation of new technology for connecting with our customers using a modern 'Omni-channel' approach. We are using these new digital services to build a new operating model for the organisation to drive up customer and colleague satisfaction by responding to service requests more quickly and accurately by clearly diagnosing the problem at first contact and then responding with the right services as a result.

Through this approach, we are increasingly delivering a wide range of modern, online services that create a new operating model for housing services, while continuing to reduce burdensome admin and complexity.

Performance in the period

Both operational and financial performance during 2024/25 have been closely monitored at Senior Leadership Team (SLT), Executive Leadership Team (ELT) and Board level across the Group. At ELT/SLT level, our monthly ELT and weekly SLT meetings have continued to provide regular internal scrutiny and support the pace of change as we seek to improve and develop our performance in order to be the best that we can be as an organisation and continually develop our customer experience.

The services that we have provided, and a comprehensive range of weekly performance statistics, have been reviewed on a weekly basis by our SLT. We have continued to develop our reporting suite of performance measures to meet the changing regulatory environment and the needs of our business. We have continued to refine our monitoring of all aspects of safety in the home, complaints handling, customer satisfaction, damp and mould and complex repair cases and asset component replacements. We have been pleased that performance in all areas of service delivery remained strong throughout the year, and, overall, we have outperformed our operational budgets for 2024/25.

Our Customer Experience Centre (CEC) provides a single point of contact for our customers via one phone number where the majority of calls are answered and dealt with at the point of enquiry and has continued to transform many of its aspects of delivery over the last year. A new 'Tiered' service operating model has been introduced, to make it easier for customers to contact us and remove duplication of repair calls caused by the same call being logged via different communication channels, and we have further enhanced the customer experience by expanding the range of self-serve options that we offer on MyAccount, with plans in place to enhance this by the development and launch of Citizen Connect. Call handling operates as a blend of remote and office-based working, and the average call waiting time increased from 143 seconds during 2023/24 to 153 seconds in 2024/25. Overall, call volumes have continued to increase year on year, with the main drivers for demand being damp and mould, repairs and maintenance activity.

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Performance in the period (continued)

We operate a Customer Experience Platform to help us understand real-time customer experience and help us to pinpoint the things that we could do better. We report monthly Customer Satisfaction Transaction Survey (CSAT) scores, made up of aggregated scores from our Customer Relationship Module (CRM) enquiries, online MyAccount enquiries, online repair bookings, gas servicing, gas repair completions, repair completions, lettings completions, new sales completions, grounds maintenance services and cleaning services. We set a target for 2024/25 of achieving 4.56 out of a total score of 5.0, and at the end of the year had fallen just short of this target and achieved a score of 4.46, based on 52,544 survey responses.

The way that we handle and learn from customer complaints is important to us. For 2024/25, we set a target of 90.00% to respond to all complaints within our internal timescales, and in March 2025 actually responded to 90.81% of complaints within our targets. To improve the way that we handle complaints we have implemented system and process changes, as well as a quarterly Complaints Steering Committee focussed on delivering improvements as a result of lessons learnt and other sources of customer intelligence.

We have revised the way that we handle complaints to ensure that we comply with the new Complaints Handling Code that was introduced by the Social Housing Regulation Act with effect from 1 April 2024 and have introduced a new two-stage complaints handling process. The Complaints Handling Code is focussed on empowering customers, which we completely support, and is in place to be fair, ensure that we put things right if they go wrong, and support us to learn from outcomes and improve the way that we work.

Citizen's Information Steering Group monitors data breaches and cyber security regularly, with approved key performance indicators recorded monthly and reported at Steering Group meetings. During this year, we have recorded only 2 personal data breaches, demonstrating considerable success to lower personal data breaches from the previous year as a result of our "Think before you click" campaign. Of those, 1 was low-risk and 1 higher risk, which was reported to the ICO, but, following prompt self-referral, mitigation actions and follow-up, no further action has been required. Citizen digital services incorporate end-to-end encryption, and mandatory data governance training is provided for staff.

Citizen continues to see high levels of attempted cyber-attacks, peaking in November/December 2024, either directly against our externally facing systems, or through social engineering attacks, and have seen an increase in supply chain and more advanced credential-bypass attack attempts. For some time, Citizen has maintained a robust and mature set of evolving security controls, with a specific focus on user awareness and risk management, and cyber risk is one of the most comprehensive and scrutinised risk areas at all levels up to Board. All staff receive training annually, with additional face-to-face half-day workshops mandated for higher risk user groups at least once every two years, alongside a programme of monthly reporting for senior staff, and cyber briefings for all staff. Multiple types of penetration testing run annually, alongside a focused programme of internal spear phishing exercises.

Our controls have performed well during 2024/25 and are based upon intelligence gathering, working with our peers and national agencies. These controls will continue to be monitored, enhanced and where necessary replaced through continuous service improvement, vulnerability scanning and monitoring the attack landscape.

The charging and collection of rents and service charges are some of the fundamental basics of our business. It is imperative that we understand the true costs of the services that we deliver, and that we ensure that we are charging appropriately for those services. The continued development of our service charge module as part of our housing management system has helped us to understand and manage both income and costs associated with every rented and leasehold home in our portfolio.

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Performance in the period (continued)

Our annual investment programme approved by the Board (capital and revenue combined) is £119.8m. This included major repairs of £70.9m and WAVE 2 energy efficiency works of £48.9m.

The total spend for the year is £91.0m including £58.7m for major repairs (which is £12.2m lower than the budget) and £32.3m for WAVE 2 (which is £16.6m lower than the budget). After capitalisation of major repairs costs, total revenue spend is £5.0m which is £2.9m lower than budget for the year.

During 2024/25, 401 newly built social homes have been handed over into management, against a target of 476 completions. Delivery was impacted by contractor insolvency, local authority and utility delays, and limited subcontractor availability. Lessons from recent insolvencies are being captured and will inform future schemes, with updates provided to senior leadership and the Development Board.

Enhanced due diligence is in place, including regular contractor credit checks, financial reviews, and live monitoring of contractor risk. Weekly meetings with housing and lettings teams ensure up-to-date handover information is shared, supporting clear customer communication. This robust approach has helped maintain a strong customer CSAT score of 4.60/5 for new lets in 2024/25.

| | | Actual Performance 2025 | Target Performance 2025 | Actual Performance 2024 |
|-------------------------|----------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| Income Collection | Percentage of current tenant rent due not paid | 2.12% | 2.82% | 2.26% |
| Stock Management | Percentage of rent lost through being vacant | 0.59% | 0.82% | 0.69% |
| Repairs and Maintenance | Repairs Live File – Maintenance Operations | 5,622 | 4,300 | 8,658 |
| | Repairs Live File – HHSRS/Damp and Mould/ Complex Repair Cases | 224 | 0 | 1,718 |
| | Percentage of emergency repairs completed in 24 hours | 97.96% | 99.50% | 99.60% |
| | Percentage of non-emergency repairs completed within target | 87.77% | 82.00% | 54.64% |
| Safety in the Home | Percentage of homes with a current gas safety certificate | 99.90% | 100.00% | 99.95% |
| | Percentage of homes with a current/ valid EICR | 99.95% | 100.00% | 99.51% |
| | Percentage of Fire Risk Assessments (FRA) due | 100.00% | 100.00% | 100.00% |
| | Number of overdue FRA remedial actions | 180 | 0 | 326 |

Citizen Housing Group Limited and its subsidiaries Strategic Report

Performance in the period (continued)

Despite the challenges that our customers face with the rising cost of living, our income collection performance remains strong, and at the end of the year our current tenant arrears represented 2.12% of the annual rent debit and were significantly less than both our target of 2.82% and our performance at the end of 2023/24 of 2.26%. Our Income Team hold the Housing Quality Network (HQN) 'Managing Income Sustaining Tenancies' (MIST) accreditation. MIST assesses how well we manage rent related income streams and looks at the range of activities we deliver beyond collecting rent. This includes supporting new and existing customers to sustain tenancies with our Money and Energy Advice Services.

We continue to refine our approach to Universal Credit (UC) customers and, in doing so, maximise collection and increase efficiency. This year has seen a significant migration of Citizen customers to UC with an estimated 17,000 Citizen customers now thought to be receiving UC. This is a significant increase in numbers, with customers who had been claiming disability benefits on a long-term basis making the transition to UC.

During 2024/25, we proactively contacted all customers making a new Universal Credit claim, enabling us to agree a payment plan with the customer and identify any additional support requirements that could be provided by our Money Advice colleagues. Our Money Advice team continue to support our customers to maximise their income and progress their claim for Universal Credit.

The percentage of rent lost through dwellings being vacant at the end of 2024/25 was 0.59%, which was better than our target for the year of 0.82% and better than the rent lost in 2023/24 of 0.69%.

The percentage of emergency repairs completed in 24 hours in 2024/25 decreased from 99.60% in 2023/24 to 97.96% in 2024/25 and was lower than our target of 99.50%. The percentage of routine repairs completed within target increased significantly from 54.64% in 2023/24 to 87.77% in 2024/25, which was better than our target of 82%.

We continue to receive higher than anticipated demand for both 'normal' responsive repairs and for reports of Housing Health and Safety Rating System (HHSRS) hazards, damp and mould and reports of complex repair cases. We have separated our live file of outstanding repairs to highlight the increasing trends and to help us to focus our response accordingly. We have been allocating, and will continue to allocate, additional funds and resources to help us to bring the number of outstanding repairs back down to our target levels and thereby improve the service that we offer to our customers.

Home safety compliance continues to be a key area of focus across the Group, with 100% of buildings having a current/valid fire risk assessment and 100% of communal areas having a current/valid Electrical Installation Condition Report (EICR) and gas safety certificate. We had also completed 100% of our asbestos management re-inspections and our water hygiene risk management inspections. 99.50% of our lifts had a current/valid Lifting Operations and Lifting Equipment Report (LOLER). At the end of March 2025, two lifts in one building were overdue their LOLER inspection, which was caused by short term resourcing issues within the LOLER provider. These were completed on 10 April 2025.

At 31 March 2025, there were 25 properties where the gas appliances had not been serviced within 12 months of the last service date (compared to 13 properties at the end of 2023/24), of which 9 are believed to be abandoned or tenancies are in the process of being ended. We continue to make every effort to gain access to these properties, and operate a robust legal access process to ensure that we achieve this. For all current 'non-compliant' properties, we are complying with the HSE guidance on recording and retaining all documentation to evidence communication attempts to gain access and the reasons why access has not been possible.

Citizen Housing Group Limited and its subsidiaries Strategic Report

Performance in the period (continued)

At 31 March 2025, there were 15 properties where an EICR had not been completed within the last 5 years. This represents a significant improvement on the position at 13 March 2024, when there were 136 properties where an EICR had not been completed within the last 5 years. Although the requirement to complete an EICR every 5 years is recommended but not a legal requirement, we believe that this is in the best interests of our customers and continue to make every effort to gain access to our properties. All EICRs older than 5 years have received numerous access attempts and are at various stages of Citizen's legal process.

During the year, an impairment trigger has been identified in respect of those properties affected by our regeneration plans for parts of the City of Coventry. Other triggers include properties that are void and have been identified as difficult to let, and properties that are vacant pending change of use or where decisions have been made to sell the properties.

The total impact of these reviews is an impairment provision of £8.5m (including fair value adjustments of £2.3m) accounted for during 2024/25 (2023/24 - £2.1m, including fair value adjustments of £1.4m).

Engaging with our customers

Our Customer Assurance Committee meets formally 6 times each year to provide assurance to the Citizen Board that the customer voice is present within our work and is a driving force behind future improvement plans. They are supported by a Customer Scrutiny Panel made up of 9 customers, and 1,500 engaged customers who are members of our Citizens Together virtual panel. The panel is supported by our Citizens Together Hub, our digital engagement platform. The Customer Assurance Committee approved a Customer Engagement Strategy in May 2024, and we have implemented years 1 and 2 of the action plan.

During 2024/25 we have:

- Sent 20 surveys to 9,139 people that generated 952 responses (10.4% response rate)
- Worked with 4 Task and Finish groups to improve our homeownership service, repairs service, our service to customers living in our high-rise properties and Customer Service
- Delivered a series of customer meetings in Hillfields to engage with customers about the local plan for their area
- Reviewed policies with customers, including our reasonable adjustments policy and our repairs and maintenance policy
- Collaborated with customers throughout our new website project and the implementation of other new technology
- Delivered three reviews via our Customer Scrutiny Panel with a total of 62 recommendations covering improvements to our communal cleaning standards, ensuring that scrutiny reviews are effective and improving the satisfaction levels of shared owners
- Increased our community presence by attending 57 events – speaking with a broad range of customers, neighbours and community partners, encouraging engagement on a range of topics.
- Distributed £48k of community local funds to 23 community-based projects.

Although our target of 1,000 registered engaged customers has been exceeded, we continue to grow our Citizens Together panel. The panel have provided customer voice and insight across our services including our new website and chatbot, environmental projects, fire safety, repairs and maintenance and range of policies reviews to ensure they remain customer focussed.

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Value for Money (VfM)

Our approach to Value for Money

Our approach helps to demonstrate how we maximise the potential of our income and assets whilst maintaining awareness of the financial risks and uncertainties facing our Group. Our approach to optimising VfM means we can maintain our credit rating and increase opportunities to attract funding for new homes and services. To us, VfM is about being effective in how we plan, manage and operate our business within an ever changing operational and financial environment to ensure we make the best use of our resources to provide quality homes.

At Citizen we are committed to demonstrating the three principles of VfM; Economy, Efficiency and Effectiveness. VfM is not an exercise in cost cutting or limiting resources; we believe that VfM is achieved by balancing these key principles when delivering our business objectives.

- Economy** – we will ensure that the price we pay for services and contracts deliver the best outputs; we therefore procure our services based on quality not just price.
- Efficiency** – we will maximise our productivity through the outputs (results) we get from our inputs (resources), ensuring we spend money well.
- Effectiveness** – we will ensure that our spend achieves the desired outcomes and to the standard we expect, demonstrating that we spend our money wisely.

We aim to optimise the potential of our Group with efficient services and make the best use of our income whilst managing our costs.

VfM is driven by our Board which continually reviews the efficiency of our work and ensures that we comply with regulatory requirements. Colleagues are encouraged to innovate to find more efficient ways of providing a better service. As a not-for-profit organisation, none of our surpluses are distributed to shareholders, and all efficiencies create opportunities to improve the services that we provide to our customers, to improve our existing homes and to build new homes.

To achieve VfM in all that we do, we have an integrated approach to:

- Assets** – we are continually improving our understanding of the performance of our assets to ensure they are well maintained and deliver VfM whilst mitigating risks.
- Customers** – we involve our customers in our decision-making on service improvements to ensure they are continually receiving VfM.
- Decision-making** – all decisions that commit to significant growth in expenditure are approved by Board and supported by cost benefit appraisals.
- Financial** – our budgets and financial plans reflect our plans to deliver improved services.
- Governance** – our Board is responsible for agreeing budgets and establishing financial limits and it reviews the efficiency and effectiveness of our work.
- Performance** – VfM metrics are embedded within our performance framework and are reported monthly as an integral part of our management accounts. We continuously monitor and review our measures and benchmark our performance, including VfM, with our peers.
- Staff** – we invest in our staff through training and on-going development.
- Scrutiny** – our Customer Assurance Committee oversees and drives scrutiny across the Group.

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Value for Money (VfM) (continued)

VfM Metrics

In April 2018, the RSH introduced an updated VfM Standard and accompanying Code of Practice. The specific requirements of the Standard require social housing providers to clearly set out their strategic objectives, which are aligned to the purpose of the organisation. Transparency with our performance is also key and must be understood by our Boards, Committees and stakeholders with targets set accordingly.

In addition to our own performance measures the Standard introduced a set of standard metrics, which we are required to publish annually, together with our comparable performance against our peers. The metrics are intended to enhance the consistency, comparability and transparency of VfM reporting in the sector.

We published our first set of VfM metrics in the 2017/18 financial statements and have continued to do so in all subsequent financial statements. The forecast VfM metrics for the year are reviewed and reported monthly as an integral part of the Group management accounts.

This updated approach to VfM was adopted at Citizen and approved by the Board on 25 March 2019 and reconfirmed annually thereafter. Within our approach, we have committed to achieve a set of key activities that take account of the specific expectations of the Standard and Code of Practice.

VfM is a fundamental guiding principle that is integrated into all ways of working, and into our strategic planning. Targets in relation to the VfM metrics are set annually based on the approved budget for the year, ensuring that they reflect the strategic decisions taken by the Board. The metrics and targets are fully integrated into the Group's performance framework alongside our other measures that monitor value for money and are reported to our Executive and Senior Leadership Teams monthly as part of our management accounts and to the Board and Audit and Risk Committee quarterly.

It is important to understand the context behind each metric's output. Where metrics are related a positive result could either be a high or low number.

For example, a lower-gear provider with limited/no new social housing supply could be challenged to stretch its gearing further to deliver more new homes. A lower-gear provider which does deliver new social housing could indicate a very efficient provider using its cash generation to build new homes with limited borrowing.

To understand how our metrics are performing, we not only compare our results year-on-year and against target, but also against our peers. To facilitate meaningful comparison of the Citizen VfM metrics with the global accounts, a comparator peer group has been established comprising the M6 group of housing associations and English LSVTs owning between 14,000 and 40,000 homes. We consider that these RPs demonstrate both an appropriate geographical and operational correlation on which to base our peer comparisons.

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Value for Money (VfM) (continued)

VfM Metrics (continued)

The members of this peer group comprise:

- GreenSquareAccord Housing Association Limited (M6)
- Aster Group Limited
- Beyond Housing Limited
- Believe Housing Limited
- Bolton at Home Limited
- Bromford Housing Group Limited (M6)
- ForViva Group Limited
- Gentoo Group Limited
- Incommunities Group Limited
- Jigsaw Homes Group Limited
- Karbon Homes Limited
- Midland Heart Limited (M6)
- Onward Group Limited
- Orbit Group Limited (M6)
- Platform Housing Group Limited (M6)
- Stonewater Limited (M6)
- Thirteen Housing Group Limited
- Together Housing Group Limited
- Torus62 Limited
- Vivid Housing Limited
- Wakefield and District Housing Limited
- Walsall Housing Group Limited (M6)

Table 1 below shows these metrics for the Group for the 2020/21 financial year onwards and the Group's targets for 2025/26 based on the Board approved 2025/26 Budget. Table 2 compares our performance relative to that of our selected peer group in 2023/24 as disclosed in the 2023/24 Global Accounts.

Although comparison of the 2024/25 results and the 2025/26 budget with the global accounts is useful, we need to be mindful that our peer comparators will also be going through the process of re-setting budgets for the year ahead, and their actual VfM results for 2024/25 and 2025/26 will impact on the Citizen quartile position for each metric. The historical composition of our group means that at Group level we must account for non-cash adjustments to reflect the fair value of assets at the time the owner joined the Group. These adjustments affect the calculation of the VfM Metrics and therefore hinder direct comparison with providers who do not have fair value adjustments to account for.

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Value for Money (VfM) (continued)

VfM Metrics (continued)

Table 1 – Group Metrics

| Metric | VfM cost chain | Metric description | Positive indicator (aim to maximise/minimise) | 2020/21 Actual | 2021/22 Actual | 2022/23 Actual | 2023/24 Actual | 2024/25 Actual | 2024/25 Target | 2025/26 Target |
|--------|----------------|-----------------------------------|-----------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1 | Efficiency | Reinvestment | Either | 6.12% | 6.63% | 8.94% | 10.98% | 14.12% | 10.58% | 14.23% |
| 2a | Effectiveness | New supply (social) | Maximise | 1.61% | 1.65% | 1.94% | 2.20% | 1.60% | 1.34% | 2.02% |
| 2b | Effectiveness | New supply (non-social) | Either | 0.16% | 0.07% | 0.09% | 0.12% | 0.06% | 0.00% | 0.08% |
| 3 | Efficiency | Gearing | Either | 45.78% | 45.81% | 46.80% | 50.05% | 53.70% | 51.44% | 55.35% |
| 4 | Efficiency | EBITDA (MRI) Interest Cover | Maximise | 196.96% | 184.41% | 128.26% | 34.69% | -96.45% | -32.69% | -7.85% |
| 5 | Economy | Social Housing Cost per unit | Minimise | £3,309 | £3,356 | £4,188 | £5,528 | £7,759 | £6,629 | £6,740 |
| 6a | Efficiency | Operating margin (social housing) | Maximise | 24.88% | 26.24% | 23.54% | 24.12% | 19.39% | 20.66% | 21.12% |
| 6b | Efficiency | Operating margin (overall) | Maximise | 24.91% | 25.07% | 23.87% | 23.55% | 20.01% | 20.16% | 20.35% |
| 7 | Efficiency | Return on capital employed | Maximise | 3.33% | 3.36% | 3.55% | 3.13% | 2.42% | 2.74% | 2.52% |

Key commentary in respect of movements in these metrics between 2023/24 and 2024/25 and in respect of the 2025/26 targets are shown in Table 3 below.

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Citizen Housing Group Limited and its subsidiaries

Strategic Report

Value for Money (VfM) (continued)

Table 3 – VfM Metric Commentary

| Metric | Metric description | Commentary |
|--------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Reinvestment | <p>The size of our spend on energy efficiency and other capital works to our properties has impacted on our Reinvestment metric for 2024/25 compared to 2023/24, with spend of £86.5m in 2024/25 compared to £61.4m in 2023/24, although our spend in 2024/25 was less than our target of £112.6m due to movement in the timing of works. Whilst our spend on new developments in 2024/25 was broadly in line with our spend in 2023/24, we still have a smaller development programme than some of our peer comparator organisations, and this is evident from our peer comparisons.</p> <p>Our 2023/24 performance amongst our 2023/24 defined peer group placed us in the third quartile for this metric, and our 2024/25 performance would also place us in the third quartile based on this comparison. Our 2025/26 target reflects our social and affordable development programme and spend on energy efficiency and other capital works and would still place us in the first quartile compared to our defined peer group results for 2023/24.</p> <p>Over the next few years, our development programme will continue as planned, but our metric is still likely to be lower than some of our peers as we seek to balance investment in new homes with additional expenditure to improve the quality of homes and services that we offer to our existing customers, alongside additional expenditure associated with capital investment in our existing homes.</p> |
| 2a | New supply (social) | <p>Our New Supply Delivered (Social housing units) metric for 2024/25 is lower than 2023/24, and below our target for 2024/25. 401 units were completed in 2024/25, compared to a target of 476 units for the year and completion of 653 units in 2023/24.</p> <p>Our 2023/24 performance amongst our defined peer group placed us in the second quartile for this metric, and the number of homes developed in 2024/25 would place us in the third quartile. Our 2025/26 target reflects our planned development programme for social and affordable homes and would also place us in the third quartile compared to our defined peer group results for 2023/24.</p> <p>As explained above for Metric 1, over the next few years, our metric is still likely to be lower than some of our peers as we seek to balance investment in new homes with additional expenditure to improve the quality of homes and services that we offer to our existing customers.</p> |

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Value for Money (VfM) (continued)

Table 3 – VfM Metric Commentary (continued)

| Metric | Metric description | Commentary |
|--------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2b | New supply (non-social) | <p>Our metric for New Supply Delivered (Non-social housing units) for 2024/25 is lower than our 2023/24 results, and lower than the target that we set for 2024/25, due to the conversion of some outright sale units to shared ownership during the build process.</p> <p>Our budgeted/target metric for 2025/26 is higher than the target and actual results for 2024/25 as we grow our ambitions for new supply through Joint Ventures with development partners, although the lead-in time for delivery of new homes through the JV's is longer than via traditional build schemes.</p> <p>A quartile position amongst our defined peer group is not appropriate for this measure due to the small range in percentages. Compared to the overall scale of our business our build for sale development programme remains relatively small compared to others in our peer group who have an implied higher risk appetite and more aggressive build for sale programme. We are comfortable that our aspirations in this area are compatible with our strategic objectives and the Board's risk appetite.</p> |
| 3 | Gearing | <p>Our Gearing metric is higher in 2024/25 compared to 2023/24, reflecting our desire to make use of our financial capacity to both build new homes and invest in our existing homes, and also the historical nature of our business, which has combined lower geared traditional housing associations with higher geared LSVTs. At 31 March 2024, we had £43.3m of general needs rented and low-cost home ownership properties under construction, which have been brought into management during the year and have started to bring cash back into the business by means of rental receipts and the sale of shared ownership initial tranches. Our budgeted/target metric for 2025/26 is higher than both the target and actual results for 2024/25.</p> <p>The impact of historical business combinations makes this a more challenging metric to compare and needs to be assessed in conjunction with the scale of New Supply Delivered.</p> |

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Value for Money (VfM) (continued)

Table 3 – VfM Metric Commentary (continued)

| Metric | Metric description | Commentary |
|--------|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4 | EBITDA (MRI) Interest Cover | <p>Our EBITDA MRI Interest Cover metric for 2024/25 is worse than 2023/24 due to our decision to accelerate decarbonisation works in our homes, so that we will achieve our target of an EPC C rating for all homes ahead of the target of 2030.</p> <p>The 2025/26 target has been set based on the 2025/26 Citizen consolidated budget and the forecast balance sheet as at 31 March 2026 predicted by year 1 of the financial plan and includes continuing significant additional spend to improve the energy efficiency of our homes as we participate in the SHDF programmes in partnership with both Matrix and Coventry City Council.</p> <p>Benchmarking performance is not appropriate, as the metric could be construed as positive or negative depending on a number of other factors.</p> |
| 5 | Social Housing Cost per unit | <p>Our Headline Social Housing Cost per Unit for 2024/25 is higher than 2023/24 but lower than our target for 2024/25 due to high levels of capitalised repairs in relation to SHDF energy efficiency works as well as an impairment charge of £8.5m in respect of our regeneration plans.</p> <p>Our 2023/24 performance amongst our defined peer group placed us in the fourth quartile for this metric, and our results for 2024/25 would also place us within the fourth quartile. Our 2025/25 target reflects the net impact of changes to revenue and capital repair budgets and additional costs in respect of decarbonisation works and would still place us in the bottom quartile compared to our defined peer group results for 2023/24.</p> |

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Value for Money (VfM) (continued)

Table 3 – VfM Metric Commentary (continued)

| Metric | Metric description | Commentary |
|--------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6a | Operating margin (social housing) | <p>Our Operating Margin on Social Housing Lettings for 2024/25 is lower than 2023/24 but higher than our target for 2024/25 due to lower spend on the revenue element of major repairs, lower depreciation and higher grant amortisation, which have been partially offset by an impairment charge of £8.5m in respect of our regeneration plans.</p> <p>Our margin reflects the fact that our average rents are lower than many of our peer comparators, the impact of non-cash fair value adjustments required and the Board's decision to focus on our social purpose and make a difference to our customers and communities rather than on increasing margins.</p> <p>Our 2023/24 performance amongst our defined peer group placed us in the second quartile for this metric, and our 2024/25 performance would place us in the third quartile. Our 2025/26 target would also place us in the third quartile compared to our defined peer group results for 2023/24.</p> |
| 6b | Operating margin (overall) | <p>Our Operating Margin Overall for 2024/25 is lower than 2023/24 but above our target for 2024/25 reflecting lower spend on the revenue element of major repairs, lower depreciation and higher grant amortisation, higher RTB/RTA sales and lower net interest costs, and the inclusion of the Citizen share of surpluses achieved by our joint ventures which have been partially offset by an impairment charge of £8.5m in respect of our regeneration plans</p> <p>This margin includes the impact of Other Social Housing and Non-Social Housing activities, which includes the impact of shared ownership initial tranche sales and surplus achieved on our build for sale properties, as well as high levels of capitalised repairs in relation to SHDF energy efficiency works. Our 2023/24 performance amongst our defined peer group placed us in the second quartile for this metric, and our 2024/25 performance would place us in the third quartile. Our 2025/26 target would place us in the second quartile.</p> |
| 7 | Return on capital employed | <p>Our Return on Capital Employed for 2024/25 is lower than 2023/24, but higher than our target for 2024/25.</p> <p>Our Return on Capital Employed remains lower than many of our peer group, primarily due to the high level of investment that we have made since 2012 to improve the quality and energy efficiency of our existing homes and to regenerate some of our more challenging estates and communities, which has increased the cost of total assets less current liabilities on which this metric is calculated.</p> |

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Value for Money (VfM) (continued)

Plans for Improvement

| Plans for 2024/25 | Outcomes Achieved in 2024/25 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Putting our Citizens First</p> <p>Our new Putting Our Citizens First programme is now well established, and is a programme designed to improve customer experience and perception.</p> <ul style="list-style-type: none"> Complaints will continue to be an area of focus for the coming year, with plans to move to another updated version of our complaints process and system following collaboration with our Housing Management System supplier and other Registered Providers. <p>Damp and mould and the number of complex repair cases will continue to be prioritised. We have used our robust complex repair process to inform a new system that they are now developing, which we plan to launch in the first half of 2024/25.</p> | <p>Complaints have been a key area of focus during 2024/25. We have implemented system and process changes, as well as a quarterly Complaints Steering Committee focussed on delivering improvements as a result of lessons learnt and other sources of customer intelligence.</p> <p>We have revised the way that we handle complaints to ensure that we comply with the new Complaints Handling Code that was introduced by the Social Housing Regulation Act with effect from 1 April 2024 and have introduced a new two-stage complaints handling process.</p> <p>The new system and process for managing damp and mould cases was launched as planned early in 2024/25. We have a dedicated damp and mould team in place and monitor damp and mould and complex repair casers as part of our weekly performance reporting.</p> |

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Value for Money (VfM) (continued)

Plans for Improvement (continued)

| Plans for 2024/25 | Outcomes Achieved in 2024/25 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Migration to Active H Web housing management system</p> <p>Underpinning our Putting Our Citizens First programme is our plan to migrate from our current Active H housing management system to Active H Web, which will provide additional functionality and flexibility to enable us to enhance the customer experience, both in terms of contact with the CEC (with improved computer telephony integration) and when using MyAccount.</p> | <p>During early 2025, we implemented a new version of our Housing Management system which provides a modern experience for customers and staff. We have also procured and started the implementation of new technology for connecting with our customers using a modern 'Omni-channel' approach. We are using these new digital services to build a new operating model for the organisation to drive up customer and colleague satisfaction by responding to service requests more quickly and accurately by clearly diagnosing the problem at first contact and then responding with the right services as a result.</p> |
| <p>Asset Management</p> <p>We completed 10,000 stock condition surveys in 2024/25, and plan to complete a further 10,000 in 2024/25. These provide valuable information about the condition of our homes and inform our investment plans for the next 30 years of our business plan. We also plan to undertake option appraisals for our most challenging homes, including more of our tower blocks.</p> | <p>We have now completed over 18,000 independent stock condition surveys of our homes, and the data provided by these surveys has been used to inform our update June 2025 financial plan, which incorporates a fully funded investment plan over the first 30 years of the plan.</p> <p>Option appraisals of our most challenging homes have been undertaken, and our June 2025 updated financial plan includes our plans to demolish and redevelop 7 more tower blocks as part of our regeneration plans in Coventry.</p> |

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Value for Money (VfM) (continued)

Plans for Improvement (continued)

| Plans for 2024/25 | Outcomes Achieved in 2024/25 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Low- Carbon Technology</p> <p>We will continue to trial a number of low carbon technology solutions across our stock, including infra-red heaters, external wall insulation, heat pumps and solar PV installed in new build properties and a novel Smart Grid system which will provide lower electricity costs for customers.</p> | <p>As part of our ongoing commitment to delivering the priorities set out in the Group's Business Strategy, we are continuing to make strong progress in the delivery of new homes. Embracing a more varied approach to construction, including greater use of Modern Methods of Construction (MMC), remains central to our ambition to create more sustainable, energy-efficient homes for the future.</p> <p>Our MMC pilot programme has continued to move forward at pace. Phase 2, which includes the development of 19 homes using Structurally Insulated Panel (SIP) systems, is on track for completion in September 2025. This marks an important step in our adoption of innovative construction methods that improve quality, reduce build time, and support our environmental objectives. Planning for Phase 3 is now well advanced, with works expected to begin before the end of the 2025/26 financial year.</p> |

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Value for Money (VfM) (continued)

Plans for Improvement (continued)

| Plans for 2025/26 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Putting our Citizens First</p> <ul style="list-style-type: none"> Continue the implementation of improved processes supported by new technology to deliver efficiency benefits, reducing duplication of the systems that we use for connecting with our customers. We will use these new digital routes to support our operating model, allowing customers who want self service options to access services at a time that suits them. We are reducing the number of systems that we have and 'retiring' multiple older systems to provide simplified systems that support improved efficiency in dealing with customer requests for services and out bound contact with customers to reduce wasted effort and improve productivity. This will enable simple and regular contact with our customers using automated contact methods to remind customers about appointments and access requirements. Launch our new Citizen website, which has been developed based on feedback from our customers and will incorporate a new chatbot called 'AskCiti' with improved functionality for customers, and an expanded range of 'self serve' options available for them to use. This will improve efficiencies and create a better customer experience, whilst reducing costs. <p>Regeneration</p> <ul style="list-style-type: none"> Continue our regeneration of the Spon End and Wyken areas of Coventry, utilising our option appraisals of our most challenging homes to develop plans to demolish and redevelop seven tower blocks as the next stage of our regeneration plans in Coventry. <p>Customer Safety</p> <ul style="list-style-type: none"> Embed and develop the new 'home safety visit' programme to ensure that Citizen maximises the value and effectiveness of this innovative initiative. Carrying out a comprehensive suite of home safety checks in a single visit will be more efficient for our customers and improve the safety of their homes, whilst offering improved value for money. Continue to strengthen our response to reports of damp and mould, ensuring that the requirements of Awaab's Law are implemented in full in accordance with the required timescales. <p>Low- Carbon Technology</p> <ul style="list-style-type: none"> Our MMC pilot programme has continued to move forward at pace. Planning for Phase 3, which includes the development of homes using Structurally Insulated Panel (SIP) systems, is now well advanced, with works expected to begin before the end of the 2025/26 financial year. |



Citizen Housing Group Limited and its subsidiaries

Strategic Report

Social and Environmental Returns

In September 2023, the Citizen Board approved our Sustainability Strategy, which was developed following consultation with both customers and colleagues across the business. It covers a three-year period and has four high level environmental objectives which directly contribute to the delivery of the Business Strategy. Our ambition is to be at the forefront of the environmental agenda, and we will achieve this by working with stakeholders and partner organisations to minimise the risks from climate change. We are committed to supporting the achievement of the UK Government's net zero target and will strive to support the West Midlands Combined Authority's (WMCA) interim carbon reduction targets and aim for being carbon neutral by 2041. During 2024, we set up an Environmental Sustainability Committee.

Over the next three years the Sustainability Strategy will focus on several priorities, which aim to mobilise Citizen as a sustainable business, enabling us to build the foundations to effectively manage our journey to net zero and becoming a leading environmentally sustainable social housing provider.

Our vision at Citizen is focused on protecting our customers against the consequences of a changing climate and to provide safe, healthy communities where our customers can thrive.

Our vision is to have:

- Homes that are warm and comfortable to live in, affordable to run, and are protected from overheating, flooding and water shortages
- Communities that have access to nature, green space and increasing biodiversity to enhance the well being of residents
- A highly trained, motivated, and skilled workforce that will accelerate our transition to net zero.

We have set four high-level environmental objectives which will help us realize our vision, these are to:

- Reduce carbon emissions from our customers' homes, our operations and wider supply chain
- Embed environmental sustainability into our business and operational processes
- Future-proof our homes, communities, and services against a changing climate
- Improve the resource efficiency of our homes and operations.

To deliver the Strategy we have identified a number of key priorities for the next three years. These priorities aim to mobilise Citizen as a business, enabling us to build the foundations to effectively manage our journey to net zero and becoming a leading environmentally sustainable social housing provider.

Our key priorities are to:

- Establish an environmental performance baseline against which we can measure our progress
- Raise the performance of our least energy efficient homes
- Improve the accuracy and transparency of our environmental data to enable more informed decision making
- Upskill and empower staff so they can contribute to delivering environmental improvements
- Integrate environmental management into our operational and business processes
- Collaborate with others to share knowledge and expertise to drive environmental sustainability in the sector.

The strategy includes a plan detailing actions required to deliver each objective. Progress against the action plan and KPIs is monitored using our performance management system and reviewed by our Environmental Sustainability Committee.

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Social and Environmental Returns (continued)

We have produced three annual Environmental, Social and Governance (ESG) reports to date. Our annual ESG report, based on the Sustainability Reporting Standard, provides transparent and comprehensive reporting against 46 ESG metrics on themes such as, climate change, resource management, affordability, building safety, resident voice, staff wellbeing and supply chains. Our latest ESG report demonstrates the progress we are making and can be viewed on our website.

In 2023, we commissioned SHIFT environmental to assess our environmental performance using their assessment methodology and were awarded a SHIFT silver environmental standard. In 2024, we improved our performance and were awarded the SHIFT gold environmental standard.

We continue to develop our Apprenticeship scheme and have improved the offer to our apprentices by increasing the salary levels across all skill areas. We currently have 16 apprentices training within various areas of our business, and we will be recruiting another 3 apprentices in 2025. Following a successful recruitment process using an Apprentice Assessment Day in October 2024 we will use this process again in 2025 to ensure we recruit the right Apprentice that meets the needs of Citizen based on succession planning discussions with key stakeholders.

As well studying towards a recognised qualification and to ensure their success, our apprentices also attend our Apprentice Development Programme which teaches them basic work skills, such as time management, interview skills, communication and team working. The Learning and Development Coordinator role has now been amended to include an element of Apprenticeship Coordination, offering more support for the apprentice, their manager and to act as a point of contact for their training college.

We offer an energy advice animation for our customers, so they are aware of free things they can do to save money during the cost-of-living challenge. It helps to highlight how customers can cut down energy usage for free. The animation features simple and free tips which customers can do around the house to save energy and, in turn, money.

Investing in our People

Our 2024-2026 People Strategy, which aligns to the Business Strategy objective to 'be an employer of choice', is built around three key themes:

- **Attract** – We will attract a high calibre of applicants by developing a contemporary and competitive employment offer supported by a reward package that is valued by staff.
- **Engage** - Surveys confirm good levels of engagement (in most areas) and maintaining a positive culture and ensuring staff are engaged is critical to the success of Citizen. We will develop an employer brand that captures Citizen's Employee Value Proposition (EVP) making it an Employer of Choice.
- **Grow** – We will embed our Talent Management offer to support staff in their current role, or to progress within Citizen.

These three key themes will drive change, requiring our Human Resources and Learning and Development teams to challenge a range of current working practices from recruitment and selection to our talent management offer.

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Investing in our People (continued)

The rising cost of living impacts our staff as well as our customers, and we recognise the importance of our pay and reward offer in attracting and retaining our people. From 2023/24, we have adopted the Real Living Wage as Citizen's lowest salary offer, to strengthen our offer as an 'employer of choice' for our lowest paid people.

In September 2022, we appointed an independent organisation to support us in carrying out a broad total reward review, which covered Equal Pay, Job Evaluation, pay, benefits and training, which will support Citizen in achieving our goals of achieving a competitive total reward and compensation practice. As a result of this review, we implemented a new pay framework in the Summer of 2024 (backdated to April 2024), with the key principles being transparency, equal pay, simplicity, and a link to the external job market. The new pay framework introduced a spot salary framework with all colleagues being paid a fixed salary for the role they do and pay being linked the market median for every role within the business. Nobody had a reduction in pay, and we have made a significant investment into the new pay framework which on average has resulted in 70% colleagues receiving an increase in salary of 9%.

We operate a dedicated learning management system 'MyLearn' to transform how staff book training courses, view personal development records and complete e-learning. MyLearn is a comprehensive system that holds all Learning and Development requirements in one place and can be accessed at any time through any device. The main benefits of MyLearn include a user-friendly system to book everything including training, e-learning and personal development opportunities. It is easy to see what learning needs to be completed, expiry countdowns and refresher dates. Managers have a new easy-to-read dashboard to oversee their team's mandatory and developmental learning.

At the end of March 2025, all 6 of our mandatory training H&S and compliance modules had met or exceeded the target of 95% completion by staff, and plans are in place to ensure that all staff are fully compliant as soon as possible.

In early 2025, we successfully launched 'My Perform', a new model and system for performance management for 2025/26 simplifying the process, making it more engaging for employees and Managers, whilst also linking to Citizen's behaviour framework.

Whilst the Citizen Leadership Academy and Talent Development Programme is still essentially in a design and delivery phase, significant progress has been made and some pilot programmes launched in 2024 and early 2025. The first stage of our Talent Development programme is 'Aspire', which is aimed at colleagues who have not yet undertaken their first people management role, and the second stage called 'Future Leaders' is aimed at managers who aspire to move into a Head of Service position. Both of these stages have now been piloted and we have appointed the CPD Certification service to ensure that the courses that we design and deliver are benchmarked to an industry standard.

Future Prospects

We continue to work to transform the way that we drive consistency and improve our customers' experience, reporting weekly to SLT on feedback from our customer experience platform. We follow up on negative feedback to learn how we can improve our services and experiences for customers. We have an ongoing ambition to increase customer self-service options and experience, and our programme to deliver this, called 'Citizen Connect' is progressing well as part of our 'Putting our Citizen First' change programme.

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Future Prospects (continued)

As part of our ongoing commitment to delivering the priorities set out in the Group's Business Strategy, we are continuing to make strong progress in the delivery of new homes. Embracing a more varied approach to construction, including greater use of Modern Methods of Construction (MMC), remains central to our ambition to create more sustainable, energy-efficient homes for the future.

Our MMC pilot programme has continued to move forward at pace. Phase 2, which includes the development of 19 homes using Structurally Insulated Panel (SIP) systems, is on track for completion in September 2025. This marks an important step in our adoption of innovative construction methods that improve quality, reduce build time, and support our environmental objectives. Planning for Phase 3 is now well advanced, with works expected to begin before the end of the 2025/26 financial year.

These efforts support our strategic pledge to "significantly increase the production of offsite manufactured homes," as outlined in our business strategy, and align with Homes England's strategic partnership funding requirements, which mandate that at least 25% of homes utilise MMC.

We continue to respond to the evolving needs of residents and the housing market by embracing construction methods that enhance build quality, reduce environmental impact, and increase efficiency. Our business plan includes a strong programme for the delivery of new homes, reflecting our ongoing ambition to provide high-quality, sustainable housing across the region.

By leveraging innovative approaches such as MMC and SIP solutions, we are not only streamlining construction but also setting a new benchmark for quality and performance at Citizen.

Risk Management and uncertainties facing the Group

Citizen adopts a robust approach to risk management, which is underpinned by our detailed Risk Management Framework, designed to provide effective accountability and responsibility across our Boards, Committees, and senior management teams. Each of our strategic risks are reported and discussed regularly across our governance structures and formally reviewed at least annually alongside any updated sector risk profile issued by the Regulator of Social Housing to ensure we reflect the wider operating environment as well as internal risks we face as a large housing provider.

Despite significant challenges, Citizen has been able to continue to enhance our operational performance for the year ending 31 March 2025. The competing needs to invest in our existing homes to meet all regulatory and legislative requirements and build new homes in line with our Business Strategy aspirations, at a time when costs continue to increase, remains challenging. The rent cap for the 2024/25 increases have helped our customers, but did introduce added pressures for our financial planning.

We continue to analyse the local and immediate impacts of major events, and the detailed implications continue to be tested through our risk management and financial planning stress testing arrangements. We are confident that our financial plan and robust stress testing scenarios can withstand the likely range of pressures in both the short and medium term.

Citizen continues to appraise the changing regulatory and legislative landscape and gain a better understanding of the overall financial implications, including those relating to a revised Decent Homes Standard and Awaab's Law. Our 30-year financial plan has been updated to reflect the need for increased investment, and we continue to progress the objectives of our Business Strategy.

We continue to develop a stronger approach to our engagement of residents. Our Customer Assurance Committee, formed in 2021, monitors progress and compliance with our customer regulatory requirements. The Committee is fully embedded within our governance structure and provides assurance to the Board that we are listening to the voice of the customer.

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Risk Management and uncertainties facing the Group (continued)

Risk Appetite

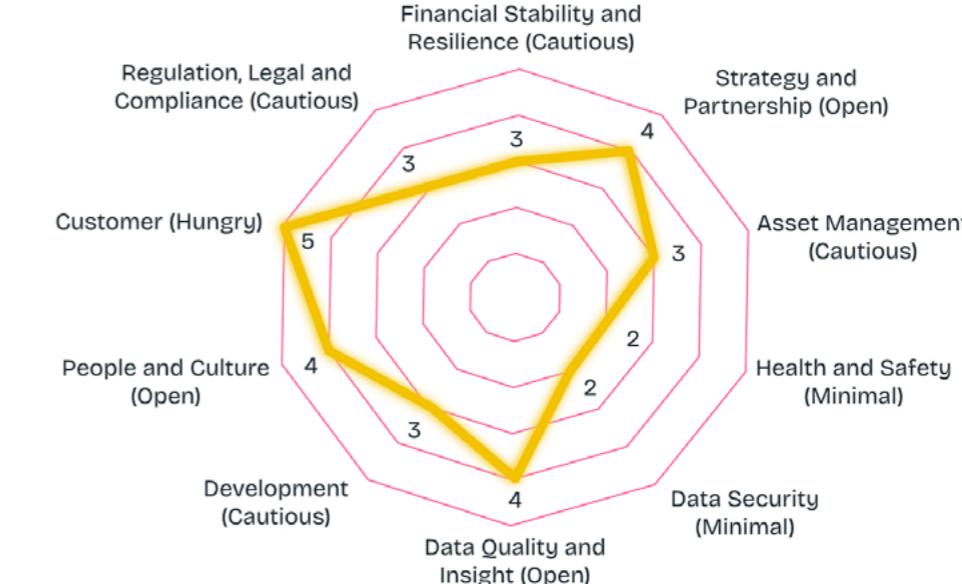
Each year the Citizen Board, with the input of the Audit and Risk Committee, refreshes its view on risk appetite. Despite the annualised exercise, we adopt a dynamic approach to risk appetite during our risk assessment process, which allows the Board to amend its appetite to respond to internal and external factors and for risk owners to make recommendations for the appetite to be reviewed, depending on the controls and mitigations we can reasonably and practically implement to reduce or manage our risk exposure.

The Board set its appetite for 2024/25 based on our Risk Universe, which provides a comprehensive catalogue of the known risks that Citizen may face whilst delivering its objectives. The Board set a defined level of risk appetite (Averse, Minimal, Cautious, Open or Hungry) for each of the Risk Universe Themes of:

- Financial Stability and Resilience
- Strategy and Partnership
- Asset Management
- Health and Safety
- Data Security
- Data Quality and Insight
- Development
- People and Culture
- Customer
- Regulation, Legal and Compliance

This approach provides the business with a clear risk appetite statement for each Risk Universe Theme, defining the degree to which the Citizen Board are willing to take risks and explore opportunities against each area. All Strategic and Operational Risks are mapped to a Risk Universe Theme and adopt the associated risk appetite, giving a clear message to risk owners regarding the level of exposure the Board is prepared to accept in relation to specific risks.

Citizen Board Risk Appetite Scores 2024-25



Citizen Housing Group Limited and its subsidiaries Strategic Report

Risk Management and uncertainties facing the Group (continued)

Risk Appetite (continued)

| | Risk Appetite Level | Definition |
|---|---------------------|----------------------------------------------------------------------------------------------------------------------------------|
| 1 | Averse | We prioritise stability over potential rewards, avoiding significant risks |
| 2 | Minimal | We opt for safer options with minimal inherent risk but may occasionally accept moderate risks |
| 3 | Cautious | We balance risk and reward, preferring safer options but open to moderate risks aligned with our objectives |
| 4 | Open | We are willing to consider moderate risks to explore innovative approaches while ensuring acceptable rewards |
| 5 | Hungry ¹ | We prioritise innovation and growth, willing to take significant risks for substantial rewards and exploration of new approaches |

¹ Whilst the Board has set a Hungry appetite in relation to the Customer Risk Universe Theme, this is balanced with the Minimal appetite for Health and Safety, and Cautious appetite for Regulation, Legal and Compliance. The Board have provided clear direction that pursuing innovation opportunities to enhance customer experience must not be to the detriment of customer safety or meeting regulatory requirements.

Citizen's Strategic Risks

As part of our Risk Management Framework, Citizen's strategic risks are reviewed annually in conjunction with our Senior Leadership Team and Audit and Risk Committee, before being formally ratified by our Board. Our strategic risks are categorised as compound risks; this allows multiple factors or sub risks to be aggregated and managed at a strategic level by the Board, Audit and Risk Committee, and the Executive Leadership Team. Beneath our strategic risks we adopt operational level risks, the latest assessments of which inform our assessment of exposure at a strategic level.

A range of horizon scanning sources are used to inform the annual review and to ensure that our strategic risks continue to incorporate the threats we face as a business and take account of the changing internal and external operating environments, including:

- Regulatory Judgements of other registered providers
- Changes to legislation, regulation and government policy including the Social Housing Regulation Act and the RSH Consumer Standards and regime
- Political and economic issues and uncertainty
- Outcomes and recommendations from Internal Audits
- Emerging risks as defined in our operational risk registers
- The risks described in the RSH Sector Risk Profile
- External risk benchmarking

The scope and depth of the annual review and our final recommendations are subject to consultation with the Audit and Risk Committee, prior to presentation to Citizen Board for approval. Where applicable the output of the Risk and Assurance Team's horizon scanning is considered throughout the operational risk registers with updates made as appropriate.

Each strategic risk, its exposure (shown in a 4x4 matrix), and our February 2025 risk assessment are tabled below.

Matrix Key: ■ Red – High Risk

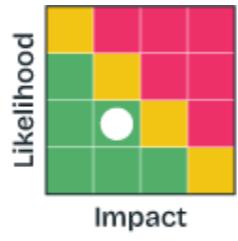
■ Amber – Medium Risk

■ Green – Low Risk

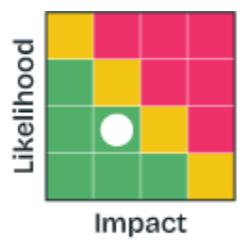
Citizen Housing Group Limited and its subsidiaries Strategic Report

Risk Management and uncertainties facing the Group (continued)

Citizen's Strategic Risks (continued)

| SR01: Customer Safety | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Failure to ensure that effective mechanisms are in place to maintain the physical safety of our customers and compliance with the associated regulatory and legislative requirements as a landlord and a developer</p> <p>Risk Universe Theme and Appetite: Safety (Minimal)</p> <p>Assessment Score: 4 (Possible, Marginal)</p> <p>Appetite Judgement: Within Appetite</p> |
| Summary of Latest Assessment (February 2025): | |
| <p>Control enhancements continue to be progressed to increase performance, including in relation to damp and mould, no access procedures, Fire Risk Assessment remedials and procuring an external contractor to enable the introduction of annual home safety visits from April 2025. Improvements have been made in relation to the logging, tracking and reporting of identified Housing Health and Safety Rating System (HHSRS) hazards. HHSRS category 1 hazards continue to be actioned by the Responsive Repairs Team as they arise, where access is possible.</p> <p>In addition to the above, assurance provided by the Gas Safety, Water and Asbestos Internal Audits, alongside improved performance on safety compliance checks and increased disrepair resource has driven this low-risk score.</p> | |

SR02: Workforce Safety

| SR02: Workforce Safety | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Failure to ensure that effective mechanisms are in place to ensure the health and safety of our workforce and compliance with the associated regulatory and legislative requirements as an employer</p> <p>Risk Universe Theme and Appetite: Safety (Minimal)</p> <p>Assessment Score: 4 (Possible, Marginal)</p> <p>Appetite Judgement: Within Appetite</p> |
| Summary of Latest Assessment (February 2025): | |
| <p>Initiatives continue to be progressed to ensure the safety of our workforce and increase control maturity, including improvements to our accident and near miss system, a near miss reporting campaign and a 3rd line of defence health and safety review. In addition, actions are being progressed to enhance our health and safety culture and ensure the safe systems of work and workforce safety procedures in place are fully adhered to.</p> | |

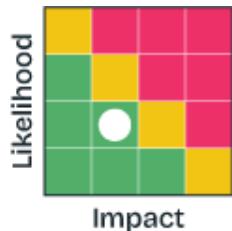
Citizen Housing Group Limited and its subsidiaries

Strategic Report

Risk Management and uncertainties facing the Group (continued)

Citizen's Strategic Risks (continued)

SR03: Regulation (Non-Safety)



Inability to operate within regulatory and legislative requirements (non-safety)

Risk Universe Theme and Appetite: Regulation, Legal and Compliance (Cautious)

Assessment Score: 4 (Possible, Marginal)

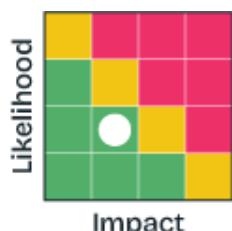
Appetite Judgement: Within Appetite

Summary of Latest Assessment (February 2025):

The low-risk exposure is driven by the ongoing self assessment of compliance with the Consumer and Economic Standards, which is indicating a compliant position, along with confirmation of our G1, V2 rating in the Regulator of Social Housing's latest stability check in December 2024. In addition, advance preparations are underway in relation to the future requirements of Awaab's Law and the Competence and Conduct Standard.

Whilst we are seeing incremental improvements in the perception of our rented customers in relation to fairness and respect and listening to their views, improvement opportunities have been identified, including in relation to complaint handling, timescales and learning; improving data and utilising this effectively; and continuing to create opportunities for customers to engage in policy and service reviews and inform decision making.

SR04: Competency and Expertise



Inability to maintain the competency and expertise required to deliver core services, ensure compliance and deliver business objectives

Risk Universe Theme and Appetite: People and Culture (Open)

Assessment Score: 4 (Possible, Marginal)

Appetite Judgement: Within Appetite

Summary of Latest Assessment (February 2025):

The low-risk exposure reflects that the key elements of the People Strategy continue to be delivered and our recruitment processes have been improved following completion of the recruitment review. The potential adverse impacts of industrial action on available resource and delivery of services did not materialise due to the effectiveness of mitigating controls. An agreement to the April 2024 pay award has now been reached with the Trade Unions and the award implemented.

Our plans continue to ensure compliance with the forthcoming Competence and Conduct Standard.

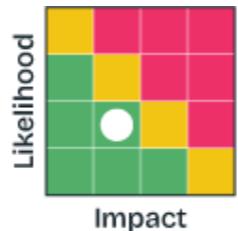
Citizen Housing Group Limited and its subsidiaries

Strategic Report

Risk Management and uncertainties facing the Group (continued)

Citizen's Strategic Risks (continued)

SR05: Customer Experience



Inability to improve our services to create a better customer experience

Risk Universe Theme and Appetite: Customer (Hungry)

Assessment Score: 4 (Possible, Marginal)

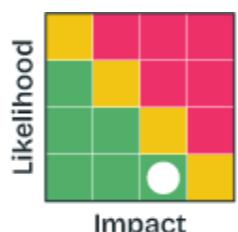
Appetite Judgement: Within Appetite

Summary of Latest Assessment (February 2025):

Progress is being made in creating a better customer experience with quarterly results showing an increase in overall TSM satisfaction with renters. Improvements continue to be made to enhance customer engagement and tailor services based on feedback received, including implementation of Scrutiny Panel recommendations, policy reviews in key customer facing services, implementation of improved staff/customer interface to provide better access to customer information and ongoing delivery of the Repairs Improvement Plan.

Further improvements are being progressed through the Putting Our Citizen First programme, and a Customer Charter is being developed to outline our pledge for our customers' experience.

SR06: Balancing Growth and Investment



Failure to effectively balance growth and regeneration objectives with requirements to invest in existing homes

Risk Universe Theme and Appetite: Asset Management (Cautious)

Assessment Score: 3 (Unlikely, Critical)

Appetite Judgement: Within Appetite

Summary of Latest Assessment (February 2025):

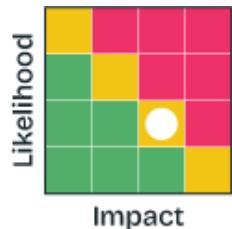
A balance continues to be reached between investing in existing stock and progressing development opportunities. The budget for 2025/26 and wider financial plan have been agreed demonstrating our ability to increase investment in key areas such as regeneration, existing assets and development whilst maintaining an appropriate balance.

Citizen Housing Group Limited and its subsidiaries Strategic Report

Risk Management and uncertainties facing the Group (continued)

Citizen's Strategic Risks (continued)

SR07: Systems and Infrastructure



Failure to design, implement and operate effective plans, systems and infrastructure which ensure the resiliency of the business, support and enhance service delivery and protect all company assets

Risk Universe Theme and Appetite: Data Security (Minimal)

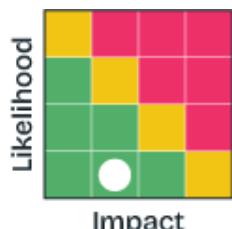
Assessment Score: 6 (Possible, Critical)

Appetite Judgement: Within Appetite

Summary of Latest Assessment (February 2025):

The external landscape continues to be challenging in relation to the regularity and sophistication of cyber attacks and their potential to cause significant disruption, with unprecedented attack levels being seen. Our controls and continuous review and development of these have been successful to date in protecting our systems and IT infrastructure and additional mitigations continue to be progressed. The risk in relation to ever increasing threats is reflected in the medium risk exposure assessment.

SR08: Financial Planning and Controls



Inadequate financial planning and controls to ensure effective delivery of core business services and business strategy objectives

Risk Universe Theme and Appetite: Financial Stability and Resilience (Cautious)

Assessment Score: 2 (Unlikely, Marginal)

Appetite Judgement: Within Appetite

Summary of Latest Assessment (February 2025):

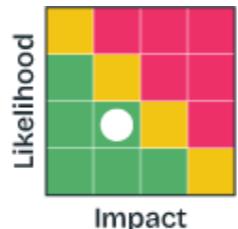
The low exposure to this risk is supported by our G1, V2 rating confirmed in the latest Regulator of Social Housing stability check in December 2024. Appetite in the current lending market remains good and our Moody's credit rating remains at A3. Other drivers of the low exposure include the securing of new funding through refinancing in 2024 and completion of the budget setting process. We are forecasting that we will be compliant with our loan covenants (including loan breakage costs) at the end of the year.

Citizen Housing Group Limited and its subsidiaries Strategic Report

Risk Management and uncertainties facing the Group (continued)

Citizen's Strategic Risks (continued)

SR09: Decency



Failure to provide decent and sustainable homes and environments for our customers

Risk Universe Theme and Appetite: Asset Management (Cautious)

Assessment Score: 4 (Possible, Marginal)

Appetite Judgement: Within Appetite

Summary of Latest Assessment (February 2025):

Progress is being made to ensure and improve the condition of our homes, including the continuation of stock condition surveys, ongoing delivery of the WAVE 2 retrofitting project, a review and validation of asset data and implementation of the mitigation strategy to address the backlog in the improvement programme. This is reflected in the low-risk exposure score.

It is recognised that our Decent homes performance is currently outside of target, driven by Housing Health and Safety Rating System (HHSRS) surveys, however significant improvement has been and continues to be progressed.

Capital structure and treasury policy

Citizen Housing Group contained entities at 31 March 2025 that borrow funds from external parties. The Board recognises that the Group's level of debt makes it important to consider its treasury policy. The treasury function operates within a framework of clearly defined Board-approved policies, procedures and delegated authorities. The fundamental principle underlying the Group's approach is to treat treasury activities as a means of controlling risk rather than for profit generation. This is reinforced in its approach to managing its surplus cash balances, where the Group seeks to maximise returns through a mix of term deposits with traditional, credit-strong, high-street names and AAA-rated money market funds and managed cash funds. These investments are made within the parameters of the Group's approved Treasury strategy which places the emphasis firmly on capital preservation.

By the year end, Group borrowings amounted to £907.9m (2024: £804.3m) of which £1.9m falls due to be repaid within the next year:

| Maturity | 2025 £m | 2024 £m |
|----------------------------|--------------|--------------|
| Within one year | 1.9 | 2.0 |
| Between one and two years | 0.2 | 8.4 |
| Between two and five years | 181.0 | 97.7 |
| More than five years | 724.8 | 696.2 |
| | 907.9 | 804.3 |

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Capital structure and treasury policy (continued)

On 3 December 2012, the group borrowed £160m from the capital markets through Citizen Treasury 2 plc, via a 30-year, 4.625% coupon bond issue. On 20 October 2017, the Group borrowed a further £280m from the capital markets through fellow subsidiary Citizen Treasury plc, via a 31-year, 3.25% coupon bond issue. During 2020/21, the 2012 bond was transferred from Citizen Treasury 2 plc to Citizen Treasury plc to further enhance the efficiency of the Group treasury structure.

On 14 October 2019, the group entered into a forward purchase agreement with a UK institutional investor for a £100m tap of the 2012 £160m bond. A 12-month deferral period for the issue of the bond and receipt of cash proceeds was included within the forward purchase agreement. The bond prospectus was approved by the Financial Conduct Authority and published in January 2020. The company received the cash proceeds from the bond tap as planned in October 2020.

Citizen Treasury Vehicle Limited was incorporated in September 2017 and on-lends all of its drawn debt to Citizen Housing Group Limited. All future bank/building society debt will be borrowed through Citizen Treasury Vehicle and on-lent to Citizen Housing Group Limited. Financial loan covenants within the Group are based on the Group's financial performance and position which allows the Group to use the strength of the Group's finances to support its Business and Development strategies.

On 28 October 2024, the Company issued a £70m tap of the 2012 £160m bond with a £70m retained element. The bond prospectus was approved by the Financial Conduct Authority and published in October 2024. The proceeds from the bond tap issue were received as planned in October 2024 priced at a discount of £88.754 per £100.

Covenants for bank/building society debt retained within the Group have been refreshed in recent years and for 2023/24 onwards comprise an EBITDA covenant measuring the Group's financial performance and a Housing Property at Cost covenant measuring the Group's financial position.

At 31 March 2025, the Group has additional c.£151m of available Revolving Credit Facilities (RCFs) to draw that are fully secured, plus another £80m of facilities in place where the security is being finalised. We also have £70m of retained bond (fully secured) that we can sell before October 2027 or use the security against £70m of additional borrowing from another source.

Financial performance

The financial statements for the year ended 31 March 2025 reflect emerging best practice from across the housing sector in respect of the implementation of FRS102 and the Accounting Direction 2022.

The main accounting policies of the Group are set out in Note 1 of the Financial Statements.

| Summary | 2024/25 | 2023/24 | 2022/23 Restated |
|----------------------------|-------------|-------------|---------------------|
| | SOCI | SOCI | SOCI |
| | £m | £m | £m |
| Turnover | 210.7 | 192.6 | 183.5 |
| Operating Surplus | 44.7 | 48.3 | 49.4 |
| Surplus from Joint Venture | 2.2 | 1.4 | 1.6 |
| Net Interest Payable | (39.1) | (30.6) | (27.9) |
| Taxation | (0.1) | - | - |
| Surplus/(Deficit) | 7.7 | 19.1 | 23.1 |

SOCI = Statement of Comprehensive Income

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Financial performance (continued)

The overall results for 2024/25 are better than budgeted, primarily due to lower spend on the revenue element of major repairs, lower depreciation and higher grant amortisation, higher RTB/RTA sales and lower net interest costs, and the inclusion of the Citizen share of surpluses achieved by our joint ventures which have been partially offset by an impairment charge of £8.5m in respect of our regeneration plans.

The Group's operating surplus includes the effect of the fair value housing property depreciation charge to reflect the difference between the fair value of housing property assets when they were brought into the Group and their historical cost values. The fair value charge amounts to £2.0m on depreciation, £2.3m on impairments and £0.1m on housing property disposals.

Summary Statements of Financial Position (SoFP) for the 3 years up to and including 2024/25 for Citizen Housing Group are shown in the table below:

| Summary | 2024/25 | 2023/24 | 2022/23 Restated |
|--------------------------------------------|--------------|--------------|---------------------|
| | SoFP £m | SoFP £m | SoFP £m |
| Total fixed assets | 1690.5 | 1,553.8 | 1,418.0 |
| Net current assets | 25.9 | 32.7 | 22.0 |
| Loans and other long-term creditors | (1,281.3) | (1,156.9) | (1,027.0) |
| Liability for final salary pension schemes | (4.2) | (6.3) | (5.9) |
| Other provisions | (0.4) | (0.2) | - |
| Reserves | 430.5 | 423.1 | 407.1 |

Growth is demonstrated by an increase in the cost of fixed assets due to the delivery of new build programmes across the West Midlands and capital improvements made to our existing homes.

The figures for the year ended 31/03/2023 were restated to reflect a prior year adjustment to amend the treatment of SHDF and SHQF grants.

Compliance with lenders' loan covenants within the Citizen Housing Group is essential as we seek to grow and develop the Group, and the Group comfortably exceeded its loan covenant requirements in 2024/25.

The table below summarises the year end loan covenant levels for the last 4 years for the borrowing entities within the Group:

| Loan covenant | 2024/25 | 2023/24 | 2022/23 | 2021/22 |
|------------------------------------------------------------|---------|---------|---------|---------|
| EBITDA MRI (Group); must exceed 105%* | N/A | N/A | 151.78% | 199.95% |
| EBITDA (Group); must exceed 150% ** | 188.51% | 248.67% | 259.77% | N/A |
| Net Debt per Unit (Group); must not exceed £30,000* | N/A | N/A | £22,395 | £21,440 |
| Housing Properties at Cost (Group); must not exceed 65% ** | 41.01% | 39.02% | N/A | N/A |

* The calculation methodology for this covenant differs slightly from the calculation methodology in the VfM Metrics

** This was a new loan covenant introduced during 2023/24

The updated long-term financial plan for the Group demonstrates compliance with lenders' covenants throughout the financial planning period.

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Financial performance (continued)

Our G1/V2 (Compliant) Regulatory Judgement was reconfirmed by the RSH on 18 December 2024 following an annual stability check. In April/May 2025, RSH has undertaken an Inspection of our group. We are not anticipating that the outcome of the inspection will be available before the financial statements are signed. In addition, Citizen Housing Group has an A3 (stable) credit rating from Moody's Investor Services when they published their latest rating assessment for the Group on 17 December 2024. Moody's credit opinion notes that the A3 (stable) credit opinion reflects the high proportion of turnover coming from social housing lettings and a robust operating performance. The published Moody's rating reports are available to view at: -

https://www.citizenhousing.org.uk/wp-content/uploads/2024/12/Credit_Opinion-Citizen-Housing-Group-Limited-17Dec2024-PBC_1426238.pdf

Governance

1. Board Members and Executive Officers

The present Board Members and Executive Officers of the Group are set out on page 2. The Group Chief Executive has held a seat on the Board since July 2016 but does not hold an interest in the Parent Association's shares. The other executive officers have no legal status as directors although they act as Executives within the authority delegated by the Board.

2. Board

The Board Members of the Citizen Board during the year to 31 March 2025 are listed on page 2. The Citizen Board comprises of between 7 and 12 Board Members and is responsible for governing the affairs of the Association who shall be recruited in accordance with the Group's Board Recruitment and Selection Policy. In accordance with the Group's adopted Governance Code the Association's Board as a whole should have or acquire a diverse range of skills, competencies and experience. The Association is required to have regard to the "Group Board Member Skills and Competency Framework" which assists in ensuring there is cohesion of the Group's Boards and Board Members in the way they operate and work with each other. All Board Members undertake an annual self-assessment of their contribution, which is discussed with the Citizen Board Chair during their annual appraisal and an action and training plan is agreed.

3. Delegations

The Board delegates certain governance responsibilities to Group Committees, which have their own Terms of Reference.

The Committees that were in operation at 31 March 2025 were:

- Audit and Risk Committee
- Remuneration Committee
- Customer Assurance Committee

Membership of the Group Committees at the date of signing of the financial statements is detailed on pages 2 and 3.

Day to day management is delegated to an experienced Executive Leadership Team to ensure:

- adherence to relevant legislation;
- the interest of taxpayers and the reputation of the sector are protected;
- the Group operates in accordance with its Rules, Standing Orders, Financial Regulations and other governance documentation and complies with all relevant regulatory requirements.

Citizen Housing Group Limited and its subsidiaries

Strategic Report

Public Benefit Entity

As a public benefit entity, Citizen Housing Group Limited has applied the public benefit entity 'PBE' prefixed paragraphs of FRS102.

Statement of compliance

This Strategic Report has been prepared in accordance with the guidelines set out in FRS102 and paragraph 4.7 of the Housing SORP 2018.

The Strategic Report was approved on 6 August 2025 and signed on its behalf by:



Susan Brooksbank-Taylor

Chair



Kevin Rodgers

Group Chief Executive

Governance



Citizen Housing Group Limited and its subsidiaries Report of the Board

The Board presents its report and audited financial statements for the year ended 31 March 2025.

The Group

The Group is a not-for-profit Group with the vast majority of its properties in Coventry, Birmingham, Solihull and the counties of Herefordshire and Worcestershire. These financial statements cover the year ended 31 March 2025. As at 31 March 2025, the Group owned a number of residential schemes providing 32,298 units of accommodation.

Principal activities

The Group's principal activities are the development and management of social housing. A Strategic Report of the year's activities appears on pages 4 - 42.

Governance Code Compliance

Citizen continues to follow best practice with regards to corporate governance and has adopted the NHF's Code of Governance 2020. The Group has undertaken a detailed self-assessment against the code during the year. Citizen Housing Group fully complies with the Code of Governance 2020 at 31 March 2025.

Compliance with Regulatory Standards

The Social Housing Regulation Act (SHRA) received Royal Assent in July 2023 and it is intended to improve the regulation of social housing, strengthen social tenants' rights and ensure better quality, safer homes. Most of the clauses within the Act reform provisions set out in Housing and Regeneration Act 2008. The SHRA has introduced new regulatory standards effective from 1 April 2024, transforming the RSH's consumer regulation role to proactively monitor and drive compliance with the new standards. The SRHA removes the 'serious detriment' test, introduces routine Consumer Standard Inspections, changes the RSH's objectives to explicitly cover safety and transparency, introduces a new Consumer Standards Code of Practice and strengthens the RSH's enforcement and economic regulatory powers.

The new Consumer regulatory standards comprise: -

- Safety and Quality Standard
- Transparency, Influence and Accountability Standard
- Neighbourhood and Community Standard
- Tenancy Standard
- Consumer Standards Code of Practice

On 6 February 2024, the government published their proposals to introduce an additional new regulatory standard relating to the competence and conduct of social housing staff. The new standard will require senior managers and executives to have, or be working towards, a relevant qualification, and will ensure that staff have up-to-date skills, knowledge and experience, and that they exhibit the right conduct and behaviours to deliver a high quality, professional service and treat residents with respect, and comes into effect on 1 April 2025, with compliance required by 31 March 2026.

The Economic standards comprise: -

- Governance and Financial Viability Standard and Code of Practice
- Rent Standard and Guidance
- Value for Money Standard and Code of Practice

Citizen Housing Group Limited and its subsidiaries Report of the Board

Compliance with Regulatory Standards (continued)

We have been preparing for the new standards and the changes in the regulatory regime since the publication of the Green Paper. Compliance with the new standards (with the exception of the new Competency and Conduct Standard) needed to be achieved by the 31 March 2025.

As part of the new regulatory regime, all In Depth Assessments (IDA's) carried out by the RSH will include consumer standards.

Citizen has reviewed its compliance with all of Economic and Consumer regulatory standards as at March 2025. This comprised a comprehensive self-assessment to provide the Board with an honest picture of how well the Group is performing against regulatory requirements, legislation, and internal key measures.

As a result of this work, the Group has received assurance and is satisfied that all reasonable steps have been taken to ensure compliance with the Governance, Viability and Consumer Standards in all material aspects during the financial year 2024/25.

As Citizen operates a group structure and the economic standards are regulated at this level, the Parent board has a very important role in directing, challenging and signing-off the self-assessment of compliance with the regulatory standard as part of our business planning and regulatory compliance work. The Parent board has delegated responsibility for supporting the assurance process to the Audit and Risk Committee.

The self-assessment compliance statement with the regulatory standards will be formally approved and signed off by the Citizen Board at its meeting in August 2025.

Regulatory Judgements

Regulatory judgements rate organisations on how well they meet the Regulator's standards relating to corporate governance - how well the company is run and the Board's awareness of risks to the business and financial management and viability - the company's financial ability to continue to provide affordable homes in the future.

The Regulator of Social Housing completed their annual stability check, and on 18 December 2024, they confirmed that their governance and financial viability ratings remained unchanged, with a Governance Rating of **G1 (compliant)** - "The provider meets our governance requirements" and a financial viability rating of **V2 (compliant)** "The provider meets our viability requirements. It has the financial capacity to deal with a reasonable range of adverse scenarios but needs to manage material risks to ensure continued compliance." The RSH recognises that we have a funded financial plan and are forecasting to meet our financial tests set by our lenders. The financial viability grading of V2 reflects the significant accelerated delivery of our energy efficiency programme. We are bringing forward the investment in our existing homes, to get them to minimum EPC C ahead of the 2030 deadline, and this is absolutely the right thing to do for our customers.

Citizen Housing Group Limited and its subsidiaries Report of the Board

Voluntary Code: Mergers, Group Structures and Partnerships

Citizen signed up to the voluntary code introduced by the National Housing Federation (NHF) in respect of Mergers, Group Structures and Partnerships with effect from 1 April 2016. This voluntary code sits alongside a suite of relevant law, regulatory requirements and other codes supporting excellence in governance in the housing association sector.

The code aims to establish a set of core principles to which any housing associations seeking, or exploring, dialogue in respect of mergers, group structures and partnerships should adhere. It offers a consistent framework to assist board ownership, support decision making, and to embed improved transparency and accountability.

There has not been any merger activity in the years ended 31 March 2024 or 31 March 2025.

Citizen is a member of the West Midlands Housing Association Partnership, which was formed in 2016 to provide a single voice to help the West Midlands Combined Authority and the elected Mayor to deliver on the following key objectives for the region:

- Supporting economic growth
- Boosting housing supply and home ownership
- Improving health and wellbeing

The Partnership is chaired by our Group Chief Executive, Kevin Rodgers.

Directors' and Officers' Liability Insurance

Directors and Officers have been insured throughout the period to indemnify the Association against liability of the officers when acting for the Association.

Going concern

The global market uncertainties and the inflation and interest rates that we are experiencing are a concern for both Citizen and its customers.

As a Group, we will continue to analyse the local and immediate impacts of these, and the detailed implications will continue to be tested through our risk management and financial planning stress testing arrangements. We are confident that our financial plan and robust stress testing scenarios can withstand the likely range of pressures in both the short and medium term.

Internal controls assurance

The Board acknowledges its ultimate responsibility for ensuring that the Group has in place a system of control that is appropriate to the various business environments in which it operates. Any such system can provide reasonable, but not absolute, assurance against material misstatements or loss and the development of the system is a continuing process. The system of control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Group's assets and interests.

Citizen Housing Group Limited and its subsidiaries Report of the Board

Internal controls assurance (continued)

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within the normal management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the Group is exposed and has been in place throughout the period commencing 1 April 2024 up to the date of approval of the report and financial statements. The risk assessments are updated three times each year, with the strategic risk assessments reported to the Board.

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

- Environment and control procedures
- Appropriately qualified staff
- Identification and evaluation of key risks
- Information and financial reporting systems
- Monitoring and corrective action
- Clear policies in place for both employees and Board Members covering key risk areas (e.g. Probity Policy, Conduct Becoming Policy, Anti-Fraud Policy, Anti-Bribery Policy and a Confidential Reporting (Whistleblowing) Policy).

RSMUK were appointed as internal auditors for the Group and have delivered the 2024/25 internal audit programme as the second year of their term of appointment. The RSMUK Internal Audit approach complies with best professional practice, in particular, Government Internal Audit Standards and the Chartered Institute of Internal Auditors' Position Statement on Risk Based Internal Auditing.

Internal Audit provides an independent and objective assurance and consulting activity that is designed to add value to the Group's operations. It helps the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The internal control framework and the risk management process are subject to regular review by Internal Audit, who advise the Senior Leadership Team and report to the Group's Audit and Risk Committee.

The Group's Audit and Risk Committee conduct an annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of risk management and control processes. The Group's Audit and Risk Committee make an annual report to the Board. The Board has received this report.

We submit an annual fraud return to the Regulator of Social Housing and this is reported to the Audit and Risk Committee and the Board following submission, as part of the annual report on internal controls. During 2024/25 and up to the date of signing the accounts, there have been one incident recorded in the annual fraud return which resulted in a loss of £4k plus a further 21 incidents relating to tenancy fraud (2023/24: 22 incidents, all relating to tenancy fraud).

The Board confirms that there is an on-going process for identifying and managing significant risks faced by the Group. This process has been in place throughout the year under review, up to the date of the annual report and accounts and is regularly reviewed by the Board.

Citizen Housing Group Limited and its subsidiaries Report of the Board

Statement of the responsibilities of the Board for the financial statements

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of the Income and Expenditure for that period of account.

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

- Select suitable policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and to enable it 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 2022.

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

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

Statements as to disclosure of information to Auditor

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

Auditor

Beever and Struthers were appointed as external auditors to the Group and its subsidiaries for the year ended 31 March 2025.

The report of the Board was approved on 6 August 2025 and signed on its behalf by:



Gary Booth

Secretary

Citizen Housing Group Limited and its subsidiaries Report of the Independent Auditors to the members of Citizen Housing Group Limited

Opinion

We have audited the financial statements of Citizen Housing Group Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2025 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated Statement of Changes in Reserves, Association Statement of Changes in Reserves, Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2025 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the 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 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 and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Citizen Housing Group Limited and its subsidiaries Report of the Independent Auditors to the members of Citizen Housing Group Limited

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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:

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 47, 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.

Citizen Housing Group Limited and its subsidiaries Report of the Independent Auditors to the members of Citizen Housing Group Limited

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Citizen Housing Group Limited and its subsidiaries Report of the Independent Auditors to the members of Citizen Housing Group Limited

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

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

Use of our report

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

Beever and Struthers

Beever and Struthers

Statutory Auditor

Colmore Building
20 Colmore Circus Queensway
Birmingham
B4 6AT

Date: 21 August 2025

Financial Statement



Citizen Housing Group Limited and its subsidiaries
Financial Statements for the year ended 31 March 2025

Consolidated statement of comprehensive income

| | Notes | 2025 £m | 2024 £m |
|------------------------------------------------|----------|-------------|-------------|
| Turnover | 2 | 210.7 | 192.6 |
| Operating Expenditure | 2 | (168.3) | (147.2) |
| Other Income | 2 | - | - |
| Surplus on disposal of Fixed Assets | 4 | 2.3 | 2.9 |
| Operating Surplus | 6 | 44.7 | 48.3 |
| Surplus from Joint Venture | 15 | 2.2 | 1.4 |
| Interest Receivable | 9 | 2.3 | 2.4 |
| Interest and Financing Costs | 10 | (41.4) | (33.0) |
| Surplus before Tax | | 7.8 | 19.1 |
| Taxation | 11 | (0.1) | - |
| Surplus for the Year | | 7.7 | 19.1 |
| Actuarial (Loss) in respect of Pension Schemes | 8 | (0.3) | (3.1) |
| Total Comprehensive Income for the Year | | 7.4 | 16.0 |

The consolidated results relate wholly to continuing activities and the notes on pages 60 to 117 form an integral part of these financial statements.

The financial statements on pages 51 to 117 were approved and authorised for issue by the Board on 6 August 2025 and signed on its behalf by:

Susan Brooksbank-Taylor
Chair

Kevin Rodgers
Group Chief Executive

Gary Booth
Secretary

Citizen Housing Group Limited and its subsidiaries
Financial Statements for the year ended 31 March 2025

Association statement of comprehensive income

| | Notes | 2025 £m | 2024 £m |
|------------------------------------------------|------------|-------------|-------------|
| Turnover | 2 | 211.6 | 193.1 |
| Operating Expenditure | 2 | (166.9) | (145.5) |
| Other Income | 2 | - | - |
| Surplus on disposal of Fixed Assets | 4 | 2.3 | 2.9 |
| Operating Surplus | 6 | 47.0 | 50.5 |
| Interest Receivable | 9 | 2.8 | 3.4 |
| Interest and Financing Costs | 10 | (41.4) | (33.0) |
| Surplus before Tax | 8.4 | 20.9 | |
| Taxation | 11 | - | - |
| Surplus for the Year | 8.4 | 20.9 | |
| Actuarial (Loss) in respect of Pension Schemes | 8 | (0.3) | (3.1) |
| Total Comprehensive Income for the Year | 8.1 | 17.8 | |

The consolidated results relate wholly to continuing activities and the notes on pages 60 to 117 form an integral part of these financial statements.

The financial statements on pages 52 to 117 were approved and authorised for issue by the Board on 6 August 2025 and signed on its behalf by:



Susan Brooksbank-Taylor
Chair



Kevin Rodgers
Group Chief Executive



Gary Booth
Secretary

Citizen Housing Group Limited and its subsidiaries
Financial Statements for the year ended 31 March 2025

Consolidated statement of financial position

| | Notes | 2025 £m | 2024 £m |
|---------------------------------------------------------------------|-------|----------------|----------------|
| Fixed Assets | | | |
| Tangible Fixed Assets | 12 | 1,687.1 | 1,551.2 |
| Investments: | | | |
| HomeBuy Loans Receivable | 13 | 1.2 | 1.2 |
| Investment in Joint Ventures | 15 | 2.2 | 1.4 |
| | | 1,690.5 | 1,553.8 |
| Current Assets | | | |
| Stock | 16 | 35.1 | 43.3 |
| Trade and Other Debtors receivable within one year | 17 | 17.4 | 16.9 |
| Debtors receivable after more than one year | 17 | 5.0 | 8.6 |
| Cash and Cash Equivalents | 18 | 43.1 | 30.7 |
| | | 100.6 | 99.5 |
| Less: Creditors: amounts falling due within one year | 19 | (74.7) | (66.8) |
| Net Current Assets | | 25.9 | 32.7 |
| Total Assets less Current Liabilities | | 1,716.4 | 1,586.5 |
| Creditors: Amounts falling due after more than one year | 20 | (1,281.3) | (1,156.9) |
| Provision for Liabilities - Pension Provision - Other Provisions | 8 | (4.2) | (6.3) |
| | 21 | (0.4) | (0.2) |
| Total Net Assets | | 430.5 | 423.1 |
| Reserves | | | |
| Income and Expenditure Reserve | | 430.5 | 423.1 |
| Total Reserves | | 430.5 | 423.1 |

The notes on pages 60 to 117 form an integral part of these financial statements.

The financial statements on pages 52 to 117 were approved and authorised for issue by the Board on 6 August 2025 and signed on its behalf by:



Susan Brooksbank-Taylor
Chair



Kevin Rodgers
Group Chief Executive



Gary Booth
Secretary

Citizen Housing Group Limited and its subsidiaries
Financial Statements for the year ended 31 March 2025

Association statement of financial position

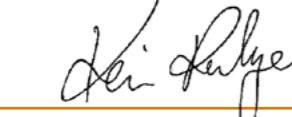
| | Notes | 2025 £m | 2024 £m |
|---------------------------------------------------------------------|---------|----------------|----------------|
| Fixed Assets | | | |
| Tangible Fixed Assets | 12 | 1,689.8 | 1,553.0 |
| Investments: | | | |
| HomeBuy Loans Receivable | 13 | 1.2 | 1.2 |
| Investment in Subsidiaries | 14 | 0.1 | 0.1 |
| Investment in Joint Ventures | 15 | - | - |
| | | 1,691.1 | 1,554.3 |
| Current Assets | | | |
| Stock | 16 | 15.0 | 16.9 |
| Trade and Other Debtors receivable within one year | 17 | 44.6 | 42.7 |
| Debtors receivable after more than one year | 17 | 9.9 | 13.0 |
| Cash and Cash Equivalents | 18 | 30.2 | 26.3 |
| | | 99.7 | 98.9 |
| Less: Creditors: amounts falling due within one year | 19 | (72.5) | (65.5) |
| Net Current Assets | | 27.2 | 33.4 |
| Total Assets less Current Liabilities | | 1,718.3 | 1,587.7 |
| Creditors: Amounts falling due after more than one year | 20 | (1,281.3) | (1,156.9) |
| Provision for Liabilities - Pension Provision - Other Provisions | 8 21 | (4.2) (0.4) | (6.3) (0.2) |
| Total Net Assets | | 432.4 | 424.3 |
| Reserves | | | |
| Income and Expenditure Reserve | | 432.4 | 424.3 |
| Total Reserves | | 432.4 | 424.3 |

The notes on pages 60 to 117 form an integral part of these financial statements. -

The financial statements on pages 52 to 117 were approved and authorised for issue by the Board on 6 August 2025 and signed on its behalf by:



Susan Brooksbank-Taylor
Chair



Kevin Rodgers
Group Chief Executive



Gary Booth
Secretary

Citizen Housing Group Limited and its subsidiaries
Financial Statements for the year ended 31 March 2025

Consolidated statement of changes in reserves

| | Income and Expenditure Reserve £m | Restricted Reserve £m | Total Controlling Interest £m | Restricted Fund £m | Unrestricted Fund £m |
|--------------------------------------------------|--------------------------------------|--------------------------|----------------------------------|-----------------------|-------------------------|
| Balance at 1 April 2023 | 407.1 | - | 407.1 | - | 407.1 |
| Surplus for the year | 19.1 | - | 19.1 | - | 19.1 |
| Other Comprehensive Income for the year: | | | | | |
| - Actuarial (loss) in respect of pension schemes | (3.1) | - | (3.1) | - | (3.1) |
| Balance at 31 March 2024 | 423.1 | - | 423.1 | - | 423.1 |
| Surplus for the year | 7.7 | - | 7.7 | - | 7.7 |
| Other Comprehensive Income for the year: | | | | | |
| - Actuarial (loss) in respect of pension schemes | (0.3) | - | (0.3) | - | (0.3) |
| Balance at 31 March 2025 | 430.5 | - | 430.5 | - | 430.5 |

The notes on pages 60 to 117 form an integral part of these financial statements.

Citizen Housing Group Limited and its subsidiaries
Financial Statements for the year ended 31 March 2025

Association statement of changes in reserves

| | Income and Expenditure Reserve £m | Restricted Reserve £m | Total Controlling Interest £m | Restricted Fund £m | Unrestricted Fund £m |
|--------------------------------------------------|--------------------------------------|--------------------------|----------------------------------|-----------------------|-------------------------|
| Balance at 1 April 2023 | 406.5 | - | 406.5 | - | 406.5 |
| Surplus for the year | 20.9 | - | 20.9 | - | 20.9 |
| Other Comprehensive Income for the year: | | | | | |
| · Actuarial (loss) in respect of pension schemes | (3.1) | - | (3.1) | - | (3.1) |
| Balance at 31 March 2024 | 424.3 | - | 424.3 | - | 424.3 |
| Surplus for the year | 8.4 | - | 8.4 | - | 8.4 |
| Other Comprehensive Income for the year: | | | | | |
| · Actuarial (loss) in respect of pension schemes | (0.3) | - | (0.3) | - | (0.3) |
| Balance at 31 March 2025 | 432.4 | - | 432.4 | - | 432.4 |

The notes on pages 60 to 117 form an integral part of these financial statements.

Citizen Housing Group Limited and its subsidiaries
Financial Statements for the year ended 31 March 2025

Consolidated statement of cash flows

| | 2025 £m | 2024 £m |
|-----------------------------------------------------------|---------|---------|
| Net cash generated from Operating Activities (see below) | 92.0 | 52.4 |
| Cash flow from investing activities: | | |
| Purchase of tangible fixed assets | (179.5) | (169.6) |
| Proceeds from sale of tangible fixed assets | 7.2 | 7.2 |
| Payment to Coventry City Council RTB Clawback | (0.7) | (2.3) |
| Grant repaid to NHS | (0.7) | (0.7) |
| Loan advanced to Joint Venture | (4.2) | (3.4) |
| Loan repaid by Joint Venture | 6.2 | 3.6 |
| Profit distribution from Joint Venture | - | 1.6 |
| Capital grants received | 22.4 | 29.5 |
| Proceeds from redemption of equity loans | 0.1 | - |
| Interest received | 3.7 | 2.4 |
| | (145.5) | (131.7) |
| Cash flow from financing activities: | | |
| Interest paid (including loan breakage costs) | (40.3) | (32.2) |
| New borrowings received | 106.2 | 97.6 |
| | 65.9 | 65.4 |
| Net change in cash and cash equivalents | 12.4 | (13.9) |
| Cash and cash equivalents at beginning of the year | 30.7 | 44.6 |
| Cash and cash equivalents at end of the year | 43.1 | 30.7 |

The notes on pages 60 to 117 form an integral part of these financial statements.

Citizen Housing Group Limited and its subsidiaries
Financial Statements for the year ended 31 March 2025

**Consolidated statement of cash flows
 (continued)**

| | 2025 £m | 2024 £m |
|-----------------------------------------------------------|-------------|-------------|
| Cash flow from Operating Activities: | | |
| Surplus for the year | 7.7 | 19.1 |
| Adjustments for non-cash items: | | |
| Depreciation of tangible fixed assets | 32.6 | 30.2 |
| Impairment of tangible fixed assets | 8.5 | 2.1 |
| Amortised grant | (5.0) | (4.5) |
| (Increase)/Decrease in stock | 8.2 | (19.4) |
| (Increase) in trade and other debtors | 5.6 | (6.1) |
| Increase in trade and other creditors | 0.8 | 7.9 |
| Pension costs less contributions payable | (2.7) | (2.6) |
| Movement in other provisions | 0.2 | 0.2 |
| Share of surplus in Joint Venture | (0.8) | (1.4) |
| Carrying amount of tangible fixed asset disposals | 4.9 | 5.1 |
| Fair value of gifted assets net of contributions made | - | (1.6) |
| Adjustments for investing or financing activities: | | |
| Proceeds from the sale of tangible fixed assets | (7.1) | (7.2) |
| Interest payable (including loan breakage costs) | 41.4 | 33.0 |
| Interest received | (2.3) | (2.4) |
| Taxation expense | 0.1 | - |
| Cash from Operations | 92.1 | 52.4 |
| Taxation paid | (0.1) | - |
| Net cash generated from Operating Activities | 92.0 | 52.4 |

The notes on pages 60 to 117 form an integral part of these financial statements.



Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

Legal status

Citizen Housing Group Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is: -

4040 Lakeside
Solihull Parkway
Birmingham
B37 7YN

The group comprises the following entities: -

| Name | Incorporation | Registered / Non-registered |
|----------------------------------------------------|--------------------|-----------------------------|
| Attwood Green Estate Services Limited | Companies Act 2006 | Non-registered |
| Attwood Green Estate Services (Subsidiary) Limited | Companies Act 2006 | Non-registered |
| Citizen New Homes Limited | Companies Act 2006 | Non-registered |
| Citizen Business Services Limited | Companies Act 2006 | Non-registered |
| Citizen Treasury plc | Companies Act 2006 | Non-registered |
| Citizen Treasury 2 plc | Companies Act 2006 | Non-registered |
| Citizen Treasury Vehicle Limited | Companies Act 2006 | Non-registered |

1. Principal accounting policies

Basis of accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered social housing providers: Housing SORP 2018.

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 2022. The financial statements are prepared on the historical cost basis of accounting and are presented in sterling £ and rounded to the nearest £0.1m.

The financial statements have been prepared in compliance with FRS102 (January 2022). In complying with FRS102, the Association meets the definition of a public benefit entity.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS102:

- No cash flow statement has been presented for the parent company.
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole.

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

1. Principal accounting policies (continued)

Basis of consolidation

The consolidated financial statements incorporate the results of Citizen Housing Group Limited and all of its subsidiary undertakings as at 31 March 2025 (with the exception of Attwood Green Estate Services Limited, which is considered to be immaterial to the results of the group as a whole) using the acquisition method of accounting as required. The results of subsidiary undertakings are included from the date of acquisition, being the date that the Group obtains control.

Going Concern

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The Group financial plan has been subjected to a wide range of stress tests. No significant concerns have been noted, and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

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 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 (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements: -

- **Development expenditure.** The Group capitalises development expenditure in respect of new developments of social and affordable housing. Initial capitalisation of costs is based on management's judgement that a development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.
- **Categorisation of housing properties.** The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has not identified any investment properties.
- **Impairment.** The Group has identified a cash generating unit (CGU) for impairment assessment purposes at a property scheme level.
- **Provision for bad debts.** The Group provides for bad debts as at 31 March each year based on a percentage scale of current tenant arrears plus 100% of former tenant arrears. The adequacy of the provision methodology is reviewed on an annual basis to ensure that provisions reflect changes in arrears experience and the implications of Welfare Reform.
- **Categorisation of debt.** The Group's debt has been treated as "basic" in accordance with paragraphs 11.8, 11.9 and 11.9A of FRS 102 (January 2022). The Group has some fixed rate loans which have a two-way break clause (i.e. in addition to reasonable compensation being payable by a borrower to a lender if a loan is prepaid where the prevailing fixed rate is lower than the existing loan's fixed rate, reasonable compensation could be payable by the lender to the borrower in the event that a loan is prepaid and the prevailing fixed rate is higher than the existing loan's fixed rate).

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

1. Principal accounting policies (continued)

Other key sources of estimation and assumptions

- Tangible fixed assets.** 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 asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Pension and other post-employment benefits.** The Group and its subsidiaries participate in four pension schemes: the West Midlands Pension Fund (as an Admitted Body), the Family Housing Association (Birmingham) Limited (1983) Retirement Fund, the Social Housing Pension Scheme (both Defined Benefit and Defined Contribution Schemes) and TPT Retirement Solutions – The Growth Plan.

For the purposes of the financial statements, the West Midlands Pension Fund, the Social Housing Pension Scheme and the Family Pension Fund are classified as defined benefit schemes for the years ended 31 March 2024 and 31 March 2025.

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

The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.

For the West Midlands Pension Fund, the pension scheme liabilities are measured using a projected unit method and discounted at an AA corporate bond rate. The pension scheme assets are valued at market rate. Any pension scheme deficit is recognised in full on the Statement of Financial Position. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. An allowance was made for the potential impact of the McCloud and Sargeant judgement in the results provided to the Employer as at 31 March 2020 and therefore was already included in the starting position for the 2020/21 report. This allowance is therefore incorporated in the roll forward approach and is remeasured at the accounting date along with the normal LGPS liabilities for the year ended 31 March 2025.

For the Social Housing Pension Scheme, the actuarial assumptions and other key information used to generate the accounting disclosures for the years ended 31 March 2025 and 31 March 2024 are the default assumptions adopted by The Pensions Trust.

The financial statements only recognise net defined benefit pension assets to the extent that the group are able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

1. Principal accounting policies (continued)

Other key sources of estimation and assumptions (continued)

- Impairment of non-financial assets.** 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. 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 scheme level whose cash income can be separately identified.

During the year, our regeneration plans for parts of the City of Coventry have been identified as a trigger for an impairment review of these schemes. Other triggers include properties that are void and have been identified as difficult to let, properties that are vacant pending change of use, properties held for sale and properties that are deemed to have reached the end of their useful lives.

Following a trigger for impairment, the housing property-owning members of the Group perform impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties.

The value in use calculation is based on a depreciated replacement model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Association as the existing property.

Following the assessment of impairment, impairment losses of £8.5m (including fair value adjustments) were identified in the reporting period (2024: £2.1m) which relates to 569 properties with a carrying value of £8.5m (of which £2.3m relates to fair value adjustments).

Business combinations

Acquisitions of other entities in the social housing sector that are in substance a gift to Citizen Housing Group Limited are treated as non-reciprocal transfers where the substance of the transaction is gifting control of one entity to another. These are also known as non-exchange transfers. In this case the fair value of the gifted assets and liabilities are recognised as a gain or loss in the Statement of Comprehensive Income account in the year of the transaction.

Joint Ventures

An entity is treated as a joint venture where a member of the group holds an interest and shares control under a contractual agreement with one or more parties external to the Group.

In the Group accounts, joint ventures are accounted for using the equity method of accounting under which the equity investment is initially recognised at the transaction price and is subsequently adjusted to reflect the Group's share of the profit or loss.

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

1. Principal accounting policies (continued)

Negative Goodwill

Negative Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the assets and liabilities acquired and the fair value of the consideration paid.

Negative goodwill is recognised in the Statement of Comprehensive Income in full in the year in which it is generated.

Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities and Homes England, income from the sale of shared ownership and other properties developed for outright sale and other income and is recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised from the point at which the property is available to let, net of voids. Income from property sales is recognised on legal completion. Supporting People Income is recognised under the contractual arrangements. Sales of properties developed for outright sale are included in Turnover and Cost of Sales.

Operating expenditure

Operating expenditure includes the actual costs of repairs and maintenance incurred during the period and the cost of sales relating to first tranche shared ownership sales. Management costs are allocated to revenue accounts on the basis of staff time allocated, except for specific items of expenditure, which are allocated directly.

Support income and costs including Supporting People income and costs

Supporting People (SP) contract income received from Administering Authorities is accounted for as SP income in the Turnover as per note 2. The related support costs are matched against this income in the same note. Support charges included in the rent are included in the Statement of Comprehensive Income from social housing lettings note 3 and matched against the relevant costs.

Supported housing managed by agencies

Social Housing Grant (SHG) for capital expenditure on supported housing projects is claimed and incorporated within the Statement of Financial Position in line with ownership. The treatment of revenue income and expenditure in respect of supported housing projects depends solely on the agreements with the managing agents and on whether the Group entity carries the financial risk.

Where the Group entity holds the support contract with the Supporting People Administering Authority and carries the financial risk, all of the project's income and expenditure is included in the Statement of Comprehensive Income.

Where the agency holds the support contract with the Supporting People Administering Authority and carries the financial risk, the income and expenditure included is only that income and expenditure which relate solely to the Group entity. Other income and expenditure of projects in this category is excluded from the Statement of Comprehensive Income.

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

1. Principal accounting policies (continued)

Service Charges

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges on a scheme-by-scheme basis in consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the Statement of Financial Position.

Where periodic expenditure on leasehold properties is required a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

Loans

Since 1988 all loans, including bank/building society loans and issued bonds, have been raised from the private sector including banks, building societies, The Housing Finance Corporation Limited and capital markets. All loan interest is accounted for on a basis which reflects the effective periodic rate of interest on the loan. Proceeds of loan stock issued by The Housing Finance Corporation Limited often contain elements of either discount or premium. Loans outstanding on the Statement of Financial Position are shown net of any premiums with the full loan outstanding being reinstated over its life by means of adjustments from the Statement of Comprehensive Income.

Costs of raising finance are set against gross loans received and the loan is then refinanced over its life by means of adjustments from the Statement of Comprehensive Income. Costs of raising finance are deemed to be finance costs of the same nature as interest.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit and loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the United Kingdom (i.e. the country where the company's subsidiaries operate and generate taxable income).

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

1. Principal accounting policies (continued)

Value Added Tax

The Group charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the Group and not recoverable.

Tangible fixed assets and depreciation

Housing property

Housing properties are shown at cost, less accumulated depreciation and impairment. The capitalised cost of developed or purchased housing properties includes the cost of acquiring land and buildings, related development staff salaries and corresponding direct overheads, interest costs on the net capital employed until the date of practical completion, major repairs capitalised and directly attributable professional fees. Following the implementation of the Statement of Recommended Practice (SORP), the cost of housing properties is allocated between land and buildings in line with the National Housing Federation valuation matrix.

The Group capitalises major repairs and improvement expenditure on existing housing properties in line with the requirements of the SORP. The cost of capitalised improvements is written off over the expected useful life of the components. Component lives are aligned to the assumed life within the stock condition survey database. Otherwise, such costs are taken as a charge to the Statement of Comprehensive Income in the year in which they are incurred.

The useful economic lives of the properties are:

- Housing Properties - 100 years from date of build
- Major Repairs/Improvements - Over the expected life of the component

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Housing properties in the course of construction and freehold land are stated at cost and are not depreciated. When a component is replaced, the existing component is fully depreciated and written off and is replaced by the capitalisation of the replacement component as incurred.

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

1. Principal accounting policies (continued)

Tangible fixed assets and depreciation (continued)

Housing property (continued)

The group depreciates freehold housing properties by component on a straight line basis over the UELs of the component categories. The table below shows the asset lives for the separately identified components within the building element of each property.

| Component type | Component Life (years) |
|------------------------------------------|------------------------|
| Structure | 100 |
| Retrofit Insulation | 50 |
| Water tanks /pumps | 50 |
| Roofs | 25 - 70 |
| Soffits and Fascia's | 30 |
| Windows | 30 - 40 |
| Doors | 30 |
| Bathroom | 30 |
| Heating System/Cylinders | 20 - 30 |
| Electrics/Fire Panels/Emergency lighting | 10 - 30 |
| Lifts | 30 |
| Mechanical Heat Recovery Systems | 30 |
| Soil and Vent Pipes | 50 |
| Door Entry Systems | 15 |
| Solar PV Panels | 25 |
| Sprinklers | 20 |
| Kitchens | 20 |
| Primary Heat Source | 15 |
| MetroStor | 10 |
| Mains Wired Detection Systems | 10 |
| Ventilation Extraction Systems | 10 |
| Switchee Monitoring Systems | 10 |
| Cladding on leasehold buildings | 10 |

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

Other tangible fixed assets

Tangible fixed assets other than housing properties are stated at cost less accumulated depreciation. Depreciation is charged over the expected useful economic life of the asset, at the following annual rates:

| | |
|-----------------------|------------------------------|
| Freehold Offices | - 50 to 125 years |
| Leasehold Office | - over the life of the lease |
| Computer Equipment | - 3 to 5 years |
| Fixtures and Fittings | - 4 years |
| Office Refurbishments | - 12 years |

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

1. Principal accounting policies (continued)

Capitalisation of interest and administration costs

Interest on loans financing the development of new properties is capitalised up to the date of completion of the scheme and only when development activity is in progress. Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into its intended use.

Preserved Right to Buy / Right to Acquire

Property sales arise from a Preserved Right to Buy for tenants at the time of Local Authority transfer and a Right to Acquire for tenants since transfer.

Under an agreement with Coventry City Council (CCC) signed in April 2014, the surplus on sale of Right to Buy properties owned at the time of the Large Scale Voluntary Transfer (LSVT) is passed to the Council to fund improvement works to roads and footpaths on our estates. The programme of works will address, as first priority, the roads and footpaths previously considered to be the responsibility of the owning body, but now accepted as the responsibility of CCC, following the "Gulliksen" ruling, and will improve the environment for our residents, improving the standard of minor roads and paths on our estates.

For Right to Acquire sales, the surplus represents the difference between the sales proceeds and carrying value after deduction of grant that is to be recycled via the Recycled Capital Grant Fund. The sale of Right to Buy and Right to Acquire properties is considered to be an integral part of the Group's operating strategy, and turnover and cost of sales relating to the disposals are disclosed within operating surplus in the Statement of Comprehensive Income.

Shared Ownership (Low Cost Home Ownership) properties

All properties are split between fixed and current assets in line with the expectation relating to the first tranche sale percentage. The expected first tranche proportion is classified as a current asset and is held at the lower of cost and net realisable value until the point of the first tranche sale. The current asset is then transferred to cost of sales and matched against sales proceeds within the operating surplus in the Statement of Comprehensive Income. Any operating surplus is restricted to the overall surplus which takes account of the Existing Use Value – Social Housing (EUV-SH) of the remaining fixed asset element. The remaining element of the asset is classified as a fixed asset and included in fixed assets in the Statement of Financial Position at cost less any provision for depreciation or impairment.

As shared ownership is considered to be an integral part of the Group's operating strategy, all shared ownership sales (whether initial tranche or subsequent staircasing sales) are disclosed within operating surplus in the Statement of Comprehensive Income.

Unutilised repairs provisions required to be carried in respect of properties sold under the new shared ownership model are held on the Statement of Financial Position as Other Provisions and disclosed in note 21.

Property managed by agents

Where the Group carries the majority of the financial risk on property managed by agents, all of the income and expenditure arising from the property is included in the Statement of Comprehensive Income. Where the agency carries the majority of the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Group. In both cases, the housing assets and associated liabilities are included in the Group's Statement of Financial Position.

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

1. Principal accounting policies (continued)

Leasing and hire purchase

Where assets are financed by hire purchase contracts and leasing agreements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor in creditors. They are depreciated over the shorter of the lease term and their economic useful lives.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the Statement of Comprehensive Income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Other leases are treated as operating leases and payments and are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to the Statement of Comprehensive Income over the term of the lease.

HomeBuy

Under these arrangements, the Group receives Social Housing Grant representing between 12.5% and 25% of the purchase price in order to advance interest free loans to qualifying homebuyers. The buyer meets the balance of the purchase price from a personal mortgage, an element of which may be interest free for a period, and savings.

In the event that a property is resold, the Group recovers the appropriate proportion of the value of the property at the time of the resale. The grant becomes recyclable when the loans are repaid up to the amount of the original grant and the extent the proceeds permit. The Group is able to retain any surplus proceeds attributable to the share of the value of the property. If there is a fall in the value of the property, the shortfall of proceeds is offset against the recycled grant.

Loans advanced by the Group under these arrangements are treated as concessionary loans and are initially recognised at the amount paid to the purchaser and reviewed annually for impairment. The associated Social Housing Grant received to fund these loans is recognised as deferred income until the loan is redeemed. There are no circumstances in which the Group will suffer any losses.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the Statement of Comprehensive Income.

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

1. Principal accounting policies (continued)

Stock and properties held for sale

Stock of materials is stated at the lower of cost and net realisable value (being the estimated selling price less costs to complete and sell). Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads. Properties developed for outright sale are included in current assets as they are intended to be sold, at the lower of cost or estimated selling price less costs to complete and sell.

At each reporting date, stock and properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and 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 operating expenditure.

Non-government grants and donations

Grants and donations received from non-government sources are recognised under the performance model. If there are no specific performance requirements, the grant or donation is recognised when received or receivable. Where a grant or donation is received with specific performance requirements, it is recognised as a liability until the conditions are met and then it is recognised as Turnover.

Social Housing and other government grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. Social Housing Grant (SHG) received for items of cost written off in the Statement of Comprehensive Income is included as part of Turnover.

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

Non-monetary government grant

On disposal of assets for which non-monetary government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is derecognised and recognised as income in the Statement of Comprehensive Income.

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

1. Principal accounting policies (continued)

Recycling of Capital Grant

Where Social Housing Grant is recycled, as described above, the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties, known as the Recycled Capital Grant Fund (RCGF). Where recycled grant is known to be repayable it is shown as a creditor within one year.

Holiday pay accrual

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

Financial Instruments

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

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

- Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method.
- Commitments to receive or make a loan to another entity which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment.

Financial instruments held by the Group are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method.
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.
- Loans to or from subsidiaries, including those that are due on demand, are held at amortised cost using the effective interest method.
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment.

Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

The following financial instruments are assessed individually for impairment:

- a) All equity instruments regardless of significance; and
- b) Other financial assets that are individually significant.

Other financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics.

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

1. Principal accounting policies (continued)

Impairment of Financial Assets (continued)

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- a) For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- b) For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in the Statement of Comprehensive Income immediately.

Segmental Reporting

As Citizen Treasury plc holds debt which is publicly traded, the parent body, Citizen Housing Group Limited, is required to disclose consolidated information about its operating segments in accordance with IFRS 8.

The Chief Operating Decision Maker (CODM) has been identified as the Group Executive Directors.

The Group Executive Directors have identified the operating segments as General Needs and Supported Housing and Shared Ownership, reflecting the way in which the organisation is operated and managed. The Group Executive Directors receive information regarding the financial and operational performance of these segments on a regular basis.

General Needs and Supported Housing incorporates all of our social rented housing provision, including both social rent and affordable rent properties. Income is derived primarily from rent and service charges. Shared Ownership comprises those properties where we have sold a proportion of the equity share to the occupier whilst retaining the remaining equity and the freehold of the property. Income is derived from service charges in respect of the properties and from rent charged on the unsold equity element of the properties.

Analysis of the Statement of Comprehensive Income by segment is provided in note 34 to these financial statements. Our management reporting structure does not require analysis of assets and liabilities by segment, and these are therefore not included in the analysis of segmental reporting.

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

2. Turnover, cost of sales, operating costs and operating surplus/(deficit) by class of business

| | Group | | | | | |
|---------------------------------------------------------|--------------|-----------------------------------|---------------------------------|--------------|-----------------------------------|---------------------------------|
| | 2025 | | | 2024 | | |
| | Turnover | Operating Costs/ Cost of Sales | Operating Surplus/ (Deficit) | Turnover | Operating Costs/ Cost of Sales | Operating Surplus/ (Deficit) |
| | £m | £m | £m | £m | £m | £m |
| Social Housing Lettings (Note 3) | 187.9 | (149.1) | 38.8 | 171.2 | (129.8) | 41.4 |
| Other social housing activities: | | | | | | |
| First tranche shared ownership sales | 17.1 | (12.8) | 4.3 | 13.2 | (10.0) | 3.2 |
| Development services | 0.1 | (0.7) | (0.6) | 0.1 | (0.8) | (0.7) |
| Community regeneration | - | (2.3) | (2.3) | - | (2.8) | (2.8) |
| Management services | 0.3 | - | 0.3 | 0.3 | - | 0.3 |
| Fair value of gifted assets net of contributions made | - | - | - | 1.6 | - | 1.6 |
| Other Activities | 1.8 | (0.3) | 1.5 | 2.0 | (0.5) | 1.5 |
| Activities other than Social Housing Activities: | | | | | | |
| Lettings (registered nursing homes) | 0.3 | (0.2) | 0.1 | 0.3 | (0.2) | 0.1 |
| Leasehold accommodation | 2.2 | (2.2) | - | 2.5 | (2.1) | 0.4 |
| Build for sale activities | 1.0 | (0.7) | 0.3 | 1.4 | (1.0) | 0.4 |
| | 210.7 | (168.3) | 42.4 | 192.6 | (147.2) | 45.4 |

Citizen Housing Group Limited and its subsidiaries
 Notes to the financial statements for the year ended 31 March 2025

2. Turnover, cost of sales, operating costs and operating surplus/(deficit) by class of business (continued)

| | Association | | | | | |
|-------------------------------------------------------|-------------|-----------------------------------|---------------------------------|----------|-----------------------------------|---------------------------------|
| | 2025 | | | 2024 | | |
| | Turnover | Operating Costs/ Cost of Sales | Operating Surplus/ (Deficit) | Turnover | Operating Costs/ Cost of Sales | Operating Surplus/ (Deficit) |
| | £m | £m | £m | £m | £m | £m |
| Social Housing Lettings (Note 3) | 187.9 | (149.1) | 38.8 | 171.2 | (129.8) | 41.4 |
| Other social housing activities: | | | | | | |
| First tranche shared ownership sales | 17.1 | (12.8) | 4.3 | 13.2 | (10.0) | 3.2 |
| Community regeneration | 0.1 | (2.3) | (2.2) | - | (2.8) | (2.8) |
| Management services | 0.6 | - | 0.6 | 0.6 | - | 0.6 |
| Fair value of gifted assets net of contributions made | - | - | - | 1.6 | - | 1.6 |
| Gift Aid Receivable | 1.8 | - | 1.8 | 1.7 | - | 1.7 |
| Other Activities | 1.7 | (0.3) | 1.4 | 2.0 | (0.6) | 1.4 |
| Activities other than Social Housing Activities: | | | | | | |
| Lettings (registered nursing homes) | 0.3 | (0.2) | 0.1 | 0.3 | (0.2) | 0.1 |
| Leasehold accommodation | 2.1 | (2.2) | (0.1) | 2.5 | (2.1) | 0.4 |
| | 211.6 | (166.9) | 44.7 | 193.1 | (145.5) | 47.6 |

Citizen Housing Group Limited and its subsidiaries
 Notes to the financial statements for the year ended 31 March 2025

3. Income and expenditure from social housing lettings

| | Group and Association | | | | |
|--------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------------------------|---------------------|----------------|----------------|
| | General Needs | Supported Housing and Housing for Older People | Shared Ownership | 2025 Total | 2024 Total |
| | | | | £m | £m |
| Rents receivable net of identifiable service charge income and net of voids | 151.6 | 10.2 | 6.5 | 168.3 | 153.5 |
| Service charge income | 9.1 | 3.2 | 1.0 | 13.3 | 11.9 |
| Net rental income | 160.7 | 13.4 | 7.5 | 181.6 | 165.4 |
| Amortised Government Grants | 4.4 | 0.4 | 0.2 | 5.0 | 4.5 |
| Other income from Social Housing Lettings | 1.2 | 0.1 | - | 1.3 | 1.3 |
| Turnover from Social Housing Lettings | 166.3 | 13.9 | 7.7 | 187.9 | 171.2 |
| Operating Expenditure: | | | | | |
| Management | (17.8) | (1.5) | (0.8) | (20.1) | (17.5) |
| Service charge costs | (24.5) | (2.1) | (1.1) | (27.7) | (25.1) |
| Routine maintenance | (37.6) | (3.1) | - | (40.7) | (34.8) |
| Planned maintenance | (13.5) | (1.1) | - | (14.6) | (12.2) |
| Major repairs expenditure | (4.6) | (0.4) | - | (5.0) | (8.8) |
| Bad debts | (1.2) | (0.1) | - | (1.3) | (0.5) |
| Depreciation on housing properties | (27.8) | (2.3) | (1.0) | (31.1) | (28.7) |
| Impairment of housing properties | (8.5) | - | - | (8.5) | (2.1) |
| Property lease charges | (0.1) | - | - | (0.1) | (0.1) |
| Operating Expenditure on Social Housing Lettings | (135.6) | (10.6) | (2.9) | (149.1) | (129.8) |
| Operating surplus on Social Housing Lettings | 30.7 | 3.3 | 4.8 | 38.8 | 41.4 |
| Void losses (being rental income lost as a result of property not being let, although it is available for letting) | (0.9) | (0.1) | - | (1.0) | (1.1) |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

4. Surplus on disposal of fixed assets

| | Group and Association | |
|----------------------------------------------------------------|-----------------------|------------|
| | 2025 £m | 2024 £m |
| Sale of Housing Properties | | |
| Proceeds from disposal | 5.1 | 5.2 |
| Net Book Value of disposals | (1.2) | (1.1) |
| Transfer to NHS | (0.7) | (0.7) |
| Transfer to CCC | (1.6) | (0.7) |
| Transfer to RCGF | (0.2) | (0.6) |
| Administration costs of disposal | (0.1) | (0.1) |
| Surplus on Sale of Housing Properties | 1.3 | 2.0 |
| Sale of Shared Ownership Subsequent Tranches | | |
| Proceeds from disposal | 2.1 | 2.0 |
| Net Book Value of disposals | (0.8) | (0.7) |
| Transfer to RCGF | (0.2) | (0.4) |
| Administration costs of disposal | (0.1) | - |
| Surplus on Sale of Shared Ownership Subsequent Tranches | 1.0 | 0.9 |
| Surplus on Disposal of Fixed Assets | 2.3 | 2.9 |

In April 2014, the Group signed an agreement with Coventry City Council (CCC) to transfer the surplus achieved on Right to Buy sales to CCC to fund improvement works to roads and footpaths on our estates.

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

5. Employee information

| | Group | | Association | |
|----------------------------|-------------|-------------|-------------|-------------|
| | 2025 No. | 2024 No. | 2025 No. | 2024 No. |
| Full Time Equivalents | 1,114 | 1,043 | 1,079 | 1,006 |
| Staff Costs for the Above: | | | | |
| Wages and Salaries | 46.3 | 39.7 | 44.2 | 37.5 |
| Social Security Costs | 4.8 | 4.0 | 4.5 | 3.7 |
| Other Pension Costs | 6.3 | 5.9 | 6.0 | 5.7 |
| | 57.4 | 49.6 | 54.7 | 46.9 |

The number of full-time equivalents has been calculated on a 37 hour per week basis.

| | Group | | Association | |
|--------------------------------------------------------|-------------|-------------|-------------|-------------|
| | 2025 No. | 2024 No. | 2025 No. | 2024 No. |
| Full Time Equivalents split by remuneration bands of:- | | | | |
| £60,000 - £69,999 | 75 | 54 | 70 | 48 |
| £70,000 - £79,999 | 35 | 34 | 33 | 28 |
| £80,000 - £89,999 | 20 | 12 | 15 | 11 |
| £90,000 - £99,999 | 15 | 6 | 13 | 6 |
| £100,000 - £109,999 | 3 | 4 | 3 | 4 |
| £110,000 - £119,999 | 6 | 4 | 6 | 4 |
| £120,000 - £129,999 | 2 | 2 | 2 | 1 |
| £130,000 - £139,999 | 1 | 1 | 1 | 1 |
| £140,000 - £149,999 | 2 | - | 1 | - |
| £150,000 - £159,999 | - | 1 | - | - |
| £160,000 - £169,999 | 1 | - | 1 | - |
| £180,000 - £189,999 | - | 1 | - | - |
| £190,000 - £199,999 | - | 2 | - | 2 |
| £210,000 - £219,999 | 1 | - | 1 | - |
| £220,000 - £229,999 | 1 | 1 | 1 | 1 |
| £250,000 - £259,999 | 1 | - | 1 | - |
| £260,000 - £269,999 | - | - | - | 1 |
| £270,000 - £279,999 | - | 1 | - | - |
| £300,000 - £309,999 | 1 | - | 1 | - |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

6. Operating surplus

| | Group | | Association | |
|------------------------------------------------------------------------------------------------|------------|------------|-------------|------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Operating Surplus is stated after charging | | | | |
| Depreciation: | | | | |
| On Fixed Assets other than Housing Properties | 1.6 | 1.4 | 1.6 | 1.4 |
| On Housing Properties | 31.1 | 28.7 | 31.1 | 28.7 |
| Impairment: | | | | |
| On Fixed Assets other than Housing Properties | - | - | - | - |
| On Housing Properties | 8.5 | 2.1 | 8.5 | 2.1 |
| Auditor's Remuneration (excluding VAT): | | | | |
| Audit of the group financial statements | 0.1 | 0.1 | 0.1 | 0.1 |
| Audit of subsidiaries | - | - | - | - |
| Fees payable to the group's auditor and its associates for other services to the group: | | | | |
| Service charge certification | - | - | - | - |
| Other group services | - | - | - | - |
| Operating Lease Payments: | | | | |
| Motor vehicles | 2.0 | 1.7 | 2.0 | 1.7 |
| Office Premises | 0.8 | 0.8 | 0.8 | 0.8 |
| Office equipment | 0.2 | 0.3 | 0.2 | 0.3 |
| Bad Debts: | | | | |
| On rents | 1.3 | 0.5 | 1.3 | 0.5 |
| On service charges | - | - | - | - |
| On sales ledger debt | - | - | - | - |



Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

7. Key management personnel remuneration

Key management personnel comprise the Board of Management and Executive Officers as set out on page 2.

Remuneration for executive directors for the year ended 31 March:

| | Group and Association | |
|-----------------------------------------------|-----------------------|---------------|
| | 2025 £'000 | 2024 £'000 |
| Wages and salaries | 857 | 765 |
| Car allowances | 40 | 40 |
| Pension contributions | 96 | 85 |
| Estimated monetary value of non-cash benefits | 4 | 5 |
| | 997 | 895 |

Non-executive Board Member remuneration for the year ended 31 March including salaries, honoraria or other benefits:-

| | Group | | Association | |
|-------------------------|---------------|---------------|---------------|---------------|
| | 2025 £'000 | 2024 £'000 | 2025 £'000 | 2024 £'000 |
| Colin Dennis | 19 | 26 | 19 | 26 |
| Susan Brooksbank-Taylor | 19 | 16 | 19 | 16 |
| Joan Allen | 14 | 7 | 14 | 7 |
| David Blower | 14 | 8 | 14 | 8 |
| Angela Carpenter | 13 | 6 | 13 | 6 |
| John Creswell | - | 9 | - | 9 |
| Philip Green | 5 | 6 | - | - |
| Narvinder Khossa | - | 2 | - | 2 |
| Janice Nichols | - | 8 | - | 8 |
| Richard Nowell | - | 7 | - | 7 |
| David Robertson | 6 | 6 | - | - |
| Stephen Russell | 11 | 6 | 11 | 6 |
| Helen Scarrett | - | 7 | - | 7 |
| Monica Shafiq | 8 | 11 | 8 | 11 |
| Becky Utuka | 6 | 6 | - | - |
| Claire Williams | 14 | 13 | 14 | 13 |
| Mark Wright | 6 | 6 | - | - |
| Kyle Leslie Smith | 3 | - | 3 | - |
| Andrew Spencer | 3 | - | 3 | - |
| Total | 141 | 150 | 118 | 126 |

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

7. Key management personnel remuneration (continued)

Citizen Housing Group's Remuneration Committee is responsible for recommending the remuneration of the Executive Directors and for recommending the annual cost of living increase to be applied to all employees and draws upon representation and skills from all of the Group's shareholders.

The remuneration packages of the Executive Directors are set by taking into account independent professional advice on remuneration levels in the sector, each of the Executive Director's responsibilities and the pay level for comparable positions in the marketplace.

Compensation payable to Directors or past Directors during the period in respect of loss of office of Director amounted to £Nil (2024: £Nil).

Expenses paid during the year to Board and Committee members across the Group amounted to £3k (2024: £2k). Expenses paid during the year to Association Board members amounted to £3k (2024: £2k).

Remuneration payable to the highest paid director in relation to the period of account amounted to £301k (2024: £280k) excluding pension contributions.

The Group Chief Executive was an ordinary member of the Social Housing Pension Scheme until 30 November 2021 and no enhanced or special terms applied. For the year ended 31 March 2025, the Group Chief Executive was paid £22k in lieu of pension contributions (31 March 2024: £21k), and these figures are included in the disclosures shown in the table above. The Group does not make any further contributions to an individual pension arrangement for the Group Chief Executive.

8. Pension costs

Membership of the Social Housing Pension Scheme (SHPS) Defined Contribution Scheme is offered to all employees of the Group. Membership of the SHPS Defined Benefit Scheme was closed to new members with effect from 1 December 2017. The group maintained their admitted body status of the West Midlands Pension Fund following transfer from Coventry City Council in 2000 and Birmingham City Council in 1999 respectively. Both schemes are final salary schemes, with the West Midlands Pension Fund becoming a Career Average Revalued Earnings (CARE) scheme from 1 April 2015. We sponsor the Family Housing Association (Birmingham) Limited (1983) Retirement Fund, a defined benefit scheme the assets of which are held in a managed fund administered by the Phoenix Life Group. Since 31 March 2000, the Family defined benefit scheme has been closed and staff have either become members of a Group Personal Pension Plan (GPPP), operated by Legal and General, or have joined the SHPS scheme.

For the purposes of the financial statements, the West Midlands Pensions Fund, the Social Housing Pension Fund and the Family Housing Association (Birmingham) Limited (1983) Retirement Fund are classified as defined benefit schemes.

The assets of the funds are invested and managed independently of the finances of Citizen Housing Group. Employee contribution rates are fixed, and the employer's contribution rate is assessed in accordance with the advice of an independent and professionally qualified actuary.

The company also participates in the TPT Retirement Solutions – The Growth Plan, a multi-employer scheme. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

8. Pension costs (continued)

(a) Defined benefit pension schemes

Fair value of plan assets

Present value of defined benefit obligation

Surplus in Plan

Unrecognised surplus

Deferred tax

Net defined benefit liability to be recognised

| Group and Association | |
|-----------------------|--------------|
| 2025 | 2024 |
| £m | £m |
| 185.9 | 188.5 |
| (153.8) | (174.6) |
| 32.1 | 13.9 |
| (36.3) | (20.2) |
| - | - |
| (4.2) | (6.3) |

The pensions trust – social housing pension scheme

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

The 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.

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

8. Pension costs (continued)

(a) Defined benefit pension schemes (continued)

The pensions trust – social housing pension scheme (continued)

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2025 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

The major assumptions used by the actuary are shown below.

Present values of defined benefit obligation, fair value of assets and defined benefit liability

| Group and Association | |
|-----------------------|--------------|
| 2025 | 2024 |
| £m | £m |
| 26.2 | 26.5 |
| (30.4) | (32.8) |
| (4.2) | (6.3) |
| - | - |
| (4.2) | (6.3) |

Fair value of plan assets

Present value of defined benefit obligation

Deficit in Plan

Deferred tax

Net defined benefit liability to be recognised

Reconciliation of opening and closing balances of the defined benefit obligation

| Group and Association | |
|-----------------------|-------------|
| 2025 | 2024 |
| £m | £m |
| 32.8 | 32.1 |
| 0.4 | 0.3 |
| 1.6 | 1.5 |
| (4.6) | (0.5) |
| - | (0.3) |
| 1.0 | 0.3 |
| (1.0) | (0.8) |
| 0.2 | 0.2 |
| 30.4 | 32.8 |

Defined benefit obligation at start of the year

Current service cost

Interest expense

Change in financial assumptions

Change in demographic assumptions

Experience loss on defined benefit obligation

Benefits paid

Contributions by scheme participants

Defined benefit obligation at end of the year

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

8. Pension costs (continued)

(a) Defined benefit pension schemes (continued)

The Pensions Trust – social housing pension scheme (continued)

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

| | Group and Association | |
|-----------------------------------------------------|-----------------------|-------------|
| | 2025 £m | 2024 £m |
| Fair value of plan assets at start of the year | 26.5 | 26.2 |
| Interest income | 1.3 | 1.2 |
| Return on assets less interest | (3.2) | (2.6) |
| Contributions made by the employer | 2.4 | 2.3 |
| Contributions by fund participants | 0.2 | 0.2 |
| Benefits paid | (1.0) | (0.8) |
| Fair value of plan assets at end of the year | 26.2 | 26.5 |

Defined benefit costs recognised in the Statement of Comprehensive Income

| | Group and Association | |
|-------------------------------------------------------------------------|-----------------------|------------|
| | 2025 £m | 2024 £m |
| Recognised within the Surplus for the Year:- | | |
| Service cost | 0.4 | 0.3 |
| Net interest cost | 0.3 | 0.3 |
| Defined benefit costs recognised within the surplus for the year | 0.7 | 0.6 |

Recognised within Other Comprehensive Income:-

| | | |
|----------------------------------------------------------------------------------|------------|--------------|
| Return on plan assets (excluding amounts included in net interest cost) – (loss) | (3.2) | (2.6) |
| Change in demographic assumptions | - | 0.3 |
| Change in financial assumptions | 4.6 | 0.5 |
| Experience (loss) on defined benefit obligation | (1.0) | (0.3) |
| Total amount recognised within Other Comprehensive Income – Gain/(Loss) | 0.4 | (2.1) |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

8. Pension costs (continued)

(a) Defined benefit pension schemes (continued)

The Pensions Trust – social housing pension scheme (continued)

Assets

| | Group and Association | |
|-------------------------------|-----------------------|-------------|
| | 2025 £m | 2024 £m |
| Global Equity | 2.9 | 2.6 |
| Absolute Return | - | 1.0 |
| Distressed Opportunities | - | 0.9 |
| Credit Relative Value | - | 0.9 |
| Alternative Risk Premia | - | 0.9 |
| Emerging Markets Debt | - | 0.3 |
| Risk Sharing | - | 1.6 |
| Insurance-Linked Securities | 0.1 | 0.1 |
| Property | 1.3 | 1.1 |
| Infrastructure | - | 2.7 |
| Private Debt | - | 1.0 |
| Private Credit | 3.2 | - |
| Credit | 1.0 | - |
| Investment Grade Credit | 0.8 | - |
| Liquid alternatives | 4.9 | - |
| Opportunistic Illiquid Credit | - | 1.0 |
| Real Assets | 3.1 | - |
| Cash | 0.4 | 0.5 |
| Long Lease Property | - | 0.2 |
| Secured Income | 0.5 | 0.8 |
| Liability Driven Investment | 7.9 | 10.8 |
| Net Current Assets | 0.1 | 0.1 |
| Total assets | 26.2 | 26.5 |

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

Assumptions

| | Group and Association | |
|-------------------------------------------------------------|--------------------------|---------------------|
| | 2025 % per annum | 2024 % per annum |
| Discount Rate | 5.87% | 4.91% |
| Inflation (RPI) | 3.08% | 3.12% |
| Inflation (CPI) | 2.80% | 2.79% |
| Salary Growth | 3.80% | 3.79% |
| Allowance for commutation of pension for cash at retirement | 75% of maximum allowance | |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

8. Pension costs (continued)

(a) Defined benefit pension schemes (continued)

The Pensions Trust – social housing pension scheme (continued)

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

| | Group and Association | |
|-----------------------------|---------------------------|---------------|
| | Life expectancy at age 65 | |
| | 2025 Years | 2024 Years |
| Male retiring today | 20.5 | 20.5 |
| Female retiring today | 23.0 | 23.0 |
| Male retiring in 20 years | 21.7 | 21.8 |
| Female retiring in 20 years | 24.5 | 24.4 |

Male retiring today
 Female retiring today
 Male retiring in 20 years
 Female retiring in 20 years

West Midlands Pension Fund

The Association is able to estimate its share of the underlying assets and liabilities of the West Midlands Pension Fund. The pension contributions for the Association during the year to 31 March 2025 amounted to £2.8m (2024: £3.1m). A full actuarial valuation was carried out as at 31 March 2022 and has been updated to 31 March 2025 by a qualified actuary, independent of the scheme's sponsoring employers, using financial assumptions that comply with FRS102.

The actuary has allowed for the full Guaranteed Minimum Pension (GMP) indexation in the calculation of the latest funding valuation results. The Employer's funding valuation results are used as the starting point for the accounting roll forward calculations and therefore, an allowance for full GMP indexation has already been included in the accounting disclosure.

The actuary believes that a further Lloyd's ruling in respect of historical transfers is unlikely to have a significant impact on the pension obligations of a typical employer, and the historic individual member data needed to assess the impact is not readily available. As a result, there has not been any allowance made for this within the calculations at the Accounting Date.

The actuary has allowed for the McCloud judgement in the calculation of the latest funding valuation results. The Employer's funding valuation results are used as the starting point for the accounting roll forward calculations and therefore an allowance is included in the accounting disclosure.

Pension assets are restricted to comply with FRS 102 paragraph 28, and recognise a plan surplus as a defined benefit asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. These criteria were not considered to be met at 31 March 2025 and an asset was therefore not recognised, specifically as the scheme is in a funding deficit, a reduction in future contributions is not available and contributions are not based on the FRS 102 valuation.

The major assumptions used by the actuary are shown below.

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

8. Pension costs (continued)

(a) Defined benefit pension schemes (continued)

West Midlands Pension Fund (continued)

Present values of defined benefit obligation, fair value of assets and defined benefit liability

| Group and Association | 2025 £m | 2024 £m |
|---------------------------------------------------------------|------------|------------|
| Fair value of plan assets | 155.8 | 157.7 |
| Present value of defined benefit obligation | (120.2) | (138.2) |
| Surplus in Plan | 35.6 | 19.5 |
| Unrecognised surplus | (35.6) | (19.5) |
| Deferred tax | - | - |
| Net defined benefit asset/(liability) to be recognised | - | - |

Reconciliation of opening and closing balances of the defined benefit obligation

| Group and Association | 2025 £m | 2024 £m |
|------------------------------------------------------|--------------|--------------|
| Defined benefit obligation at start of the year | 138.2 | 138.3 |
| Current service cost | 1.7 | 2.0 |
| Past service cost | - | 0.1 |
| Interest expense | 6.6 | 6.6 |
| Change in financial assumptions | (20.3) | (7.8) |
| Change in demographic assumptions | (0.3) | (0.8) |
| Experience loss on defined benefit obligation | (1.2) | 4.1 |
| Benefits paid | (5.1) | (4.9) |
| Contributions by scheme participants | 0.6 | 0.6 |
| Defined benefit obligation at end of the year | 120.2 | 138.2 |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

8. Pension costs (continued)

(a) Defined benefit pension schemes (continued)

West Midlands Pension Fund (continued)

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

| | Group and Association | |
|-----------------------------------------------------|-----------------------|--------------|
| | 2025 £m | 2024 £m |
| Fair value of plan assets at start of the year | 157.7 | 145.3 |
| Interest income | 7.5 | 6.9 |
| Return on assets less interest | (7.1) | 7.2 |
| Contributions made by the employer | 2.2 | 2.5 |
| Contributions by fund participants | 0.6 | 0.6 |
| Benefits paid | (5.1) | (4.8) |
| Fair value of plan assets at end of the year | 155.8 | 157.7 |

Defined benefit costs recognised in the Statement of Comprehensive Income

| | Group and Association | |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------|--------------|
| | 2025 £m | 2024 £m |
| Recognised within the Surplus for the Year:- | | |
| Service cost | 1.7 | 2.1 |
| Net interest cost | - | (0.3) |
| Defined benefit costs recognised within the surplus for the year | 1.7 | 1.8 |
| Recognised within Other Comprehensive Income:- | | |
| Return on plan assets (excluding amounts included in net interest cost) – (loss)/gain | (7.1) | 7.2 |
| Change in demographic assumptions | 0.3 | 0.8 |
| Change in financial assumptions | 20.3 | 7.8 |
| Experience gain/(loss) on defined benefit obligation | 1.2 | (4.1) |
| Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) | (15.2) | (12.5) |
| Total amount recognised within Other Comprehensive Income – (loss) | (0.5) | (0.8) |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

8. Pension costs (continued)

(a) Defined benefit pension schemes (continued)

West Midlands Pension Fund (continued)

Assets

| Group and Association | 2025 £m | 2024 £m |
|-----------------------|--------------|--------------|
| UK Equities | 76.4 | 96.2 |
| Property | 10.9 | 9.5 |
| UK Government Bonds | 57.6 | 44.1 |
| Cash | 10.9 | 7.9 |
| Total assets | 155.8 | 157.7 |

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

Assumptions

| Group and Association | 2025 % per annum | 2024 % per annum |
|-----------------------|---------------------|---------------------|
| Discount Rate | 5.80% | 4.85% |
| Inflation (CPI) | 2.75% | 2.75% |
| Salary Growth | 3.75% | 3.75% |

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

| Life expectancy at age 65 | 2025 Years | 2024 Years |
|-----------------------------|---------------|---------------|
| Male retiring today | 21.1 | 21.1 |
| Female retiring today | 23.2 | 23.2 |
| Male retiring in 20 years | 21.5 | 21.6 |
| Female retiring in 20 years | 25.0 | 25.0 |

The best estimate of contributions to be paid by Group members to the plan for the period commencing 1 April 2025 is £2.40m.

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

8. Pension costs (continued)

(a) Defined benefit pension schemes (continued)

Family Housing Association (Birmingham) Limited (1983) Retirement Fund

Citizen Housing Group Limited sponsors the Family Housing Association (Birmingham) Limited (1983) Retirement Fund which is a defined benefit arrangement. A full actuarial valuation was carried out at 31 January 2023 and has been updated to 31 March 2025 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The most recent Actuarial Valuation was carried out on 31 January 2023 and showed that over the 3 preceding years the scheme's deficit decreased from approximately £1.43m to a surplus of £0.1m. The Trustees have agreed with the employer to make payments of £163,909 per annum, payable monthly, until 31 January 2025. In addition, Pension Protection Fund levy payments, management and administration expenses are payable by the Association as and when they are due.

Pension assets are restricted to comply with FRS 102 paragraph 28 and recognise a plan surplus as a defined benefit asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. These criteria were not considered to be met at 31 March 2024 and 31 March 2025 and an asset was therefore not recognised, specifically as the scheme is in a funding deficit, a reduction in future contributions is not available and contributions are not based on the FRS 102 valuation.

Present values of defined benefit obligation, fair value of assets and defined benefit liability

| Group and Association | |
|-----------------------|------------|
| 2025 £m | 2024 £m |
| 3.9 | 4.3 |
| (3.2) | (3.7) |
| 0.7 | 0.6 |
| (0.7) | (0.6) |
| - | - |
| - | - |

Fair value of plan assets

Present value of defined benefit obligation

Surplus in Plan

Unrecognised surplus

Deferred tax

Net defined benefit liability to be recognised

Reconciliation of opening and closing balances of the defined benefit obligation

| Group and Association | |
|-----------------------|------------|
| 2025 £m | 2024 £m |
| 3.7 | 3.8 |
| 0.2 | 0.2 |
| (0.4) | (0.2) |
| (0.3) | (0.1) |
| 3.2 | 3.7 |

Defined benefit obligation at start of the year

Interest expense

Actuarial (gains)

Benefits paid

Defined benefit obligation at end of the year

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

8. Pension costs (continued)

(a) Defined benefit pension schemes (continued)

Family Housing Association (Birmingham) Limited (1983) Retirement Fund (continued)

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

| Group and Association | 2025 £m | 2024 £m |
|----------------------------------------------------------------------------------|------------|------------|
| Fair value of plan assets at start of the year | 4.3 | 4.4 |
| Interest income | 0.2 | 0.2 |
| Return on plan assets (excluding amounts included in net interest cost) – (loss) | (0.5) | (0.4) |
| Contributions made by the Association | 0.2 | 0.2 |
| Benefits paid | (0.3) | (0.1) |
| Fair value of plan assets at end of the year | 3.9 | 4.3 |

Defined benefit costs recognised in the Statement of Comprehensive Income

| Group and Association | 2025 £m | 2024 £m |
|----------------------------------------------|------------|------------|
| Recognised within the Surplus for the Year:- | - | - |
| Net interest cost | - | - |

Defined benefit costs recognised within the surplus for the year

| Group and Association | 2025 £m | 2024 £m |
|----------------------------------------------------------------------------------|------------|------------|
| Recognised within Other Comprehensive Income:- | - | - |
| Return on plan assets (excluding amounts included in net interest cost) – (loss) | (0.5) | (0.4) |

Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – gain

Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)

Total amount recognised within Other Comprehensive Income – (Loss)

| Group and Association | 2025 £m | 2024 £m |
|-----------------------|------------|------------|
| (0.2) | (0.2) | (0.2) |
| | | |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

8. Pension costs (continued)

(a) Defined benefit pension schemes (continued)

Family Housing Association (Birmingham) Limited (1983) Retirement Fund (continued)

Assets

UK Equities

UK Government Bonds

Total assets

| Group and Association | |
|-----------------------|------------|
| 2025 £m | 2024 £m |
| 0.6 | 0.7 |
| 3.3 | 3.6 |
| 3.9 | 4.3 |

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

Assumptions

| Group and Association | |
|------------------------|------------------------|
| 2025 % per annum | 2024 % per annum |
| 5.8% | 4.9% |
| <u>No allowance</u> | <u>No allowance</u> |

Discount Rate

Allowance for commutation of pension for cash at retirement

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

| Life expectancy at age 65 | |
|---------------------------|---------------|
| 2025 Years | 2024 Years |
| 20.1 | 21.6 |
| 23.2 | 23.6 |
| 21.4 | 23.0 |
| 24.7 | 25.1 |

Male retiring in 2025

Female retiring in 2025

Male retiring in 2035

Female retiring in 2035

The best estimate of contributions to be paid by the Association to the plan for the period commencing 1 April 2025 is £Nil.

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

8. Pension costs (continued)

(b) TPT Retirement Solutions – the growth plan

Citizen Housing Group Limited participates in the TPT Retirement Solutions – The Growth Plan, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

The scheme is classified as a 'last-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.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2025 to 31 January 2028:

£2,100,000 per annum (payable monthly)

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

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:

£3,312,000 per annum (payable monthly)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

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

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

8. Pension costs (continued)

(b) TPT Retirement Solutions – the growth plan (continued)

Assumptions

| | 31 March 2025 % per annum | 31 March 2024 % per annum | 31 March 2023 % per annum |
|------------------|------------------------------|------------------------------|------------------------------|
| Rate of discount | 4.84% | 5.31% | 5.52% |

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

9. Interest receivable

| | Group | | Association | |
|---------------------------------------------|------------|------------|-------------|------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Interest receivable on unlisted investments | 2.3 | 2.4 | 2.8 | 3.4 |
| | 2.3 | 2.4 | 2.8 | 3.4 |

10. Interest and financing costs

| | Group and Association | |
|--|-----------------------|------------|
| | 2025 £m | 2024 £m |

| | | |
|------------------------------------------------|-------|-------|
| Defined Benefit pension charge | - | - |
| Capitalisation of development interest payable | (1.8) | (1.6) |

Bank Loans

| | | |
|----------------------------------------------------------------|-------------|-------------|
| Repayable otherwise than by instalments | 12.7 | 8.3 |
| Repayable by instalments wholly or partly in more than 5 years | 25.3 | 24.8 |
| Loan breakage costs | 2.9 | - |
| Other interest | 2.3 | 1.5 |
| | 41.4 | 33.0 |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

11. Taxation

The Parent organisation is a charitable Co-operative and Community Benefit Society and, providing income is derived from its primary purpose, there is no liability for Corporation Tax.

| | Group | | Association | |
|----------------------------------------------|------------|------------|-------------|------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| UK Corporation Tax | - | - | - | - |
| UK Corporation Tax on surplus for the period | 0.1 | - | - | - |

The tax assessed on the surplus on ordinary activities for the period is lower than the standard rate of Corporation Tax in the UK of 25% (2024: 25%): -

| | | | | |
|-----------------------------------------------------------------------------------------------|-------|-------|-------|-------|
| Surplus on ordinary activities before tax | 7.8 | 19.1 | 8.4 | 20.9 |
| Corporation Tax calculated as surplus on activities before tax, multiplied by 25% (2024: 25%) | 1.9 | 4.8 | 2.1 | 5.2 |
| Effect of: | | | | |
| Exempt charitable activities | (1.9) | (4.7) | (2.1) | (5.2) |
| Losses carried forward | 0.1 | - | - | - |
| Qualifying Charitable donations | (0.5) | (0.5) | - | - |
| Non-trade loan relationship income | (0.1) | - | - | - |
| Share of profit of JV | 0.5 | 0.4 | - | - |
| UK Corporation Tax on surplus for the period | - | - | - | - |

We are not aware of any circumstances which would materially impact any future tax charges.

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Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

12. Housing properties (continued)

| | Group | | Association | |
|---------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £m | £m | £m | £m |
| Net Book Value of Land and Buildings comprises:- | | | | |
| Freehold land and buildings | 1,654.5 | 1,518.8 | 1,657.2 | 1,520.6 |
| Long leasehold land and buildings | 23.6 | 23.7 | 23.6 | 23.7 |
| Short leasehold land and buildings | 6.4 | 6.4 | 6.4 | 6.4 |
| | 1,684.5 | 1,548.9 | 1,687.2 | 1,550.7 |

Total expenditure on works to existing properties:

| | | | | |
|---------------------------------------------------|-------------|-------------|-------------|-------------|
| Replacement components capitalised | 86.6 | 61.5 | 86.6 | 61.5 |
| Amounts charged to Income and Expenditure account | 5.0 | 8.8 | 5.0 | 8.8 |
| | 91.6 | 70.3 | 91.6 | 70.3 |

Cumulative interest capitalised during the development period to 31 March 2025 amounted to £13.3m (2024: £11.6m).

There are 23,323 properties charged against debt borrowed by Citizen Housing Group Limited either through a Security Trust or directly with a lender at the reporting date, with a net book value of £609.9m. Asset cover is measured by reference to the properties' Existing Use Value – Social Housing (EUV-SH) and/or Market Value – Subject to Tenancy (MV-STT) as a percentage of the debt outstanding. At the reporting date there was sufficient asset cover in respect of the Group's debt.

Housing properties for letting includes the cost of 2 nursing homes shown under non-social housing activities in Note 2. The cost of these properties is £0.9m, which is part-funded by grants of £0.3m from a regional health authority.

13. HomeBuy loans receivable

| Group and Association | 2025 | 2024 |
|-----------------------|------|------|
| | £m | £m |

HomeBuy Loans made by the Group:-

| | | |
|--------------------------|------------|------------|
| At the start of the year | 1.2 | 1.3 |
| Loans advanced | - | - |
| Loans repaid | - | (0.1) |
| At the end of the year | 1.2 | 1.2 |

HomeBuy Grants received from Homes England:-

| | | |
|--------------------------|------------|------------|
| At the start of the year | 1.2 | 1.3 |
| Grants received | - | - |
| Grants repaid/recycled | - | (0.1) |
| At the end of the year | 1.2 | 1.2 |

The grants received are disclosed within Creditors: Amounts falling due in more than one year (see note 20).



Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

14. Fixed asset investment in subsidiary undertakings

Citizen Treasury plc, Citizen Treasury 2 plc, Citizen Treasury Vehicle Limited, Citizen Business Services Limited and Citizen New Homes Limited are subsidiary organisations for incorporation into the Consolidated Financial Statements of Citizen Housing Group Limited (the Association) in accordance with the Co-operative and Community Benefit Societies Act 2014.

Citizen Treasury plc and Citizen Treasury 2 plc are non-regulated companies limited by shares and are special purpose vehicles, which are used to secure funding for the Citizen Housing Group. Funding is obtained directly from the capital markets.

Citizen New Homes Limited is a non-regulated company limited by shares. The principal activity of Citizen New Homes Limited is the development of new build properties for outright sale and rental.

| Association | |
|-------------|------|
| 2025 | 2024 |
| £m | £m |
| 0.1 | 0.1 |

Cost of investment

Details of the Citizen Housing Group Limited subsidiaries at 31 March 2025:

| Name | Percentage of share held |
|---------------------------|--------------------------|
| Citizen Treasury plc | 100% |
| Citizen Treasury 2 plc | 100% |
| Citizen New Homes Limited | 100% |

Citizen Housing Group Limited acquired 100% of the 50,000 authorised £1 shares of Citizen Treasury 2 plc on 1 November 2012. It paid £12,500 to acquire the 50,000 shares. The liability to pay the remaining £37,500 is shown as a creditor falling due after more than one year on the Association Statement of Financial Position.

On 1 April 2016, Citizen Housing Group Limited purchased 100% of the issued shares in Citizen New Homes Limited (5,000 x £1 shares) at cost (£5,000).

Citizen Housing Group Limited acquired 100% of the 50,000 authorised £1 shares of Citizen Treasury plc on 29 August 2017. It paid £12,500 to acquire the 50,000 shares. The liability to pay the remaining £37,500 is shown as a creditor falling due after more than one year on the Association Statement of Financial Position.

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

15. Fixed asset investment in joint venture undertakings

On 31 March 2017, Citizen New Homes Limited entered into a 50:50 Joint Venture LLP with Wates Construction Limited, called Signature Wates Residential LLP, to develop residential accommodation. The capital contribution paid by each party to the Joint Venture on commencement of the agreement was £1. The principal activity of Signature Wates Residential LLP is the development of new build properties for outright sale.

On 31 January 2021, Citizen New Homes Limited entered into a 50:50 Joint Venture LLP with Vistry Linden Limited, called Lea Castle JV LLP, to develop residential accommodation. The capital contribution paid by each party to the Joint Venture on commencement of the agreement was £1. The principal activity of Lea Castle JV LLP is the development of new build properties for outright sale.

On 20 December 2024, Citizen New Homes Limited entered into a 50:50 Joint Venture LLP with Countryside Limited, called Pickford Gate JV LLP, to develop residential accommodation. The capital contribution paid by each party to the Joint Venture on commencement of the agreement was £1. The principal activity of Pickford Gate JV LLP is the development of new build properties for outright sale.

In the Group accounts, joint ventures are accounted for using the equity method of accounting under which the equity investment is initially recognised at the transaction price and is subsequently adjusted to reflect the Group's share of the profit or loss.

| Signature Wates Residential LLP | Lea Castle JV LLP | Pickford Gate JV LLP | Group |
|----------------------------------|-------------------|----------------------|-------|
| £m | £m | £m | £m |
| Cost of Investment | | | |
| At start and end of year | - | - | - |
| Share of retained profits | | | |
| At start of year | - | 1.4 | - |
| Interim Profit distribution | - | (1.4) | - |
| Surplus/(Deficit) for the year | - | 2.4 | (0.2) |
| At end of year | - | 2.4 | (0.2) |
| Net Book Value | | | |
| At 31 March 2025 | - | 2.4 | (0.2) |
| At 31 March 2024 | - | 1.4 | - |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

16. Stock

| | Group | | Association | |
|------------------------------------------------|-------------|-------------|-------------|-------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Properties held for resale: - | | | | |
| Shared ownership properties (work in progress) | 9.3 | 8.0 | 9.3 | 8.0 |
| Shared ownership properties (completed) | 5.1 | 8.9 | 5.7 | 8.9 |
| Build for sale properties (work in progress) | 20.7 | 21.8 | - | - |
| Build for sale properties (completed) | - | 4.6 | - | - |
| | 35.1 | 43.3 | 15.0 | 16.9 |

17. Trade and other debtors

| | Group | | Association | |
|-------------------------------------------|-------------|-------------|-------------|-------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Amounts receivable within one year | | | | |
| Rental debtors | 5.6 | 5.1 | 5.6 | 5.1 |
| Less: Provision for bad debts | (4.6) | (4.2) | (4.6) | (4.2) |
| | 1.0 | 0.9 | 1.0 | 0.9 |
| Trade debtors | 1.9 | 7.5 | 0.3 | 7.0 |
| Prepayments and accrued income | 5.3 | 5.6 | 5.2 | 5.5 |
| Other debtors | 0.9 | 0.7 | 2.2 | 1.7 |
| Amounts due from subsidiary undertakings | 0.1 | - | 27.7 | 25.4 |
| Social Housing Grant receivable | 8.2 | 2.2 | 8.2 | 2.2 |
| | 17.4 | 16.9 | 44.6 | 42.7 |
| Amounts falling due after one year | | | | |
| Loan due from Group Undertaking | - | - | 9.0 | 12.0 |
| Other debtors | 0.9 | 1.0 | 0.9 | 1.0 |
| Loans to JVs | 4.1 | 7.6 | - | - |
| | 5.0 | 8.6 | 9.9 | 13.0 |
| | 22.4 | 25.5 | 54.5 | 55.7 |

Former tenant rent arrears of £2.9m (2024: £2.5m) are fully provided for and are therefore not included within the rental debtors or provision balances above. Other debtors falling due after one year are interest free equity loans repayable upon sale of the properties to which the loan is charged.

18. Cash and cash equivalents

| | Group | | Association | |
|----------------------------------------------|-------------|-------------|-------------|-------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Short-term, highly liquid investments | | | | |
| Cash at bank | 16.6 | 13.6 | 16.6 | 13.6 |
| | 26.5 | 30.7 | 30.2 | 26.3 |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

19. Creditors: amounts falling due within one year

| | Group | | Association | |
|-------------------------------------------|-------------|-------------|-------------|-------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Housing Loans (See note 22) | | | | |
| Trade creditors | 1.9 | 2.0 | 1.9 | 2.0 |
| Rents received in advance | 14.3 | 8.8 | 12.6 | 8.0 |
| Interest Payable | 11.3 | 9.1 | 11.3 | 9.1 |
| Other creditors | 0.1 | 0.8 | 11.2 | 10.2 |
| Accruals and deferred income | 2.6 | 1.8 | 2.6 | 1.8 |
| Deferred capital grant (See note 23) | 35.7 | 36.3 | 24.1 | 26.4 |
| Recycled Capital Grant Fund (See note 24) | 5.0 | 4.7 | 5.0 | 4.7 |
| Tax and social security | 2.6 | 2.2 | 2.6 | 2.2 |
| | 74.7 | 66.8 | 72.5 | 65.5 |

20. Creditors: amounts falling due after more than one year

| | Group | | Association | |
|-------------------------------------------|----------------|----------------|----------------|----------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| HomeBuy Loans (See note 13) | | | | |
| Housing Loan (See note 22) | 906.0 | 802.3 | 906.0 | 802.3 |
| Other Creditors | 2.6 | 2.4 | 2.6 | 2.4 |
| Recycled Capital Grant Fund (See note 24) | 1.7 | 2.3 | 1.7 | 2.3 |
| Deferred capital grant (See note 23) | 369.8 | 348.7 | 369.8 | 348.7 |
| | 1,281.3 | 1,156.9 | 1,281.3 | 1,156.9 |

21. Other provisions

| | Group | | Association | |
|-----------------------------------------------|------------|------------|-------------|------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| New Shared Ownership repairs provision | | | | |
| | 0.4 | 0.2 | 0.4 | 0.2 |
| | 0.4 | 0.2 | 0.4 | 0.2 |

At 31 March 2025, we had sold 70 properties under the new shared ownership model (31 March 2024 - 35 properties).

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

22. Debt analysis

Loans from banks and building societies are secured by specific charges on the Group's housing properties. The loans accrue interest at varying rates of interest and are repayable in instalments as shown below:

| | Group and Association | |
|------------------------------------------------------------------------------------|-----------------------|--------------|
| | 2025 £m | 2024 £m |
| Bank/building society loans | | |
| Amounts payable by instalments: | | |
| Repayable within one year | 1.9 | 2.0 |
| Repayable between one and two years | 0.2 | 8.4 |
| Repayable between two and five years | 9.0 | 0.7 |
| Repayable after five years | 4.3 | 69.6 |
| | 15.4 | 80.7 |
| Amounts repayable otherwise than by instalments: | | |
| Repayable between two and five years | 172.0 | 97.0 |
| Repayable after five years | 100.5 | 65.5 |
| | 287.9 | 243.2 |
| Finance costs | | |
| | (4.1) | (2.5) |
| | 283.8 | 240.7 |
| Bond issue 3/12/42 – 4.625% semi-annual coupon | | |
| December 2012 bond issue proceeds | 160.0 | 160.0 |
| Discount on December 2012 issue | (1.1) | (1.2) |
| Net bond proceeds | 158.9 | 158.8 |
| Less arrangement fees | (1.1) | (1.1) |
| | 157.8 | 157.7 |
| Bond issue 3/12/42 – 4.625% semi-annual coupon | | |
| October 2020 bond issue proceeds | 100.0 | 100.0 |
| Premium on October 2020 issue | 29.0 | 30.3 |
| Net bond proceeds | 129.0 | 130.3 |
| Less arrangement fees | (0.3) | (0.4) |
| | 128.7 | 129.9 |
| Bond issue 3/12/42 – 4.625% semi-annual coupon | | |
| October 2024 bond issue proceeds | 70.0 | - |
| Discount on October 2024 issue | (7.8) | - |
| Net bond proceeds | 62.2 | - |
| Less arrangement fees | (0.7) | - |
| | 61.5 | - |
| Bond issue 20/10/48 – 3.25% semi-annual coupon | | |
| October 2018 bond issue proceeds | 280.0 | 280.0 |
| Discount on October 2018 issue | (2.3) | (2.3) |
| Net bond proceeds | 277.7 | 277.7 |
| Less arrangement fees | (1.6) | (1.7) |
| | 276.1 | 276.0 |
| | 907.9 | 804.3 |
| | (1.9) | (2.0) |
| | 906.0 | 802.3 |
| Less: amount shown in Creditors: amounts falling due within one year (See note 19) | | |
| Housing Loans falling due after more than one year (See note 20) | | |

Citizen Housing Group Limited and its subsidiaries

Notes to the financial statements for the year ended 31 March 2025

22. Debt analysis (continued)

On 3 December 2012, the Group borrowed £160m from the capital markets through fellow subsidiary Citizen Treasury 2 plc, via a 30 year, 4.625% coupon bond issue. On 20 October 2017, the Group borrowed a further £280m from the capital markets through fellow subsidiary Citizen Treasury plc, via a 30 year, 3.25% coupon bond issue.

On 14 October 2019, the Company entered into a forward purchase agreement with a UK institutional investor for a £100m tap of the 2012 £160m bond. A 12-month deferral period for the issue of the bond and receipt of cash proceeds was included within the forward purchase agreement. The bond prospectus was approved by the Financial Conduct Authority and published in January 2020.

As at 31 March 2025 the Group had £151.7m of agreed fully secured borrowing facilities available to draw. A further £80m has been agreed but is not currently available to draw until the security is finalised. Interest rates range between 3.83% and 15.87%.

23. Deferred capital grant

| | Group and Association | |
|--------------------------------------------------|-----------------------|--------------|
| | 2025 £m | 2024 £m |
| At the start of the year | | |
| Grant received in the year | 25.8 | 27.5 |
| Transfer from RCGF | 1.0 | 2.0 |
| Disposals | (0.4) | (0.6) |
| Released to income in the year | (5.0) | (4.5) |
| At the end of the year | | |
| Amount due to be released < 1 year (See note 19) | 5.0 | 4.7 |
| Amount due to be released > 1 year (See note 20) | 369.8 | 348.7 |
| | 374.8 | 353.4 |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

24. Recycled Capital Grant Fund (RCGF)

| | Group and Association | |
|-----------------------------------------------------------|-----------------------|------------|
| | 2025 £m | 2024 £m |
| Opening balance | 4.5 | 5.1 |
| Inputs: | | |
| Grants recycled | 0.5 | 1.1 |
| Interest accrued | 0.3 | 0.3 |
| Use/allocation of funds: | | |
| New build | (1.0) | (2.0) |
| Repayment of funds to Homes England/GLA | - | - |
| Closing balance | 4.3 | 4.5 |
| Amounts falling due < 1 year (See note 19) | 2.6 | 2.2 |
| Amounts falling due > 1 year (See note 20) | 1.7 | 2.3 |
| Amounts 3 years or older where prepayment may be required | 4.3 | 4.5 |
| | - | - |

All RCGF balances pertain to activities within areas covered by Homes England.

25. Share capital

| | Group and Association | |
|----------------------------------------------------|-----------------------|------------|
| | 2025 £m | 2024 £m |
| Allotted, issued and fully paid shares of £1 each: | | |
| At 1 April 2024 | 9 | 9 |
| Issued in the period | 2 | 5 |
| Cancelled in the period | (3) | (5) |
| At 31 March 2025 | 8 | 9 |

The shares provide members with the right to vote at the general meeting, but do not provide any rights to dividends or distribution on winding up.



Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

26. Commitments

(a) Capital Commitments

| | Group | | Association | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|-------------|-------|
| | 2025 | 2024 | 2025 | 2024 |
| | £m | £m | £m | £m |
| Capital Expenditure, which has been contracted for but has not been provided for in the financial statements | 238.4 | 289.4 | 211.9 | 270.6 |
| Capital Expenditure, which has been authorised under authority from the Board but has yet to be contracted for | 39.6 | 30.5 | 39.6 | 30.5 |
| The Group expects these commitments to be contracted within the next year and financed with: | | | | |
| Proceeds from the sale of properties | 21.9 | 13.7 | 21.9 | 13.7 |
| Committed loan facilities | 17.7 | 16.8 | 17.7 | 16.8 |
| The contracted amounts above relate to expenditure on new development schemes in the Group's areas of operation which are funded by a combination of rental income, borrowings, and grant from Homes England. There is an element of contracted expenditure in relation to the 2025/26 major works programme, which is funded by a combination of rental income and borrowings. | | | | |

(b) Operating Lease Commitments

At the end of the year, the Group and Association had commitments of future minimum lease payments under non-cancellable operating leases as follows:-

| | Group | | Association | |
|---------------------------------------------------|-------|------|-------------|------|
| | 2025 | 2024 | 2025 | 2024 |
| | £m | £m | £m | £m |
| Land and Buildings: | | | | |
| Not later than one year | 0.7 | 0.8 | 0.7 | 0.8 |
| Later than one year and not later than five years | 2.4 | 2.5 | 2.4 | 2.5 |
| Later than five years | 0.4 | 0.9 | 0.4 | 0.9 |
| Other: | | | | |
| Not later than one year | 1.8 | 1.2 | 1.8 | 1.2 |
| Later than one year and not later than five years | 3.9 | 3.0 | 3.9 | 3.0 |
| Later than five years | - | - | - | - |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

27. Contingent liabilities

At 31 March 2021, the Group had identified possible fire risk issues with in-fill cladding panels installed on 9 blocks of flats in Birmingham. At 31 March 2024, we successfully had completed a programme of remediation to 12 Blocks over 18m and one block below 18m where all flammable panels were replaced. The removal of combustible spandrel panels to a further two blocks over 18m as recommended following inspection by the Fire Engineer has also now been completed. The work to remove combustible window panels to the remaining high rise block of 39 flats in Coventry has been delayed due to the escalating cost of these works making the cost of this solution be disproportionate to the risk being mitigated. An alternative solution to achieve a compliant external wall for this building has been agreed with the fire engineer, and will involve the installation of a fire suppression system in each flat supported by an evacuation alert system. The installation of this solution is expected to be complete by the end of 2025.

28. Grant and financial assistance

| Group and Association | 2025 £m | 2024 £m |
|---------------------------------------------------------------|--------------|--------------|
| Grant and financial assistance received or receivable | 466.0 | 439.6 |
| Recognised as income in the Statement of Comprehensive Income | (91.2) | (86.2) |
| Held as deferred capital grant (See note 23) | 374.8 | 353.4 |

Citizen Housing Group Limited and its subsidiaries
 Notes to the financial statements for the year ended 31 March 2025

29. Analysis of changes in net debt

| | Group | | | |
|----------------------------------|--------------------------|----------------|--------------------|--------------------|
| | At Beginning of the Year | Cash Flows | Non-Cash Movements | At End of the Year |
| | £m | £m | £m | £m |
| Cash and Cash Equivalents | 30.7 | 12.4 | - | 43.1 |
| Housing Loans Due in One Year | (2.0) | 0.3 | (0.2) | (1.9) |
| Housing Loans Due After One Year | (802.3) | (115.0) | 11.3 | (906.0) |
| | (773.6) | (102.3) | 11.1 | (864.8) |
| | | | | |
| | Association | | | |
| | At Beginning of the Year | Cash Flows | Non-Cash Movements | At End of the Year |
| | £m | £m | £m | £m |
| Cash and Cash Equivalents | 26.3 | 3.9 | - | 30.2 |
| Housing Loans Due in One Year | (2.0) | 0.3 | (0.2) | (1.9) |
| Housing Loans Due After One Year | (802.3) | (115.0) | 11.3 | (906.0) |
| | (778.0) | (110.8) | 11.1 | (877.7) |

Citizen Housing Group Limited and its subsidiaries
 Notes to the financial statements for the year ended 31 March 2025

30. Accommodation owned, managed and in development

| | Group and Association | | | | |
|------------------------------------------|-----------------------|---------------------|---------------------|-----------------|----------------|
| | 2024 Homes No. | Additions Homes No. | Disposals Homes No. | Other Homes No. | 2025 Homes No. |
| Owned and Managed: | | | | | |
| Social Housing | | | | | |
| Under development at end of year: | | | | | |
| - General needs housing social rent | 380 | 197 | (165) | - | 412 |
| - General needs housing affordable rent | 303 | 60 | (110) | - | 253 |
| - Intermediate market rent | - | 12 | (12) | - | - |
| - Low cost home ownership | 269 | 101 | (114) | - | 256 |
| | 952 | 370 | (401) | - | 921 |
| Social Housing | | | | | |
| Under management at the end of the year: | | | | | |
| - General needs housing social rent | 23,409 | 165 | (185) | (6) | 23,383 |
| - General needs housing affordable rent | 3,215 | 110 | (15) | 8 | 3,318 |
| - Intermediate market rent housing | 225 | 12 | - | 2 | 239 |
| - Supported housing | 445 | - | (4) | 5 | 446 |
| - Housing for older people | 709 | - | - | (1) | 708 |
| - Low cost home ownership | 1,670 | 114 | (15) | - | 1,769 |
| | 29,673 | 401 | (219) | 8 | 29,863 |
| Non-social Housing | | | | | |
| Nursing and care homes | 105 | - | - | (5) | 100 |
| Non-Social Leased Housing | 5 | - | - | - | 5 |
| Leasehold Schemes for the Elderly | 167 | - | - | - | 167 |
| Market Rent | 1 | - | - | - | 1 |
| Retained freeholds and estate charges | 2,160 | - | - | 2 | 2,162 |
| Total Owned and Managed | 32,111 | 401 | (219) | 5 | 32,298 |
| Managed on behalf of Others: | | | | | |
| Social Housing | | | | | |
| - General needs housing social rent | 2 | - | - | - | 2 |
| - Low cost home ownership | 10 | - | - | - | 10 |
| | 12 | - | - | - | 12 |
| Non-social Housing | | | | | |
| Retained freeholds and estate charges | 5 | - | - | - | 5 |
| Total Managed on behalf of Others | 17 | - | - | - | 17 |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

31. Accommodation managed by others

| Group and Association | |
|-----------------------|----------------------|
| 2025 Homes No. | 2024 Homes No. |

Managed by others at the end of the year:

Social Housing

| | | |
|-----------------------------------------|-----|-----|
| - General needs housing social rent | 40 | 49 |
| - General needs housing affordable rent | 7 | - |
| - Intermediate market rent | 2 | - |
| - Supported housing | 162 | 164 |
| - Low cost home ownership | 29 | 29 |

Non-social Housing

| | | |
|--------------------------|------------|------------|
| - Care and Nursing Homes | 88 | 93 |
| | 328 | 335 |

32. Related parties

Citizen Housing Group Limited is the Parent entity in the Group and ultimate controlling party. The Group has taken advantage of the exemption available under Section 33 FRS 102 not to disclose transactions with wholly owned subsidiary undertakings.

The following are related parties:

- Transactions with key management personnel and their close family, (including compensation paid).
- Related party balances, which are not secured.
- Transactions with registered and non-registered elements of the business
- The Association provides management services, other services and loans to its subsidiaries.

Relationships between registered and non-registered elements of the business

The table below shows where relationships exist between Citizen Housing Group members.

| | CHG | CNH | CT | CT2 | CTV | CBS | AGES |
|------|-----|-----|----|-----|-----|-----|------|
| CHG | | X | X | X | X | X | X |
| CNH | X | | | | | | |
| CT | X | | | | | | |
| CT2 | X | | | | | | |
| CTV | X | | | | | | |
| CBS | X | | | | | | |
| AGES | X | | | | | | |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

32. Related parties (continued)

Relationships between registered and non-registered elements of the business (continued)

Entities in the table are abbreviated as follows and [R] denotes where the entity is a Registered Provider

| | | | |
|---------------------------------------|------|----------------------------------|-----|
| Citizen Housing Group Limited [R] | CHG | Citizen Treasury plc | CT |
| Citizen New Homes Limited | CNH | Citizen Treasury 2 plc | CT2 |
| Citizen Business Services Limited | CBS | Citizen Treasury Vehicle Limited | CTV |
| Attwood Green Estate Services Limited | AGES | | |

Transactions with non-registered entities

Citizen Treasury 2 plc, registered in England and Wales, was incorporated as a subsidiary of the Group in October 2014 and issued its first bond on the London Stock Exchange in December 2012. The bond raised £157million (net of issue costs) at a coupon of 4.625% and the proceeds have been on-lent to Citizen Housing Group Limited. With effect from 1 September 2019, Citizen Treasury 2 plc ceased to be the issuer of this bond as Citizen went through a bond issuer substitution process which saw Citizen Treasury plc become the issuer of both of Citizen's debt capital market issues.

Citizen Treasury plc, registered in England and Wales, was incorporated as a subsidiary of the Group in August 2017 and issued its first bond on the London Stock Exchange in October 2017. The bond raised £275million (net of issue costs) at a coupon of 3.25% and the proceeds have been on-lent and interest costs are recharged to Citizen Housing Group Limited.

Citizen Treasury Vehicle Limited, registered in England and Wales, was incorporated as a subsidiary of the Group in September 2017 and entered into loan agreements with bank and building society lenders on 20 December 2017. The drawn debt has been on-lent and interest costs are recharged to Citizen Housing Group Limited.

| Non-registered entity | Recharge | Cost in year £m | Balance at year end £m |
|----------------------------------|---------------------------------------|--------------------|---------------------------|
| Citizen Treasury plc | Loan interest on bond | 21.5 | 632.8 |
| Citizen Treasury Vehicle Limited | Loan interest and other finance costs | 14.7 | 273.7 |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

32. Related parties (continued)

Transactions with non-registered entities (continued)

Citizen Housing Group Limited provides a £40m loan facility to its trading subsidiary, Citizen New Homes Limited. Financial transactions between Citizen Housing Group Limited and Citizen New Homes Limited consist of loan advances and interest costs and the development of homes for rent.

| Non-regulated subsidiary | Transaction | Loans repaid in year | Balance at year end | Basis of interest charged | Interest Charged in year ended 31 March 2025 |
|---------------------------|-------------------------------------------------------------|----------------------|---------------------|---------------------------|----------------------------------------------|
| | | £m | £m | | £m |
| Citizen New Homes Limited | Advance of loan facility from Citizen Housing Group Limited | 3.0 | 9.0 | 3.75% above SONIA | 1.0 |

| Non-regulated entity | Recharge | Cost in year | Balance at year end |
|---------------------------|-------------------------------------------------------------------------------------|--------------|---------------------|
| | | £m | £m |
| Citizen New Homes Limited | Development of affordable and social rented homes for Citizen Housing Group Limited | 101.2 | 15.4 |

Attwood Green Estate Services Limited (AGES) was established in May 2003 in response to the desire for the major redevelopment in Attwood Green, Birmingham to remain a high quality attractive place to live, not just now but in the future. Currently all services are provided via Citizen Housing Group Limited, bringing the benefits of economies of scale and expertise in estate management in close proximity to the sites that are the responsibility of AGES.

| Non-regulated entity | Recharge | Cost in year | Balance at year end |
|---------------------------------------|-----------------------|--------------|---------------------|
| | | £m | £m |
| Attwood Green Estate Services Limited | Provision of services | 0.1 | 0.1 |

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

33. Financial instruments

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

| Note | Association | |
|------|-------------|------------|
| | 2025 £m | 2024 £m |

Financial assets

- (a) Financial assets measured at fair value through profit and loss
 - Investments at valuation
- (b) Financial assets that are debt instruments measured at amortised cost
 - Cash and cash equivalents
 - Rental and service charge debtors
 - Trade debtors
 - Loan due from group undertaking
 - Other debtors
- (c) Financial assets that are equity instruments measured at cost less impairment

Financial liabilities

- (a) Financial liabilities measured at amortised cost
 - Housing Loans
 - HomeBuy Loans
 - Trade creditors
 - Other creditors
 - Accruals
 - Deferred capital grant
 - Recycled Capital Grant Fund
- (b) Derivative financial instruments designated as hedges of variable interest rate risk
- (c) Financial liabilities measured at fair value through profit or loss
- (d) Loan commitments measured at cost less impairment

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

31. Financial instruments (continued)

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

| Note | Group | |
|------|-------|------|
| | 2025 | 2024 |
| | £m | £m |

Financial assets

(a) Financial assets measured at fair value through profit and loss

- Investments at valuation

- - -

(b) Financial assets that are debt instruments measured at amortised cost

- Cash and cash equivalents

18 43.1 30.7

- Rental and service charge debtors

17 1.0 0.9

- Trade debtors

17 1.9 7.5

- Other debtors

17 1.8 1.7

- Loans to Joint Ventures

17 4.1 7.6

51.9 48.4

(c) Financial assets that are equity instruments measured at cost less impairment

- - -

Financial liabilities

(a) Financial liabilities measured at amortised cost

- Housing Loans

22 (907.9) (804.3)

- HomeBuy Loans

13 (1.2) (1.2)

- Trade creditors

19 (14.3) (8.8)

- Other creditors

19/20 (5.2) (4.2)

- Accruals

19 (35.7) (36.3)

- Deferred capital grant

23 (374.8) (353.4)

- Recycled Capital Grant Fund

24 (4.3) (4.5)

(1,343.4) (1,212.7)

(b) Derivative financial instruments designated as hedges of variable interest rate risk

- - -

(c) Financial liabilities measured at fair value through profit or loss

- - -

(d) Loan commitments measured at cost less impairment

- - -

Citizen Housing Group Limited and its subsidiaries
Notes to the financial statements for the year ended 31 March 2025

34. Segmental reporting

| General Needs and Supported Housing | Group 2025 | | |
|----------------------------------------------|---------------------|-----------------------|---------------|
| | Shared Ownership | All Other Segments | 2025 Total |
| | £m | £m | £m |
| 180.5 | 24.8 | 5.4 | 210.7 |
| 35.2 | 10.0 | (0.5) | 44.7 |
| - | - | 2.2 | 2.2 |
| 2.0 | 0.3 | - | 2.3 |
| (33.8) | (4.7) | - | (38.5) |
| (2.5) | (0.4) | - | (2.9) |
| 0.9 | 5.2 | 1.7 | 7.8 |
| - | - | (0.1) | (0.1) |
| 0.9 | 5.2 | 1.6 | 7.7 |
| 31.5 | 1.2 | - | 32.7 |
| 4.8 | 0.2 | - | 5.0 |
| 8.5 | - | - | 8.5 |
| 156.3 | 21.7 | - | 178.0 |

Citizen Housing Group Limited and its subsidiaries**Notes to the financial statements for the year ended 31 March 2025****34. Segmental reporting (continued)**

| | Group 2024 | | | |
|-----------------------------------|----------------------------------------------|---------------------|-----------------------|---------------|
| | General Needs and Supported Housing | Shared Ownership | All Other Segments | 2024 Total |
| | £m | £m | £m | £m |
| Gross Segmental Income | 165.3 | 19.4 | 7.9 | 192.6 |
| Segmental Operating Surplus | 40.0 | 7.8 | 0.5 | 48.3 |
| Surplus from Joint Venture | - | - | 1.4 | 1.4 |
| Interest receivable | 2.2 | 0.2 | - | 2.4 |
| Interest and financing costs | (29.7) | (3.3) | - | (33.0) |
| Surplus before Tax | 12.5 | 4.7 | 1.9 | 19.1 |
| Taxation | - | - | - | - |
| Surplus for the Year | 12.5 | 4.7 | 1.9 | 19.1 |
| Depreciation of fixed assets | 29.1 | 1.0 | - | 30.1 |
| Amortisation of Government Grants | 4.3 | 0.2 | - | 4.5 |
| Impairment of fixed assets | 2.1 | - | - | 2.1 |
| Additions to fixed assets | 149.5 | 20.2 | - | 169.7 |

**CITIZEN**

Citizen Housing Group Limited and its subsidiaries
An exempt charity

**Financial Statements for the year
ended 31 March 2025**

Registered Co-operative and Community
Benefit Society Number 8181
Regulator of Social Housing Number 5075
Registered office:
4040 Lakeside, Solihull Parkway, Birmingham, B37 7YN