

East Midlands Housing Group Limited

Group Report and Financial Statements

For the year ended 31 March 2026

East Midlands Housing Group Limited is incorporated under the Co-operative and Community Benefit Societies Act 2014 (Registered Number IP030476) and registered by Homes England (Registered Number L4530).

East Midlands Housing Group Limited
Group Report and Financial Statements

For the year ended 31 March 2026

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East Midlands Housing Group Limited
Board Members, Executive Directors, Bankers and Auditors
For the year ended 31 March 2026

Board Members

David Russell (Group Chair) (stood down 31 Mar 2026)

Danielle Oum (Group Chair) (appointed 1 April 2026)

Patricia McCabe (Group Vice Chair)

Chandrakant Kataria (stood down/retired 31 Oct 2025)

Gail Puttock

Shabir Ismail

Margaret Coward

Roger Merchant

Paul Casey

Anne Chapman

Andrew Murtha (appointed 1 Jan 2026)

Principal Banker

Barclays Bank Plc

Leicester

Leicestershire

LE87 2BB

Auditor

BDO LLP

Two Snow Hill

Birmingham

B4 6GA

Secretary and Registered Head Office

Deborah Lambert

Memorial House

Whitwick Business Park

Stenson Road

Coalville

Leicestershire

LE67 4JP

Executive Directors

Charles Gibbons

Group Chief Executive (appointed 1 Nov 2025)

Chandrakant Kataria

Group Chief Executive (retired 31 Oct 2025)

Christopher Jones

Executive Director – Housing and Development

and Deputy CEO (appointed 1 Apr 2026),

previously Executive Director - Development

Geoffrey Clarke

Executive Director – Finance

Ruth Jennings

Executive Director – Care & Support

Ian Davies

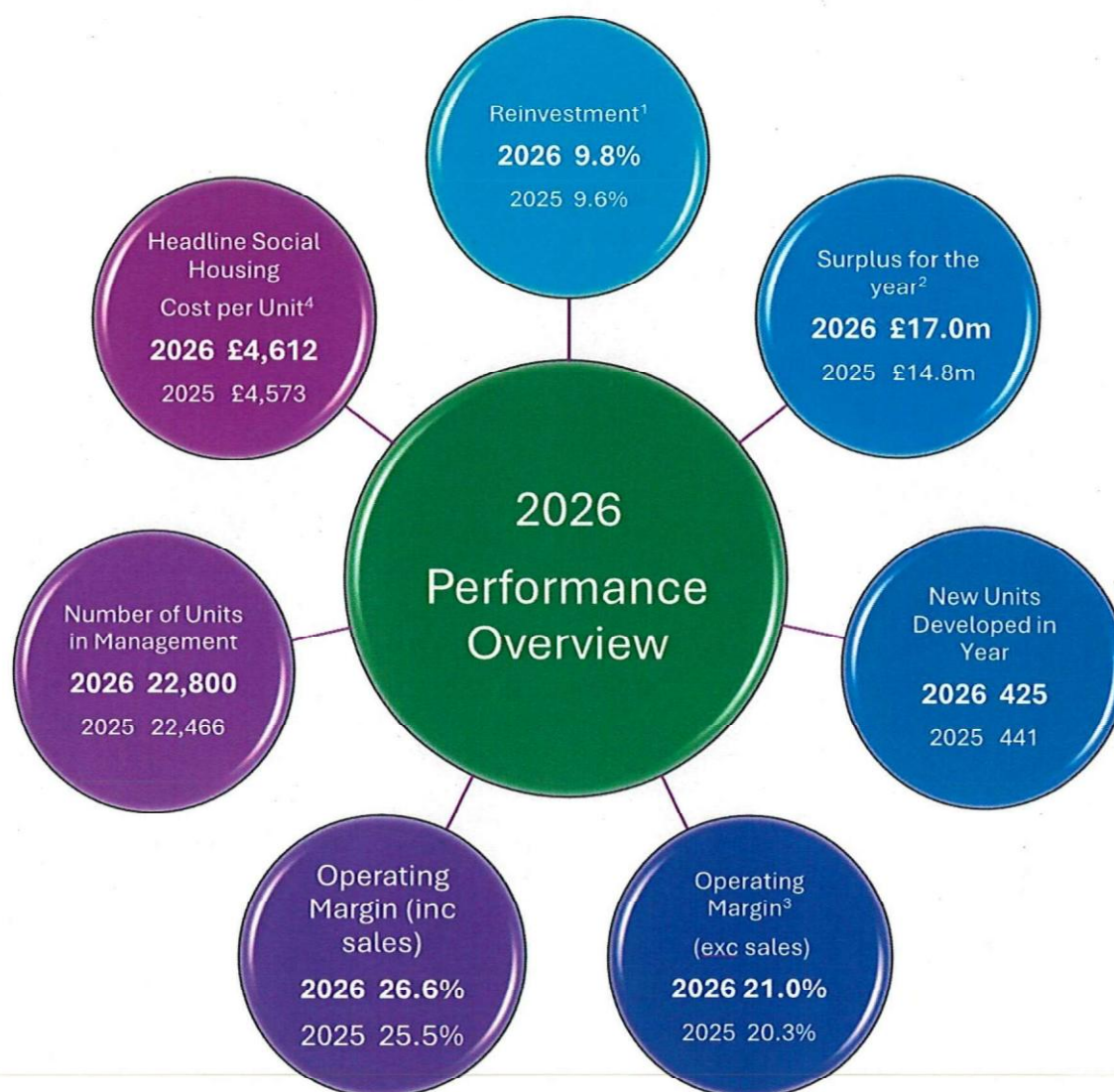
Executive Director of Quality Homes

East Midlands Housing Group Limited

Year at a Glance

For the year ended 31 March 2026

emh Group is the trading name of East Midlands Housing Group Limited.



¹ Definition taken from "Sector Scorecard". Expenditure on development of new properties, capitalised interest and capitalised major repairs divided by total housing properties at cost.

² Operating surplus less interest, financing costs and taxation and before pension scheme movement per Statement of Comprehensive Income.

³ Operating surplus less surplus on disposal of tangible fixed assets divided by turnover.

⁴ Definition taken from "Sector Scorecard". Social housing costs divided by closing social housing units in management

East Midlands Housing Group Limited

Strategic Report

For the year ended 31 March 2026

The Board of East Midlands Housing Group Limited (the Association; emh Group) is pleased to present its financial statements for the year ended 31 March 2026. The Group comprises the parent company and wholly owned subsidiaries as set out below.

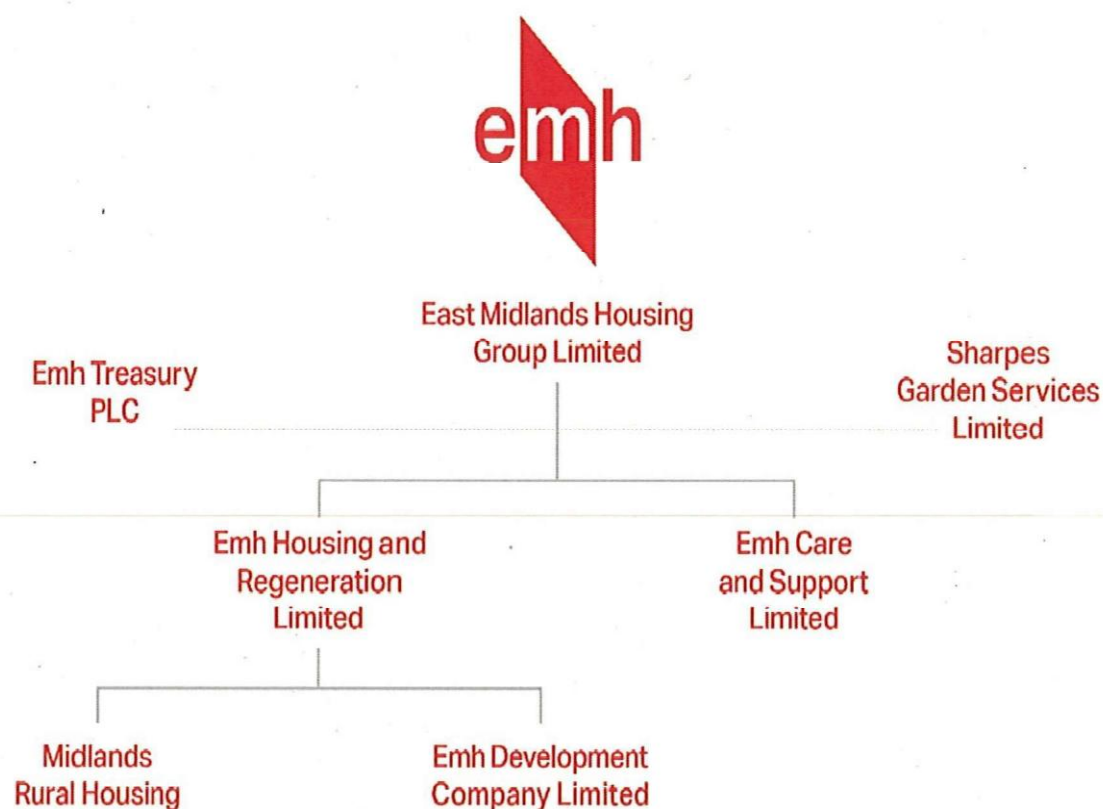
Background

emh Group started its life as a traditional housing association in 1946 and has since established itself as one of the leading providers of affordable housing in the East Midlands region. The Group manages over 22,000 properties across 49 different local authorities and provides over 11,000 hours of care and support to vulnerable and disabled people each week.

The Group describes itself as “profit for purpose”, signifying its commitment to demonstrating an increasingly commercial mind-set to its activities, with a focus on efficiency, value for money and sweating its assets in order to deliver its social purpose.

About the Group

The chart below shows the structure of the group.



East Midlands Housing Group Limited
Strategic Report

For the year ended 31 March 2026

East Midlands Housing Group Limited (trading as emh Group)

Registered Provider under the Co-operative and Community Benefit Society Act 2014 (non charitable)

Sets the strategic direction for the Group and provides a range of support and development services to subsidiary companies.

emh Housing & Regeneration Limited (trading as emh Homes)

Registered Provider under Co-operative and Community Benefit Society Act 2014 (charitable)

Formed in 2013 as the result of the amalgamation of four independent housing associations. Provides landlord services to circa 20,000 mixed tenure properties across the region. Also leads the Quantum Development Consortium which is an investment partner with Homes England (previously the Homes and Community Agency).

emh Care & Support Limited

Company Limited by Guarantee under the Charities Commission

Provides landlord and day care services to adults with learning disabilities and other vulnerable people. Delivers circa 11,000 hours of care and support each week within a supported living, registered care and nursing home environment.

Sharpes Garden Services Limited

Company Limited by Shares (non-charitable)

Provides garden maintenance and landscaping services within the Group.

Midlands Rural Housing & Village Development Association Limited

Non-registered Provider under the Co-operative and Community Benefit Society Act 2014 (non charitable)

Provides specialist management services to four independent rural housing associations.

emh Development Company Limited

Company Limited by Shares (non-charitable)

Provides Design and Build Services to the Group.

emh Treasury PLC

Public Limited Company

A special purpose vehicle set up primarily to raise funds through the Debt Capital Markets.

East Midlands Housing Group Limited

Strategic Report

For the year ended 31 March 2026

Corporate Mission and Aims

The Group strives to “**provide housing and care to improve opportunities for people**”. This is underpinned by our corporate values: -

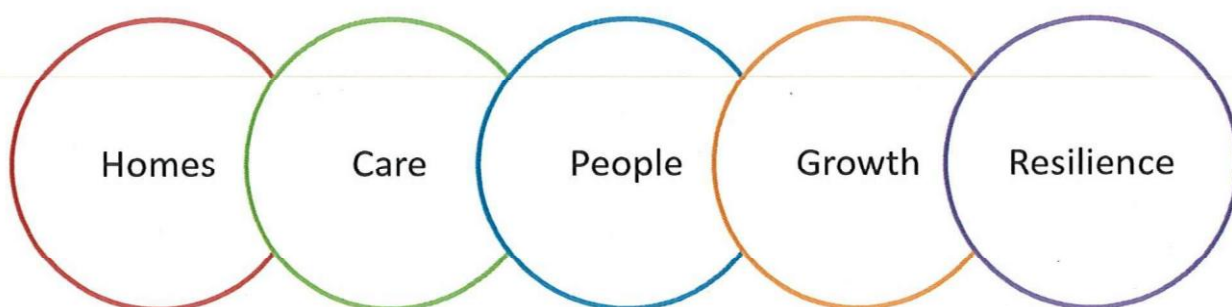
- **Integrity** We work to the highest ethical standards.
- **Diversity** We respect others for who they are.
- **Openness** We are honest and straight forward.
- **Accountability** We are accountable to and influenced by our customers.
- **Clarity** We are clear about what we are here to do and why.
- **Excellence** We strive to be the best in everything we do.

Future Plans

Now in the third year of our Better Housing and Care Strategy and Business Plan 2023-2026, our mission and values wrap around and drive this whole plan. We exist to **provide homes and care to improve opportunities for people**, and we pledge to **do the basics brilliantly and keep on getting better**. The values that underpin everything we do are unchanged. We stand for and pursue **integrity, diversity, openness, accountability, clarity and excellence**.

A range of metrics have been developed to measure our journey towards the strategic goals and vision.

We recognise that the sector we operate in is under more focus and scrutiny than ever before. We face increased demand, rising expectations, greater scrutiny, and financial pressures at a time of global insecurity and uncertainty. Our response is strong and simple: to do things better and to prepare for the future. Our ‘emh working principles’ are now embedded within our Strategic Business Goals.



We continue to focus on our 3 year business plan to give greater certainty and control over our business moving forward. The impact of inflation and economic insecurity, wars, climate change, demographics and artificial intelligence make it much harder to predict events and market conditions than before. The UK is also going through profound political upheavals at local, regional and national levels.

East Midlands Housing Group Limited

Strategic Report

For the year ended 31 March 2026

We want to do the basics brilliantly and have identified 10 strategic priorities to achieve this.

- Achieve strong and effective governance
- Build new homes under the Strategic Partnership
- Deliver repairs & customer services that are fit for purpose
- Strengthen customer voice with a new Resident Influence Committee
- Collate comprehensive stock information to inform asset management decisions
- Ensure provision of reliable & secure data on homes, customers & people
- Develop robust processes to ensure compliance with Health & Safety requirements
- Review care services & assets to deliver effectiveness & viability
- Develop staff culture to support EDI, wellbeing and psychological safety
- Review financial plan to meet liquidity requirements, deliver VfM and ensure sufficient headroom in our covenants.

1. Homes

A safe, secure and affordable home is the foundation for a happy, healthy and successful life. We will continue to provide homes that are comfortable, well maintained, closely managed and kind to the environment. We will continue to help prevent and respond to homelessness.

- We have updated our customer service strategy with a focus on right first time. We will actively seek to improve satisfaction, address complaints effectively and produce less waste;
- We are streamlining our services through to maximise value for money and efficiency from our in house maintenance team;
- We will review our service delivery model to reflect the priorities in the Better Social Housing Review, allowing colleagues to be a stronger and more visible presence in our local areas and communities;
- Having developed a 'Lets Influence Strategy' we will bring colleagues and customers together to improve homes, care and services;
- We will embed the 3R's brand voice, Resolute, Respectful and Reliable, into our communication with customers to achieve a consistent style and standard;
- We are committed to meeting the updated Decent Homes Standard and ensuring that every property has an Energy Performance Certificate rating of at least C by 2030;
- We are active members of Homes for Cathy and will continue to deliver our Homelessness Strategy.

2. Care

The long-term funding and sustainability of social care for people in later life and those with disabilities or who need extra support for any other reason remains one of Britain's biggest challenges. Our care business needs to be financially viable and meet the highest standards of performance, quality and compliance.

- We will continuously monitor the quality and compliance of our services, ensuring they remain safe, effective, caring, responsive and well led;
- We will continue to build mixed tenure, Extra Care schemes including provision for working age people;
- We will improve financial viability of the Care Business, generating sustainable surpluses, and demonstrating strong budgetary controls within a delegated framework ensuring our assets meet all required standards and are fit for purpose;
- We will address the people resource and skills gap within the business, deliver higher retention rates and lower employee turnover; introducing an effective people management and training matrix; and highly productive, motivated and engaged colleagues;

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Strategic Report

For the year ended 31 March 2026

- We will ensure all care records are digitised;
- We will draw on our experience and expertise in care to lead on safeguarding compliance for all customers and colleagues.

3. People

Housing and Care are people businesses. Systems and processes are important too, but it's the motivation, engagement and skills of people that make the right things happen. We'll continue to invest in our culture, customers and colleagues to get the best for and from everyone involved in our business.

- We will develop inclusive leadership that champions agility and change readiness;
- We will plan ahead to ensure smooth succession in our board and committees;
- We will continue to ensure that all line managers are trained coaches;
- We will embed an inclusive culture using the Cultural Values Assessments;
- We will continue to invest in our aspiring leaders and managers programmes;
- We will develop a revised Equality, Diversity and Inclusion People Strategy;
- We will continue to support colleagues with the Employee Assistance Programmes.

4. Growth

Our business cannot and will not stand still. While striving to do the basics brilliantly, we will continue to provide up to 500 new homes in each year of this plan. As a Homes England Strategic Partner we'll make the best use of grants, private finance and partnerships to build a mix of affordable homes to meet a wide range of needs in both urban and rural communities.

- We will continue to build new properties in close partnership with the local authorities;
- We will further strengthen our strategic partnership with Homes England;
- We will provide a professional sales and after sales service to all customers;
- We will work toward all new homes adhering to the Future Homes Standard and at least an EPC rating of C;
- We will build at least 2 mixed tenure Extra Care and a range of supported living schemes.

5. Business Resilience

Inflation, cost-of-living and interrupted supply chains create new risks to our stability, which we expect to continue. We need to be a financially secure and efficient business with good data, and that's focused on value for money and being ready for whatever the future brings.

- We will ensure sufficient liquidity and funding to meet growth objectives whilst maintaining our financial strength with sufficient financial headroom;
- We will maintain our A rating from Standard & Poor's;
- We will develop a Financial Plan that includes decarbonisation and safety requirements, with clear stock condition costs which ensures covenant compliance;
- We will raise new finance in line with the Treasury Strategy and review existing loans to look for opportunities for cost savings;
- We will continue to develop data systems and governance that provide one version of the truth with effective dashboard reporting of key performance indicators.

A copy of the full Business plan with key measures of success can be found at www.emh.co.uk

East Midlands Housing Group Limited Strategic Report

For the year ended 31 March 2026

Leadership and Governance

The Group Board's role is to set the strategic direction, uphold the values and provide the framework for decision making, performance improvement and standards of customer services. Delivery of the Business Plan is delegated to the subsidiary Boards and day-to-day leadership is delegated to the Group Chief Executive and Executive Leadership Team.

Strong leadership is pivotal to delivering high quality services. Our Board are carefully selected to bring a diverse range of skills and expertise in the areas that the Association operates, and Board Members are subject to an individual annual appraisal. The Board meets at least four times a year and are committed to continued board development.

On an annual basis we carry out a review of the effectiveness of our board, and this is independently reviewed every three years and is next due in 2027. The association has adopted the National Housing Federation 2020 Code of Governance and is fully compliant with the Code with the exception that the Chair of emh Group served a period of 9 ½ years, in order to ensure continuity following the retirement of the Chief Executive. A new Group Chair was appointed in April 2026. Emh Group has continued to maintain its G1 grading for Governance from the Regulator of Social Housing and can confirm it is compliant with the Governance and Financial Viability Standard of the Regulator of Social Housing

Throughout 2025/26 our customers played a key role in shaping and influencing service delivery, policy making and strategy. The Resident Influence Committee is a well-established sub-committee of emh Group Board, with the resident Chair of the Committee being a full member of both emh Group and emh Homes Board. This provides further assurance that the Board is hearing the voice of the customer. In addition, the Resident Scrutiny Panel regularly presents its findings directly to emh Homes Board.

Board membership, remuneration and attendance

Name and Remuneration	Board Member	Audit Committee	Treasury Committee	Remuneration & Governance Committee	Board Meeting Attendance
Paul Casey £15,877.05	◆				6/7
Margaret Coward £15,810.36	◆				7/7
Shabir Ismail £12,179.76	◆				6/7
Chandrakant Kataria* <i>Paid as an executive</i>	◆				3/4
Patricia McCabe £15,810.36	Vice-Chair			◆ Chair	6/7
Roger Merchant £12,355.45	◆	◆ Chair			6/7
Gail Puttock £12,179.76	◆				5/7
David Russell** £26,850.60	◆ Chair		◆ Chair		4/7
Anne Chapman £12,671.75	◆				7/7
Andrew Murtha*** £6,095.10	◆				4/4

* Chan Kataria Retired 31 Oct 2025

** David Russell Stood down 31 Mar 2026

***Andrew Murtha joined the Board as a Co-Opted Member 1 Jul 2025; appointed as full Board Member 1 Jan 2026

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Strategic Report

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Business Review and Operating Environment

The year has been significant for emh, marked by both continuity and change. It included the retirement of Chan Kataria after twenty-one years as Chief Executive, leaving a strong legacy of purpose, values and sector leadership. As we move forward, we remain guided by our mission to provide housing and care that improves opportunities for people, while maintaining the financial resilience and operational discipline required to invest for the long term.

emh Group provides housing and care services across the East Midlands, managing around 22,800 properties, with turnover of £158.1 million and approximately 1,100 colleagues. Our scale, local concentration and group structure give us depth and versatility across general needs housing, specialist rural provision, care and support, and development activity. This enables us to remain close to customers and communities while responding to changing needs and expectations.

Our 2023-2026 Business Plan set a clear ambition to focus on doing the basics brilliantly. During the year this focus supported meaningful progress, including improved resident satisfaction, stronger operational grip, continued investment in existing homes, the delivery of new affordable homes and a more focused approach to equality, diversity and inclusion.

A renewed focus on the customer has been central to this progress. We introduced the What Matters Framework, co-designed with residents, which commits us to four clear principles: we listen, we act, we acknowledge and we respond. This framework is helping to ensure that services are shaped by resident priorities and that customer voice is visible in decision making.

Operational improvement has been visible in a number of areas, including stronger call centre performance, better complaint handling, rising repairs satisfaction, positive care inspection outcomes, high satisfaction with new-build homes and consistently strong results for Midlands Rural residents. Tenant Satisfaction Measures show an improving trend, while also highlighting the need to respond more quickly and simplify the way customers access services.

We continued to work closely with engaged customer groups, using their insight and challenge to shape service improvements. This included progress on digital access and automation, customer wellbeing support, accessibility and translation, safeguarding, support for neurodiverse customers, new WhatsApp and Facebook channels, video triage and customer call-back arrangements. These changes support better access, clearer communication and more responsive services.

The external environment remains complex. Government policy on rent setting, capital investment, consumer regulation, building safety and affordable housing supply continues to shape our operating context. A longer-term rent settlement, the new Affordable Homes Programme and Warm Homes initiatives create opportunities for more confident planning, but must be balanced with affordability for customers, delivery capacity and the need to maintain financial sustainability.

The shortage of affordable homes remains acute across the communities we serve. We have continued to build and acquire new homes, supported by our Strategic Partnership with Homes England, while taking a disciplined approach to development. We prioritise schemes that meet housing need, deliver value for money and can be funded without compromising investment in existing homes and services.

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Building safety, compliance and asset quality remain core priorities. The enhanced legislative and regulatory framework have increased requirements around inspection, assurance, remediation and reporting, particularly in relation to fire, gas, electrical, asbestos, lift and water safety. We continue to invest in the safety, warmth and quality of our homes, supported by robust monitoring, governance and long-term investment planning.

The macroeconomic environment continues to affect our plans. Higher interest rates, elevated cost bases, development cost volatility, supply chain pressures and customer affordability challenges all increase pressure on resources. Although inflation has moderated from recent peaks, costs remain above historical levels and continue to affect repairs, maintenance, investment works, development and the households we serve.

Maintaining financial resilience, liquidity and disciplined cost control is therefore essential. Our stress testing confirms that, while short-term performance may fluctuate, our long-term financial viability remains strong. We continue to maintain sufficient committed funding and headroom against covenant requirements, with key risks actively monitored through our risk management framework and embedded within financial planning.

Our Environmental, Social and Governance strategy reflects our role as a place-based organisation and a member of PlaceShapers. Activity during the year continued to focus on inclusion, sustainability, community impact and responsible investment, including the increasing investment required to meet decarbonisation, building safety and regulatory requirements over the life of the long-term financial plan. Our colleagues remain central to delivery. We retained Investors in People Gold accreditation, demonstrating our commitment to colleague development, leadership capability and cultural transformation. We continue to invest in skills, flexible working, coaching and talent development to support performance and resilience across the organisation.

Delivering value for money remains central to our approach, with an ongoing focus on efficiency, cost control and maximising the impact of our resources. Strong performance from our Income team enabled us to broadly achieve our year-end arrears target, and robust property sales supported financial performance during the year.

We retained a V2/G1 rating from the Regulator of Social Housing, reflecting strong governance and financial resilience, alongside a compliant C2 consumer standard rating with an agreed improvement plan to achieve C1. We also maintained our single A, Stable Outlook, credit rating from Standard & Poor's, recognising the strength of our long-term strategy and the wider pressures facing the sector. During the year, a self-referral was made to the Regulator in relation to the ageing classification of rental accounts inherited from an organisation that joined the Group in previous years. Upon identification of the issue, prompt corrective action was taken, supported by comprehensive communication with all affected parties. Following its review, the Regulator was satisfied that the Group had responded appropriately, with effective remedial measures implemented to prevent recurrence. Consequently, no regulatory action was taken.

Our Care and Support service plays a vital role in supporting adults with learning disabilities, people experiencing mental health challenges and older people. The service has stabilised and has clear growth potential, although rising costs and resource pressures continue to require careful management. We remain committed to financially sustainable services that do not compromise safety, quality or customer wellbeing.

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For the year ended 31 March 2026

Looking ahead, we will continue to improve service charges, strengthen customer support, grow our care business where demand and viability are clear, improve communications and enhance our response to antisocial behaviour. As we approach our 80th year, we are developing a new Corporate Plan focused on quality homes, better customer experience and strong, vibrant communities. We have a proud legacy, but our focus is firmly on the future and on continuing to make a lasting difference for the people and communities we serve.

We have had a successful year being shortlisted for or winning many prestigious awards including;

- National Poverty & Vulnerable Customer Support at Energy Efficiency Awards – 2nd place.
- National Housing Association of the year at Energy Efficiency Awards – 3rd place.
- Gold award for Customer Satisfaction for new homes.
- Winners of David Tovey Award for GEM Graduates Independent Futures Project.
- Shortlisted for Community Impact Project of the year at People in Housing Awards.

Looking ahead, emh will continue to navigate a careful path between investing in existing homes, improving customer experience, meeting regulatory expectations, delivering new affordable homes and safeguarding financial resilience. Strong governance, effective risk management, clear prioritisation and a continued focus on what matters most to residents will be central to our response to the operating environment.

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For the year ended 31 March 2026

Risk Management

Risk	Our response
GROWTH AND BUSINESS DEVELOPMENT	
Unable to deliver the development programme <i>Lack of affordable land, increasing building costs and a market downturn ultimately reduces our ability to meet development programme objectives. Withdrawal of Homes England Funding in the event of non-compliance with the Consumer Standards</i>	We have stress tested our financial plan for changes in the development programme; We have a Development Strategy and a Marketing Strategy; We have a Development Monitoring Group; We work in partnership with Homes England; We investigate new products and joint ventures; We have revised financial parameters in place; We have developed a contractor insolvency risk map.
BUSINESS AND FINANCIAL RESILIENCE	
Insufficient liquidity and unstable financial viability <i>Weak economic conditions with high inflation and interest rates causing increases in operating costs leading to breach of covenants. Failure to deliver and demonstrate that value for money has been achieved. Introduction of a rent cap.</i>	We have a robust Financial Planning and Budgeting process; We have a Value for Money Strategy and unit cost analysis; We have a programme of Efficiency Gains; We carry out robust stress testing; We have a recovery plan; We have a Treasury Policy/Strategy;
Noncompliance with Health & Safety requirements <i>Failure of leaders to identify risks and adequately prioritise and embed robust health and safety policies, procedures, systems and reporting into the everyday culture and activities of the organisation. Failure also of those who operate on our behalf, putting the health and safety of employees, customers, and the wider public at risk of harm.</i>	The Health & Safety policy is reviewed annually; We have a dedicated Health & Safety governance and structure; We have a trained in-house Health & Safety team; We have an annual Health & Safety Learning & Development Plan; We have an ISO45001 action plan; We ensure safe systems of work & risk assessments.
Failure to maintain reliable and secure data <i>Lack of robust data and systems across the business leading to data integrity issues. Loss of data or disruption to ICT service as a result of cyber-attacks. Financial loss due to cyber-attack related fraud.</i>	We have backup solutions and disaster recovery; We have Cyber Essentials Plus accreditation; We have external penetration testing of systems; We have technical solutions and ICT infrastructure; We carry out Internal audit and continuous assurance; Multifactor authentication implemented.

East Midlands Housing Group Limited

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Risk	Our response
PEOPLE AND ORGANISATIONAL DEVELOPMENT	
Ineffective governance <i>Increased wider regulatory requirements. Weaknesses in internal controls. Inability to attract skilled and diverse Members leading to ineffective leadership and failure to appropriately drive the organisation's social purpose, culture, mission and values or to embed resident focus in its decision making and safeguard the reputation and long term financial viability.</i>	Governance structure including R&G committee Independent committee members; Adopted NHF Code of Governance; Board remuneration (with exception of c&s); Board membership, recruitment and succession policy & skills register; Annual review of board effectiveness; Board Diversity Champion; Risk and Assurance framework; Regulatory Compliance Reviews & Rents Group; 2020 Code of Governance annual compliance check; We have developed a succession plan; We have developed an ESG framework.
Unable to achieve the organisation's strategic objectives through our people <i>Failure to recruit, develop and retain a skilled, competent and diverse workforce, and to develop the leadership skills required to meet the organisation's changing needs, whilst maintaining a positive values-driven culture where people are engaged and committed.</i>	We have a People Strategy; We have a team training in Organisational Design techniques; We have a Communications Strategy; We have a Learning & Development Strategy; In place are Consultative Committees & Union recognition agreements; Remunerations & Governance Committee; We hold exit interviews; We have introduced a Flexible Home-Working Policy; We champion Barretts Values having trained in house practitioners; We are implementing a pension strategy; We have a cost of living strategy.
CARE & SUPPORT	
Inability to provide effective, compliant and viable care and support services <i>Significant breach of Regulation with CQC leading to reputational damage</i> <i>Reduction in commissioning income leading to loss of viability</i> <i>Retrospective payments relating to sleep-in provisions, potential review of bed rates and change in contracts.</i> <i>A reliance on agency cover.</i>	We have a robust people policy; A Quality framework has been developed; We have a corporate care and support risk map; Safeguarding procedures and reporting dashboard is in place; We carry out stress testing; We collect and monitor Care and support key performance indicators; Review of the Monthly management accounts; We receive quality audit reports in house; A detailed training matrix has been developed; We have introduced People Planner and staff KPI's.

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Risk	Our response
HOUSING AND NEIGHBOURHOODS	
Assets that fails to meet statutory and/or regulatory requirements <i>Lack of investment, robust stock condition information, asset management strategy and delivery of maintenance programmes leading to deterioration of stock. Inability to meet the decarbonisation agenda, EPC level C, new Decent Homes Standard, requirements of the Fire Safety Act and Smoke and Carbon Monoxide Regulations.</i>	We have an Asset Disposal Strategy; We have an Asset Management Strategy; We are undergoing stock condition surveys; We are accessing relevant decarbonisation funding; We are complying the smoke and carbon monoxide alarm (England) regulations; We have a Value for Money strategy; We have implemented a new asset management module on our housing management system.
Failure to provide affordable landlord and neighbourhood services that meet the diverse needs of our customers and communities. <i>Poor customer satisfaction levels that lead to reputational damage and higher turnover of our properties. Failure to meet the Tenant Satisfaction Measures and Consumer Standards. A lack of affordability of our homes and services impacted by the cost of living crisis.</i>	We performance monitor our Customer Service Centre; We carry out tenant satisfaction surveys; We have a Customer Services Strategy; We monitor complaints and have reviewed our approach to these; We have an emh homes Operational Plan; We have reviewed and developed our approach to complaints; We have an active scrutiny panel; We have a cost of living strategy; We have a quality assurance framework; We have developed a Tenant Voice Strategy.

Internal Controls

The Group Board is the ultimate governing body for the emh group and is committed to the highest standards of business ethics and conduct across all the operating businesses. The Group has a robust culture of internal controls. The Group's risk management and control culture is further supported by the adoption of the National Housing Federation's Code of Governance.

The Group Board has overall responsibility for the system of internal control and risk management across the group and for reviewing its effectiveness. A 3-year strategic internal audit plan sets out the audit programme each year with Cyber Security, Data Governance, Treasury Management, Asset Management, Service Charges, Anti-Social Behaviour and Safeguarding being some of the key audits in year. These areas will be revisited in future programmes to ensure ongoing compliance. Alongside this, quarterly Business Critical Control Audits provide further assurance on compliance and best practice within the Group. No high level recommendations were raised in year.

The Board confirms that it has an approved fraud policy. The policy covers prevention, detection and reporting of fraud. Details of identified frauds are maintained in the fraud register which is reviewed annually by the Audit Committee on behalf of the Board. The Group has also appointed a Money Laundering Reporting Officer as part of its compliance with anti-money laundering legislation.

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The Group Chief Executive and Directors have reviewed the effectiveness of the internal control and assurance arrangements and have confirmed to the Board that all relevant regulations, policies and procedures have been complied with during the year. The Group Audit Committee has also expressed its satisfaction with these arrangements in its review of the effectiveness of internal control systems.

Achievements in 2025-26

Financial Performance

We continue to challenge ourselves to be financially efficient and aim to reduce our core operating costs through cost saving and growth. As a profit for purpose organisation, our priority is to maximise the margin on our core operations in order to generate cash for new developments, new projects and reinvestment in our services and assets.

The table below gives an overview of the financial performance of the Group for the year. The ratios are for performance management only. They do not reflect our loan covenants which are calculated on the results of emh Homes only.

Year ended	31 March 2026 £millions	31 March 2025 £millions
INCOME AND EXPENDITURE		
Turnover	158.1	152.5
Operating costs & cost of sales	(124.9)	(121.6)
Sales of other fixed assets	6.4	4.7
Operating surplus	39.6	35.6
Operating margin	25.0%	23.3%

Our operating surplus for the year was £39.6m, generating an operating margin of 25.0%. The operating surplus in year is £4.0m higher than the prior year whilst the operating margin has increased by almost 2% from 2025 as income rises at a slightly higher rate than costs overall.

The operating surplus on our social housing lettings activities was £33.0m, £3.0m higher than in the prior year with the margin increasing to 27%. Increased unit numbers have generated some additional income however the continued commitment to further invest in our maintenance service, management and estate costs is ongoing.

The operating surplus of £0.4m on other social housing activities is lower than the £1.2m in the previous year. Whilst first tranche sales volumes were strong in year, sales overall were at a lower margin than prior year.

During the year, our analysis of care and support income and expenditure identified a marked improvement in the financial position, reflecting the continued commitment and focus of the organisation. The year end position reported a surplus of £1.6m, a slight reduction to the prior year's surplus of £1.9m. Most operational areas within the business achieved at least a breakeven outcome representing a positive

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development and operational control. The organisation remains committed to the ongoing review of its services and assets to further enhance financial sustainability and operational efficiency within the care and support division. Additional income streams were explored and realised during the year, including the strategic investment of funds, the disposal of non-viable assets, and a gift aid receipt from the wider group.

Year ended	31 March 2026 £millions	31 March 2025 £millions
STATEMENT OF FINANCIAL POSITION		
Housing properties less depreciation	1,267	1,176
Other fixed assets	20	21
Total fixed assets	1,287	1,197
Net current assets	12	21
Long-term loans & liabilities	(1,011)	(947)
Net assets	288	271
Revenue & other reserves	288	271
Increase in housing property cost	7.8%	8.2%
Number of units in management	22,800	22,466
Interest cover	98.7%	93%
Interest cover (including Sales)	120.5%	109%
Gearing	50.2%	49.2

Total tangible fixed assets increased by £90.8m in the year predominantly due to our investment in new properties and component replacement in our existing properties including replacement kitchens, roofs, windows & doors and electrical rewire programmes. Our ongoing commitment in these areas is evident following increased spend in this area supported by Social Housing Decarbonisation Fund support.

Net current assets decreased in year by £10.0m. Cash and short term investment balances at £25.1m are £8.9m lower than prior year whilst debtors remained comparable at £15.6m and creditors decreased by £2.2m to £46.5m.

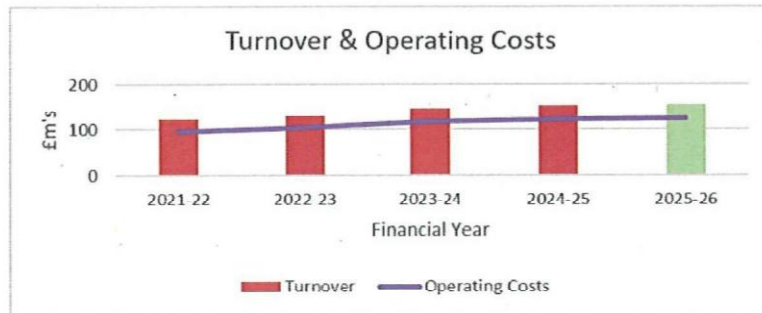
Borrowing increased from £613.0m to £661.5m. Revolving credit facility drawdowns were £74.0m with a total of £174.0m available to draw at the year end. Contractual loan repayments totalling £5.9m were repaid.

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Our pension deficit liabilities decreased further during the year from £4.6m to £3.1m, this all relates to the SHPS scheme and was driven by favourable changes to the financial assumptions following the latest triennial revaluation. Our two LGPS schemes are both in surplus with a combined value of £18.8m. As it is not expected that these surpluses are recoverable then they are not recognised on the statement of financial position and are capped at £nil value.



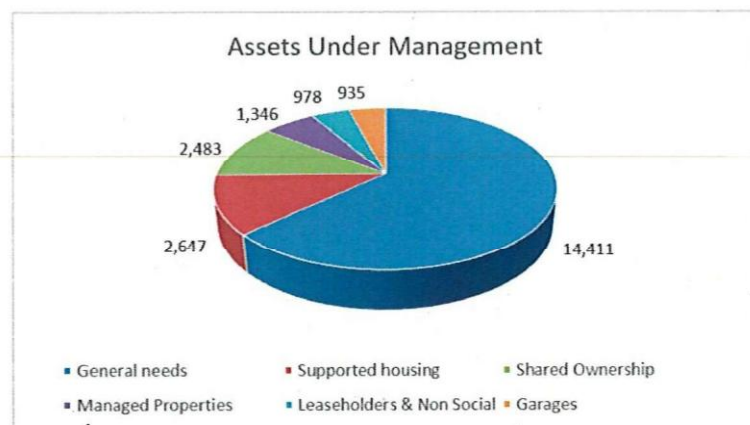
We continue to invest in our services to deliver high-quality provision for our customers, while maintaining our existing homes and strengthening the communities we serve.

In 2025-26 the increased operating costs matched the income growth as we continued to invest in our services and homes as part of our ongoing commitment to our residents and service users.

In future years we anticipate our income to increase at a higher rate than our operating costs overall.

Our stock portfolio has grown and diversified significantly in recent years, enabling us to better meet the broad and evolving needs of our customers and communities.

We continue to collaborate with local authorities across our areas of operation to understand housing demand, while actively pursuing growth and funding opportunities in partnership with Homes England and other stakeholders.



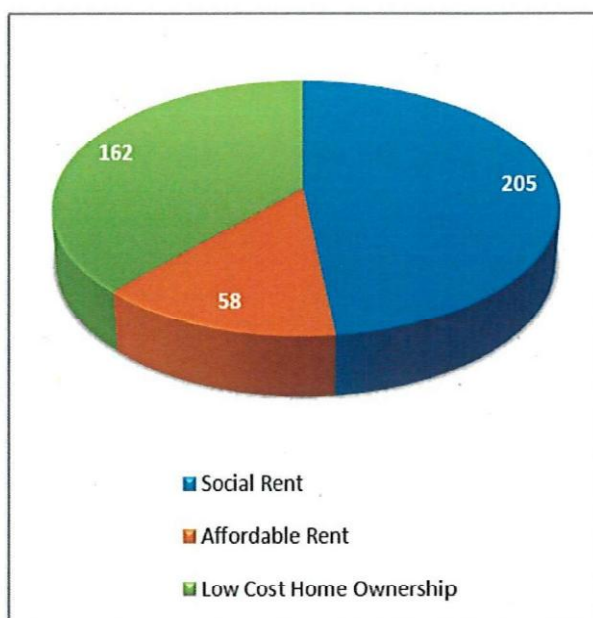
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For the year ended 31 March 2026

Development Performance

The Group lead the Quantum Development Consortium and is a strategic partner with Homes England. We recognise that housing associations have a key role to play in tackling the national housing crisis. We are coming to a close of our strategic partnership, phase 1, with Homes England with 94% of new homes completed. We are well into the second phase of the partnership having completed 528 new homes following the award of £112m to develop 1,450 homes. Our ambitious growth targets are fully embedded in our Development Strategy, showing our commitment to increased growth. The strategy sets out our preferred tenure mix and development type to fulfil these ambitions. We are pursuing more land-led opportunities using our development company.

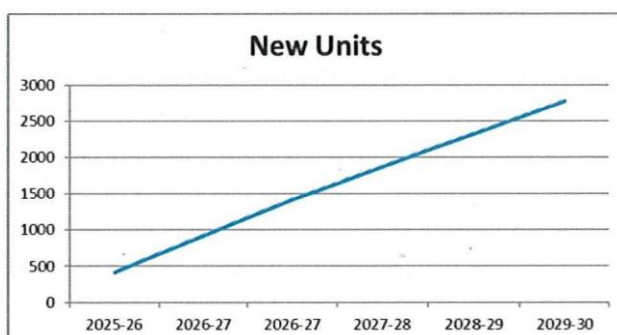


Key development achievements during the year included:

- ✓ Achieved over 85% of our targeted completions with 425 new homes being delivered on behalf of the Group, achieving annual growth of 2.1%;
- ✓ Realised proceeds of £10.7m from shared ownership first tranche sales and £6.4m from other sales including asset disposals, Right to Buy, Voluntary Right to Buy and staircasing;
- ✓ We have 1,099 new homes on site which will be delivered in future years;
- ✓ Received £23.9m of grant from Homes England under the Strategic Partnership phase 2.

Our Development Schemes

The Group maintains a strong reputation for delivering a broad range of housing tenures in response to increasing demand for affordable homes across our diverse geographical areas of operation. We remain committed to our strategic objective of developing up to 500 new units annually.



While challenges such as planning delays, contractor liquidity, and resource constraints have impacted delivery timelines, our development pipeline remains robust. We continue to prioritise the provision of high-quality new homes and are particularly proud of the following schemes completed during the year:

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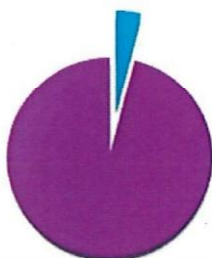


Oakley Road, Long Eaton – a brownfield former factory site comprising of 46 new apartments and houses, including 29 affordable rent and 17 shared ownership homes. Working with a local SME contractor this derelict site was brought back to use to meet local housing need fitting into the existing townscape to a high quality.



Heritage Gate – Desborough is a scheme to be proud of. 68 exceptional new homes delivering 2,3 and 4 bed social rent and shared ownership opportunities. The scheme incorporates shared green spaces creating a focal point for the local community bringing residents together and embedding positivity from day one.

Treasury Management



■ Bank ■ Capital Markets

The Group's total borrowings increased in the year by £48.5m to £661.5m.

Interest rate management is embedded within loan facilities. Therefore, the Group is not exposed to risks linked to free standing derivatives.



■ Cash ■ Committed & Secured Loan Facilities ■ Retained Bond - Secured

The Group only borrows in sterling and so does not have any currency risk. Surpluses are invested in approved UK institutions and the Group Treasury Committee monitors investment returns.

The Group had cash balances of £25.1m at the year-end. We also have access to £174m through a revolving credit facility which is all secured.

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For the year ended 31 March 2026

Business Plan Objectives

During the year significant progress was made against the targets set in our Business Plan. Highlights include:-

- ✓ We achieved 75% tenant satisfaction;
- ✓ 99.2% of our homes are decent homes compliant;
- ✓ We have developed 425 new homes in year;
- ✓ We achieved 136 1st tranche sales in year;
- ✓ We have sufficient liquidity for over 2 years.

Value for Money

Delivering Value for Money (VfM) is integral to the way the Group operates and as such is overseen directly by the Group Board. During the year the Board approved a new Value for Money Strategy, aligned to the regulator's Value for Money Standard and associated Code of Practice and the Sector Scorecard. We apply the Strategy across all activities within the Group regardless of which entity operates them. Delivering efficiency savings is a key priority for the Association, and we continue to challenge processes and working practices in order that we can continue to deliver high quality service. We have undertaken an external review of key services alongside on going internal action planning to ensure we achieve Value for Money in all aspects of our undertakings.

A key part of delivering our services as efficiently as possible is understanding the costs and main drivers, setting targets for key financial measures and understanding how our costs compare to our peers. We continue to use the "Sector Scorecard" to measure and monitor our progress across the agreed metrics and how these will be reported to our stakeholders.

East Midlands Housing Group Limited

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For the year ended 31 March 2026

The table below comprises the regulator's mandatory metrics based on the latest financial performance, compared to the prior year and our selected peer group.

Regulators Metrics	emh Group	emh Group	Trend	2025
	2026	2025		Peer Group*
Operating margin (excl surplus on sales)	21.0%	20.3%	↔	18.2%
Operating margin – social housing lettings	26.6%	25.5%	↑	22.3%
EBITDA MRI % interest cover	104.1%	101.2%	↑	101.8%
Units developed as % of unit owned	2.1%	2.2%	↔	1.43%
Gearing	50.2%	49.2%	↓	49.7%
Reinvestment %	9.8%	9.6%	↔	8.05%
Return on capital employed	3.1%	2.9%	↔	3.07%
Headline social housing unit cost	£4,612	£4,573	↔	£5,304

KEY ↑ Indicator has improved ↔ Indicator has stayed the same (or within 1% of prior year) ↓ Indicator has worsened

* Peer group comprises Housing Associations in England, both LSVT and traditional, who manage over 10,000 units. 2026 data is currently being collated and therefore, the 2025 peer group are used for indicative purposes. Once the full peer group is available, further analysis will be undertaken.

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For the year ended 31 March 2026

The Group's operating margin across all activities increased to 21.0%, with the operating margin on social housing lettings improving to 26.6%. This reflects a combination of strong income performance, with growth slightly outpacing operating cost increases, and continued focus on operational efficiency across core activities.

Within social housing lettings, efficiency gains have been achieved across most areas, however, supported housing has experienced cost pressures, with expenditure increasing at a marginally faster rate than income. This is primarily due to staffing challenges in delivering high-level support services. In addition, increased costs associated with first tranche sales have contributed to higher expenditure. Despite these pressures, EBITDA improved from 101.2% to 104.1%, demonstrating resilience and effective cost management alongside ongoing investment in component replacements.

Headline social housing cost per unit increased modestly by 0.86% to £4,612, reflecting the Group's ability to manage costs below inflation while continuing to invest in its housing stock. This outcome demonstrates a balanced approach to economy and efficiency, ensuring resources are used effectively to maintain and enhance asset quality. The Group has now completed stock condition surveys on over 99% of its homes, providing a robust evidence base to target future investment, including delivery of EPC C compliance.

Total investment in maintenance was £27.7m during the year, with a continued shift towards planned expenditure. Major repairs increased by 1% per property, while responsive maintenance costs reduced by 1.5%, reflecting improved asset management and the benefits of a strengthened planned maintenance programme. This has resulted in a further improvement in the responsive to planned maintenance ratio, which reduced from 0.71 to 0.67, aligning with the Group's strategic objective to deliver services more efficiently over the long term.

Service charge costs increased by 4.3%, reflecting both the scale of works undertaken and the standards expected by residents. Management costs rose by 2.7%, driven by additional resources required to implement recommendations from the Better Social Housing Review. While these increases reflect targeted investment to improve service quality and compliance, overall cost growth has remained controlled, supporting value for money outcomes.

The Group delivered 425 new homes during the year, achieving 85% of its 500 unit target. Delivery remains supported by a strong development pipeline, with 1,099 units on site at year end. The Group continues to make progress against its Strategic Partnership commitments, with £23.9m of grant drawn during the year as part of a £112.0m programme to deliver 1,450 homes over five years.

Overall, the Group continues to demonstrate value for money by balancing investment in existing homes and new supply with a disciplined approach to cost control. Performance across key metrics evidences a clear focus on delivering efficient services, maintaining high quality homes, and achieving sustainable financial returns to support long-term strategic objectives.

The Sector Scorecard is a set of agreed metrics adopted by the Housing Sector where the regulators mandatory metrics are supplemented by a range of indicators; mostly taken from our financial accounts across 5 categories (Business health, Development, Outcomes delivered, Effective asset management and Operating efficiencies) and allows us to track our progress with delivering cashable savings and demonstrate how we are controlling costs whilst still delivering our core services and developing new homes.

East Midlands Housing Group Limited

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For the year ended 31 March 2026

Sector Scorecard	emh Group 2026	emh Group 2025	Trend
Units developed	425	438	
Customer satisfaction with services provided by landlord	75%	68%	
Rent collected	97.8%	99.8%	
Occupancy	98.33%	98.54%	
Ratio of responsive repairs to planned maintenance	0.67	0.71	
Management cost per unit	£1,290	£1,257	
Services cost per unit	£657	£629	
Maintenance cost per unit	£1,223	£1,241	
Major repairs cost per unit	£1,328	£1,314	
Other social lettings cost per unit	£115	£132	

The table above gives a summary of the additional Sector Scorecard metrics based on the latest financial performance, compared to the prior year.

Value for Money is central to the delivery of the strategic objectives of the Group and in the current operating environment there is increasing pressure to reduce costs and provide cost effective services. Delivery of value for money is key for the Group and we continue to challenge processes and working practices in order that we can continue to deliver high quality services with fewer resources. Value for money action plans are in place and being monitored to ensure progress.

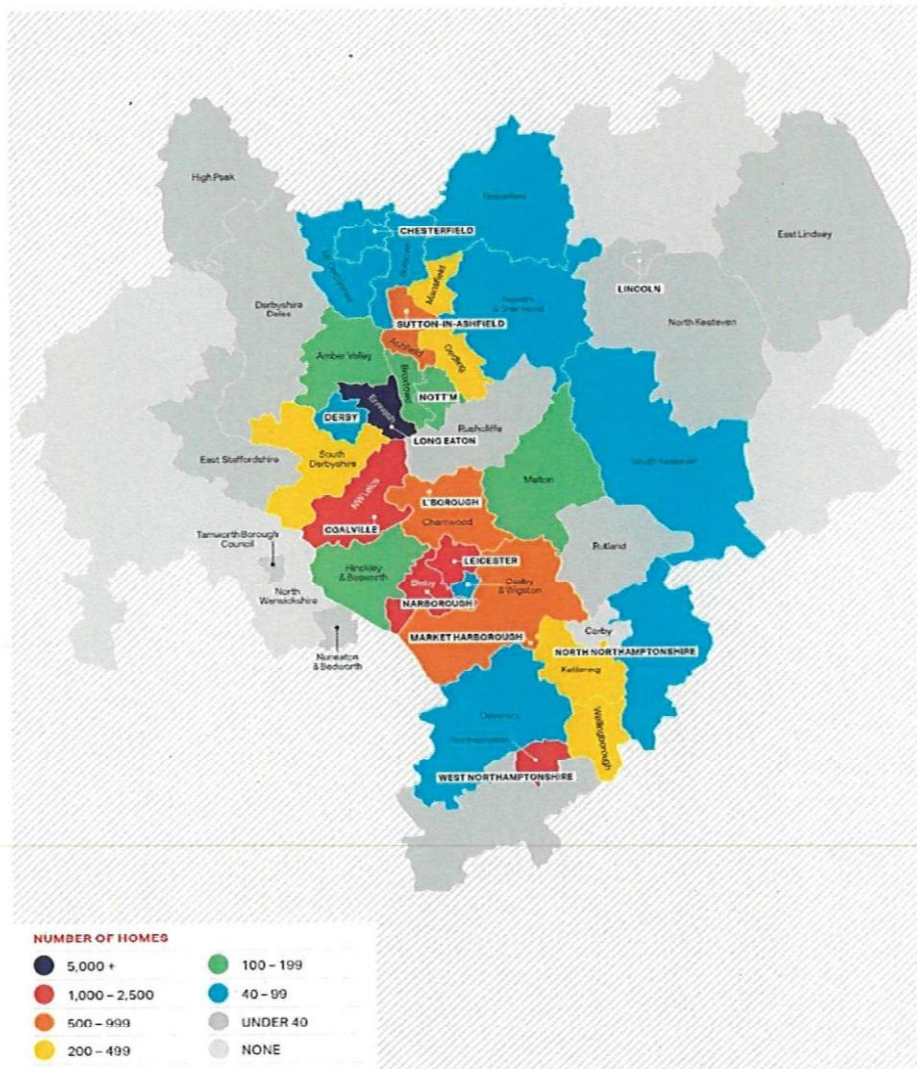
For the year ended 31 March 2026

Operational Area



STOCK ACTIVITY MAP

Homes owned across the East Midlands



East Midlands Housing Group Limited
Strategic Report

For the year ended 31 March 2026

Statement of Board's Responsibilities in Respect of the Boards' Report and the Financial Statements

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2018 have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; 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 members are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Financial statements are published on the group website www.emh.co.uk in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the association's website is the responsibility of the board members. The board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

East Midlands Housing Group Limited

Strategic Report

For the year ended 31 March 2026

Statement of Compliance

The Board is committed to ensuring that we comply with our legal and regulatory responsibilities, including the Modern Slavery Act 2015 to ensure that slavery and human trafficking does not exist in any part of our business or supply chain. emh Group's statement on modern slavery 2019 has been made available on our website at www.emh.co.uk.

The Board has overall responsibility for the system of internal control and risk management across the group and for reviewing its effectiveness. The Board confirms that it has an approved anti-fraud and corruption policy that has been distributed to all staff. The policy covers prevention, detection and reporting of fraud. Details of identified frauds are maintained in the fraud register which is reviewed annually by the Audit Committee on behalf of the Board. The Group has also appointed a Money Laundering Reporting Officer as part of its compliance with anti-money laundering legislation.

The Board also take steps to ensure that the Group adheres to the regulator's Governance and Financial Viability standard and its associated code of practice that includes adhering to all relevant law and having a thorough, accurate and up to date record of our assets and liabilities. Following this review, the Board confirms that the Group complies with the Governance and Financial Viability standard. The Group retains the highest ratings for Governance and Viability from our regulator.

On 25 May 2019, the EU General Data Protection Regulations (GDPR) and following this the Data Protection Act 2018 came into effect to strengthen and standardise data protection laws in the UK. We have a dedicated Data Protection Officer who has supported the organisation to ensure that the new requirements are embedded across all of our business areas, from a legislative, policy and operational perspective. As of 31 March 2026, the Group were compliant with GDPR and the Data Protection Act 2018.

Since 31 March 2024, emh Group, emh Homes, emh Care and Support and Midlands Rural Housing were compliant with the National Housing Federation's Code of Governance 2015. The code has not been adopted by Sharpes Garden Services or emh Treasury PLC. The annual self-assessment of compliance with both the Regulator of Social Housing Governance and Viability Standard, and the NHF Code of Governance (2015) confirmed full compliance for the year ended 31 March 2026. The Group Board adopted the NHF Code of Governance 2020 in March 2021 and action plan is in place to work towards full compliance.

After careful consideration, the Board decided to adopt the National Housing Federations' Code for Housing Association Mergers, Group Structures and Partnerships; a voluntary code that provides a framework for strategic discussions. The Board have approved a Partnership and Merger Strategy which is closely aligned to our Value for Money Strategy.

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2018.

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Strategic Report

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Disclosure of information to auditor

The Executive Directors 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 Group's auditor is unaware; and each Executive Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.



Danielle Oum (Aug 5, 2026 13:30:50 GMT+1)

DANIELLE OUM

Chair

5 August 2026

East Midlands Housing Group Limited
Independent Auditor's Report to the Members of East Midlands Housing Group Limited
For the year ended 31 March 2026

Report on the audit of the financial statements

Opinion

In our opinion:

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

We have audited the financial statements of East Midlands Housing Group Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2026 which comprise of the following:

- Parent and Consolidated Statement of Comprehensive Income
- Parent and Consolidated Statement of Financial Position
- Parent and Consolidated Statement of Changes in Reserves
- Consolidated Statement of Cashflows
- Notes 1 to 35 to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Independence

We remain independent of the Group and the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Association and we remain independent of the Group and the Association in conducting our audit.

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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. Our evaluation of the Board's assessment of the Group and the Association's ability to continue to adopt the going concern basis of accounting included:

- obtaining management's assessment that supports the Board conclusions with respect to the disclosures provided around going concern;
- considering the appropriateness of management's forecasts by reviewing and assessing assumptions applied by management, assessing historical forecasting accuracy and considering the reasonableness of the range of scenarios included in management's consideration of downside sensitivity analysis;
- challenging management on the suitability of the mitigating actions identified in their assessment and the quantum and period ascribed to these mitigating actions;
- obtaining an understanding of the financing facilities from the finance agreements, including the nature of the facilities, covenants and attached conditions;
- assessing the facility and covenant headroom calculations; and
- considering the adequacy of the disclosures in the financial statements against the requirements of the accounting standards and consistency of the disclosure against the forecasts and stress test scenarios.

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 and the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Association's ability to continue as a going concern.

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

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Overview

Key audit matters		
	2026	2025
	The recoverable amount of property developed for sale	✓
	Cost apportionment on developments	X
	Cost apportionment on developments is no longer considered a Key Audit Matter, as the matter was addressed extensively in prior periods and there has been no change in the underlying methodology, assumptions, or accounting treatment during the current year. Accordingly, the level of auditor judgement and audit focus required in the current period has reduced, and the matter is no longer considered one of most significance in the audit.	
Materiality	Group financial statements as a whole	
	£20.1m (2025: £19.6m) based on 1.5% (2025: 1.25%) of total assets.	

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. We identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

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Components in scope

There are 7 entities within the Group, including the parent Association. The nature of the entities in the Group are as follows:

- 2 of these entities are registered providers of social housing, including the Group's main operating entity emh Housing & Regeneration Limited;
- 1 entity is a charity which provides care and support services;
- 1 entity is the funding vehicle, which borrows externally and on lends to Group members;
- 1 entity is the development vehicle, which provides services to Group members only;
- 1 entity is a garden maintenance and landscaping company providing services mainly to other group entities;
- 1 entity is a non-charitable society providing specialist management services to 4 independent rural housing associations.

We performed risk assessment procedures to identify areas in the Group's financial statements that may be at risk of material misstatement. We used both qualitative and quantitative factors to perform this assessment including evaluating the size, complexity, and nature of each entity's activities, reviewing significant transactions or estimates and any changes in the business environment. The Group is centrally managed, with the Group Finance team controlling the processes and controls for all entities within the Group.

We identified the specific areas that could lead to a material misstatement at Group level. As part of our Group audit, we assessed each component against the risks of material misstatement identified.

Procedures performed at the component level

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence to support the Group opinion. We performed procedures to respond to group risks of material misstatement at the component level that included the following:

Component	Component Name	Entity	Group Audit Scope
1	EMHG	East Midlands Housing Group Limited (individual entity)	Statutory audit and procedures on the entire financial information of the component.
2	EMHH	emh Housing and Regeneration Limited	Procedures on the entire financial information of the component.
3	EMHT plc	emh Treasury Plc	Procedures on one or more classes of transactions, account balances or disclosures
4	EMHCS	emh Care and Support Limited	Procedures on one or more classes of transactions, account balances or disclosures
5	EMHS	Sharpes Garden Service Limited	No specific procedures for the group audit opinion.
6	EMHD	emh Development Company Limited	No specific procedures for the group audit opinion.

East Midlands Housing Group Limited
Independent Auditor's Report to the Members of East Midlands Housing Group Limited

For the year ended 31 March 2026

7	MRHA	Midlands Rural Housing & Village Development Association Limited	No specific procedures for the group audit opinion
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The Group engagement team has performed all procedures directly and has not involved component auditors in the Group audit.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
The recoverable amount of property developed for sale This relates to items included in note 20 of the financial statements. This area also represents a key judgement made by management as described in Note 2.	Properties developed for sale, including shared ownership first tranches and properties developed for outright sale, are measured at the lower of cost and net realisable value resulting in an amount recognised in the balance sheet of £16.4m (2025: £19.6m). For completed properties at the statement of financial position date an assessment is needed of the anticipated selling price. For properties in development at the statement of financial position date, an assessment is needed of both an anticipated selling price and a determination of the expected costs to complete and sell. Due to the volume of properties developed for sale and the level of judgement there is inherent estimation uncertainty for both	Our response included the following: We obtained management's assessment of the recoverable amount of properties held for sale and critically assessed the data, judgements and estimates included within this assessment, including corroborating to source documents. For the schemes identified as having a recoverability risk and a sample of non risky schemes, we performed one or a combination of the below based on the risk attached to each sample selected: - For forecast sales price: - Completed units sold after the year end – agreed to completion statement. - Completed and in progress units not sold after date and work in progress – we obtained: third party formal valuation of the property; sales prices achieved for comparable properties in the year. - Assessed management's historical forecasting accuracy; and - Assessed the sensitivity of the recoverability review to selling price.

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	sales proceeds and costs to complete we considered there is a significant risk that the carrying amount of properties developed for sale is misstated. We therefore considered this to be a key audit matter.	2. For costs to complete we performed one or a combination of the following: • Assessed management's historical forecast accuracy; • Assessed the sensitivity of the impairment review to changes in cost to complete; • Confirmed that the costs to complete had been compiled in accordance with approved parameters and that all elements (land cost, contract price, interest costs, other costs) were included; • For fixed price contracts we agreed the main contract price to the contract plus any agreed or documented variations; • For development schemes in progress, we discussed with the project manager whether there was any indication of any potential cost issues (corroborating as required) in relation to: ○ Price inflation ○ Contractor solvency ○ Variations, including contractor request to increase the price of a fixed price contract Key observations: We concluded that the accounting in this area is reasonable in the context of our audit of the financial statements as a whole.
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East Midlands Housing Group Limited
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Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Association financial statements	
	2026	2025	2026	2025
	£m	£m	£m	£m
Financial statement materiality				
Materiality	£20.1m	£19.6m	£324k	£73k
Basis for determining materiality	1.5% of total assets	1.25% of total assets	1.75% of revenue	1.25% of total assets
Performance materiality	£15.2m	£13.7m	£243k	£50k
Basis for determining performance materiality	75% of materiality	70% of materiality	75% of materiality	70% of materiality
Specific materiality				
Specific materiality	£2.7m	£2.3m		
Basis for determining specific materiality	1.75% of revenue	1.5% of revenue		
Specific performance materiality	£2.1m	£1.6m		
Basis for determining specific performance materiality	75% of materiality	70% of materiality		

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For the year ended 31 March 2026

Rationale for the benchmarks applied

A housing association's key stakeholders are primarily focused on the value of the stable, rented asset portfolio, as their debt is secured on these assets. Total assets is therefore considered to be the appropriate benchmark for determining overall materiality. However, we also determined that for other classes of transactions and balances in income and expenditure recognised within the statement of comprehensive income that are used in covenant calculations and sector benchmarking metrics, as well as other financial statement areas such as property for sale stock and rent arrears that are subject to greater scrutiny by key stakeholders, a misstatement of less than materiality for the financial statements as a whole could influence the economic decisions of the users of the financial statements. As a result, we applied a specific materiality calculated using Revenue as the benchmark to these balances and transactions. Performance materiality has increased due to it being the second year of the engagement.

We have determined that 75% of materiality is an appropriate basis for performance materiality based on our understanding of the group and factors such as the low levels of misstatements previously identified partially offset by some areas of the financial statements subject to significant estimation uncertainty.

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Association whose materiality and performance materiality are set out above, based on a percentage of between 2% and 80% (2025: 0.1% and 77%) of Group performance materiality dependent on a number of factors including our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £415k to £12.1m (2025: £7k to £10.6m)

Reporting threshold

We agreed with the Group Audit Committee that we would report to them all individual audit differences in excess of £1m (2025: £391k) in relation to financial statement materiality and £136k in relation to specific materiality (2025: £46k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Board are responsible for the other information. The other information comprises the information included in the Group Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

East Midlands Housing Group Limited
Independent Auditor's Report to the Members of East Midlands Housing Group Limited
For the year ended 31 March 2026

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of Boards' Responsibilities in Respect of the Boards' Report and the Financial Statement, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the Group 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 intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Association and management.

East Midlands Housing Group Limited
Independent Auditor's Report to the Members of East Midlands Housing Group Limited

For the year ended 31 March 2026

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

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

Non-compliance with laws and regulations

Based on:

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

we considered the significant laws and regulations to be the Co-operative and Community Benefit Society Act 2014, 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 Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Regulator of Social Housing's Regulatory Standards, health and safety legislation, Health and Social Care 2008, the Bribery Act 2010, taxation legislation, employment law and data protection.

Our procedures in respect of the above included:

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

East Midlands Housing Group Limited
Independent Auditor's Report to the Members of East Midlands Housing Group Limited

For the year ended 31 March 2026

Fraud

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

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, including the posting of inappropriate journals to manipulate financial results, management bias in accounting estimates, existence cut off on property sales revenue and fraud in revenue recognition in relation to care and support income.

Our procedures in respect of the above included:

- Testing all journal entries that met defined risk criteria, as well as a random sample from the non-risky population, by agreeing to supporting documentation;
- A review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias;
- Testing a sample of property sales one month either side of year end to ensure that they are recognised in the correct period;
- Testing a sample of care and support income transactions through the year to contracts and evidence of the delivery of the care services; and
- A review of unadjusted differences for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were all deemed to have appropriate competence and capabilities, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

East Midlands Housing Group Limited
Independent Auditor's Report to the Members of East Midlands Housing Group Limited
For the year ended 31 March 2026

Other matters which we are required to address

We were appointed by the Group Board following recommendation from the Audit Committee to audit the financial statements for the year ended 31 March 2026.

Our total uninterrupted period of engagement is 2 years, covering the periods ended 31 March 2025 to 31 March 2026.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

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

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.15R - 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

DocuSigned by:
BDO LLP
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BDO LLP
Statutory Auditor
Birmingham, UK
Date: 07 August 2026

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

East Midlands Housing Group Limited
Parent and Consolidated Statement of Comprehensive Income
For the year ended 31 March 2026

		GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
	Note				
Turnover	3	158,124	18,514	152,527	17,130
Cost of sales	3	(12,945)	-	(12,846)	-
Operating costs	3	(112,015)	(16,655)	(108,772)	(15,756)
Surplus on disposal of tangible fixed assets	8	6,442	-	4,683	-
Operating surplus	3	39,606	1,859	35,592	1,374
Interest receivable and other income	9	1,234	81	1,694	100
Interest payable and similar charges	10	(23,430)	-	(22,387)	-
Finance income and (costs)	11	(220)	(40)	(117)	(52)
Donations	12	-	(2,000)	-	(1,650)
Surplus/(deficit) before taxation	5	17,190	(100)	14,782	(228)
Taxation on surplus/(deficit)	13	(224)	-	16	-
Surplus/(deficit) for the year		16,966	(100)	14,798	(228)
Other comprehensive income					
Remeasurement of Local Government Pension Schemes	29	(274)	-	(77)	-
Remeasurement of Social Housing Pension Schemes	29	279	51	779	157
Remeasurement of the Reimbursement Asset	29	2	-	(70)	-
Total comprehensive income for the year		16,973	(49)	15,430	(71)

The notes on pages 45 to 89 form part of these financial statements.

East Midlands Housing Group Limited
Parent and Consolidated Statement of Financial Position

As at 31 March 2026

		GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
	Note				
Fixed assets					
Housing properties	14	1,267,562	-	1,175,969	-
Investment properties	16	370	-	370	-
Other tangible fixed assets	17	10,440	754	11,136	1,344
Investments	18	4,218	217	4,152	217
Investment in subsidiaries	19	-	93	-	93
HomeBuy loan receivable		4,769	-	4,907	-
Total fixed assets		1,287,359	1,064	1,196,534	1,654
Current assets					
Reimbursement Assets (due after 1 year)	29	216	-	337	-
Properties for sale and work in progress	20	16,437	-	19,219	-
Trade and other debtors (including £431k due after 1 year)	21	15,586	4,472	15,922	3,350
Short term investments		1	-	-	-
Cash and cash equivalents		25,062	454	34,053	832
Total current assets		57,302	4,926	69,531	4,182
Creditors: amounts falling due within one year	23	(46,500)	(4,531)	(48,687)	(4,047)
Net current assets		10,802	395	20,844	135
Total assets less current liabilities		1,298,161	1,459	1,217,378	1,789
Creditors: amounts falling due after one year	24	(1,007,416)	-	(942,067)	-
Provisions for liabilities					
Pension liability	29	(3,100)	(535)	(4,639)	(816)
Net assets		287,645	924	270,672	973
Capital and reserves					
Called up share capital	30	-	-	-	-
Restricted reserves	31	405	-	414	-
Revenue reserves		287,240	924	270,258	973
Total funds		287,645	924	270,672	973

The notes on pages 45 to 89 form part of these financial statements.

These financial statements were approved by the board of directors on 24 July 2026 and were signed on its behalf by:


 Danielle Oum (Aug 5, 2026 13:30:50 GMT+1)

DANIELLE OUM
 Chair


 Patricia McCabe (Aug 5, 2026 17:05:10 GMT+1)

PATRICIA McCABE
 Vice Chair



DEBORAH LAMBERT
 Secretary

East Midlands Housing Group Limited
Parent and Consolidated Statement of Changes in Reserves

For the year ended 31 March 2026

GROUP	Called up share capital £'000	Revenue reserve £'000	Restricted reserve £'000	Total reserves £'000
Balance at 1 April 2025	-	270,258	414	270,672
Total comprehensive income for the period				
Surplus for the year	-	16,975	(9)	16,966
Remeasurement of Pension Schemes	-	5	-	5
Remeasurement of the Reimbursement Asset	-	2	-	2
Balance at 31 March 2026	-	287,240	405	287,645
Balance at 1 April 2024	-	254,819	423	255,242
Total comprehensive income for the period				
Surplus for the year	-	14,807	(9)	14,798
Remeasurement of Pension Schemes	-	702	-	702
Remeasurement of the Reimbursement Asset	-	(70)	-	(70)
Balance at 31 March 2025	-	270,258	414	270,672

PARENT	Called up share capital £'000	Revenue reserve £'000	Restricted reserve £'000	Total reserves £'000
Balance at 1 April 2025	-	973	-	973
Total comprehensive income for the period				
Deficit for the year	-	(100)	-	(100)
Remeasurement of Pension Schemes	-	51	-	51
Balance at 31 March 2026	-	924	-	924
Balance at 1 April 2024	-	1,044	-	1,044
Total comprehensive income for the period				
Deficit for the year	-	(228)	-	(228)
Remeasurement of Pension Schemes	-	157	-	157
Balance at 31 March 2025	-	973	-	973

The notes on pages 45 to 89 form part of these financial statements.

East Midlands Housing Group Limited
Consolidated Statement of Cashflows

For the year ended 31 March 2026

GROUP	Note	2026 £'000	2025 £'000
Cashflows from operating activities			
Surplus for the year	3	17,190	14,782
<i>Adjustments for non-cash items:</i>			
Deferred government grants amortisation	3	(2,824)	(2,721)
Depreciation of tangible fixed assets	5	23,593	22,191
Pensions costs less contributions payable	29	(1,703)	(1,615)
Surplus on sale of fixed assets		(6,489)	(4,756)
Interest receivable		(1,234)	(1,694)
Interest payable		23,514	22,500
(Increase)/decrease in stock		2,782	(16)
Decrease/(increase) in trade & other debtors		5,448	3,537
Increase in trade and other creditors		(6,829)	3,066
Decrease in provisions and employee benefits		-	(247)
Net cash from operating activities		53,448	55,027
Cashflows from investing activities			
Acquisition of tangible fixed assets		(108,985)	(104,821)
Capitalised development expenditure		(3,523)	(3,425)
Proceeds from sale of fixed assets		10,663	7,682
(Acquisition)/disposal of investment securities		(65)	(2,943)
Disposal/(acquisition) of short term investments		(2)	2,991
Proceeds from receipt of government grants		19,485	42,123
Interest received		1,242	1,686
Corporation tax paid		(8)	16
Net cash from investing activities		(81,193)	(56,691)
Cashflow from financing activities			
Interest paid		(29,588)	(27,804)
Loan amortisation charges		435	493
Proceeds from new loan		53,779	20,023
Repayment of borrowings		(5,872)	(1,289)
Net cash from financing activities		18,754	(8,577)
Net change in cash and cash equivalents		(8,991)	(10,241)
Cash and cash equivalents at start of period		34,053	44,294
Cash and cash equivalents at end of period		25,062	34,053

The notes on pages 45 to 89 form part of these financial statements.

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

1 LEGAL STATUS

emh Group is the trading name of East Midlands Housing Group Limited, incorporated under the Co-operative and Community Benefit Society Act 2014. The Company registration number is IP030476 and it is a Public Benefit Entity. It is registered with The Regulator of Social Housing (registration number L4530). Its principal place of business is Memorial House, Stenson Road, Whitwick Business Park, Coalville, LE67 4JP.

2 PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

The presentation and functional currency of these financial statements is sterling. All amounts have been rounded to the nearest £1,000.

The financial statements are prepared on the historical cost basis, except for investment property which is recognised at fair value.

In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes.

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

Basis of consolidation

The financial statements consolidate the financial statements of the Company and all subsidiary undertakings.

The subsidiary Associations controlled by the Group, all of which are wholly owned, are as follows:

East Midlands Housing and Regeneration Limited;

emh Care & Support Ltd;

Sharpes Garden Services Limited;

Midlands Rural Housing and Village Development Association Limited;

emh Development Company Ltd; and

emh Treasury plc.

Going Concern

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

The Group prepares a 30 year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2026 by the Directors.

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

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

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

- The property market – budget and business plan scenarios have taken account of delays in handovers, lower numbers of property sales, reductions in sales values and potential conversion of market sale to social homes;
- Maintenance costs – budget and business plan scenarios have been modelled to take account of cost increases and delays in maintenance expenditure, with major works being phased into future years;
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of potential future reductions in rents;
- Liquidity – facilities available to draw and fully secured are £174m (2025: £190m). The total same day cash available was £19m at year end. This provides funding until June 2028 when the Lloyds £135m revolving credit facility expires. The £50m retained bond expired during the year; and
- The Group's ability to withstand other adverse scenarios such as higher interest rates and number of void properties.

The directors believe the Group and Company has sufficient funding in place and expect the group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

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

Turnover

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

Cost of sales

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

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

Operating Costs

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

Operating leases

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Termination benefits

Termination benefits are recognised when the Group/Company/Association/Charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

VAT

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

Interest receivable and Interest payable

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

Interest payable and similar charges include interest payable and unwinding of the discount on provisions.

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

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

Taxation

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

Tax on the surplus for the year comprises current tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustments to tax payable in respect of previous years.

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

Pensions - Defined benefit plans

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

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

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in the statement of comprehensive income.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income.

The Group participates in 5 defined benefit plans as set out below:-

- The Pensions Trust Social Housing Pension Scheme;
- The Pensions Trust Growth Plan;
- Leicestershire County Council Pension Fund;
- Derbyshire County Council Pension Scheme; and
- The NHS Pension Scheme.

The Pensions Trust Social Housing Pension Scheme

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

The Pensions Trust Growth Plan

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

The Scheme is classified as a 'last-man standing arrangement'. Therefore the Group 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.

East Midlands Housing Group Limited
Notes to the Financial Statements
For the year ended 31 March 2026

Leicestershire County Council Pension Fund

The pension schemes assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating costs, finance items and other comprehensive income.

Derbyshire County Council Pension Scheme

The pension schemes assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating costs, finance items and other comprehensive income.

The NHS Pension Scheme

The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Housing properties

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

Depreciation

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

	years
New Build House Structures	125
New Build Flat Structures	100
Shared Ownership Structures	100
Care Property Structures	100
Other Structures	100
Roofs	50
Bathrooms	30
Decarbonisation Works	30
Windows and doors	30
Kitchens	20
Adaptations	15
Heating Systems	15
Other components	30

Leasehold properties are depreciated over the useful lives above or the length of the lease, whichever is shorter.

East Midlands Housing Group Limited
Notes to the Financial Statements

For the year ended 31 March 2026

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

Non component works to existing properties

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

Interest capitalised

Interest on borrowings is capitalised to housing properties during the course of construction up to the date of completion of each scheme. The interest capitalised is either on borrowing specifically taken to finance a scheme or on net borrowings to the extent that they are deemed to be financing a scheme. This treatment applies irrespective of the original purpose for which the loan was raised.

Investment Properties

Investment properties consist of properties not used for social/charitable purposes and let at market rate. They are measured at cost on initial recognition and subsequently at fair value at the year end. Fair value is determined through an annual desktop review or where triggers indicate a valuation may be appropriate. No depreciation is recognised on investment properties.

Other tangible fixed assets

Other tangible fixed assets include those assets with an individual value in excess of £1,000.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

	years
Office premises	50
Office improvements	10
Car Parks	25
Heating Systems	15
Warden Call Systems	15
Housing fixtures, fittings and equipment	10
Computer equipment	4
Motor vehicles	4
Office fixtures, fittings and equipment	4
Plant and Equipment	4

East Midlands Housing Group Limited
Notes to the Financial Statements
For the year ended 31 March 2026

Impairment of Fixed Assets

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

Investments

Investments are accounted for at cost less impairment and represent investments in non-subsidary organisations, long term investments as a condition of loan terms and long term deposits held with banks.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost and represent investments in share capital.

HomeBuy

Under the HomeBuy scheme, the Group received HomeBuy grant representing a percentage of the open market purchase price of a property in order to advance interest free loans to a homebuyer. The loans advanced by the Group meet the definition of concessionary loans and are shown as HomeBuy Loan Receivable on the statement of financial position. The HomeBuy grant provided by the government to fund all or part of a HomeBuy loan has been classified as deferred income under FRS 102 as a creditor due in more than one year.

In the event that the property is sold, the Group recovers the equivalent loaned percentage value of the property at the time of the sale. The grant is reclassified to RCGF when the loans are redeemed up to the amount of the original grant and to the extent the proceeds permit. The Group is able to retain any surplus proceeds less sale costs attributable to the equivalent loaned percentage share of the value of the property. If there is a fall in value of the property the shortfall in proceeds is offset against the grant.

Reimbursement assets

Reimbursement assets are recognised when the Group/Association is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation. The right to reimbursement is recognised as a separate asset. The asset is treated in the same way as the plan assets.

The reimbursement asset represents the share due from the four Rural Housing Associations towards their share of the deficit in the Social Housing Pension scheme.

Properties held for sale and work in progress

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

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

Tenant arrears, trade and other debtors

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

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

Impairment of Financial assets (including trade and other debtors)

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

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

Short term investments

Short term Investments comprise of cash held in deposit accounts with notice periods ranging in excess of three months and up to twelve months from the date of inception.

Cash and cash equivalents

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

Trade and other creditors

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

Loan and interest-bearing borrowings classified as basic financial instruments

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

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

Social housing grant

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

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

Restricted Reserves

Restricted reserves are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the Group/Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Segmental Reporting

For the purpose of segmental reporting, the chief operating decision maker (CODM) is considered to be the Directors. In line with the segments reported to the CODM, the presentation of these financial statements and accompanied notes reflects the Group's management and internal reporting. The information reviewed within the management accounts to assess performance and make strategic decisions is consistent with and closely aligned to these financial statements. Segmental reporting is presented in Note 3 to the financial statements where information about income and expenditure attributable to the material operating segments are presented on the basis of the tenure type of the housing assets held by the Group. This is appropriate on the basis of the similarity of the services provided, the nature of the risks associated, and the nature of the regulatory environment in which the Group operates.

Assets and liabilities are not reported by operating segment or tenure, other than housing properties which are split by tenure type and are shown in Note 14.

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

Key Judgements, Estimates and Assumptions

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

Impairment of property values

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

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

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

An obsolesce trigger for impairment has been identified and an impairment review has been performed. Further detail is provided in Note 15.

Value of schemes in development

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

Cost apportionment on development schemes

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

Recoverability of Stock

Stock valuations are compared against net realisable value, using market assessments on a scheme by scheme basis. Where market valuations suggest that full recoverability is not viable and a loss on sale may be generated then the stock valuation is impaired to reflect this.

No triggers for impairment have been identified.

East Midlands Housing Group Limited
Notes to the Financial Statements

For the year ended 31 March 2026

The recoverability of rent arrears and trade debtors

The estimate for rent arrears and trade debtors relates to the recoverability of the outstanding balances at the reporting date. For rental arrears experience shows that the longer a debt is outstanding the greater the likelihood that the debt will not be recovered in full. Based on this a provision for bad and doubtful arrears debts is estimated based on 50% of the value of current tenant arrears and 100% of former tenant arrears. Trade Debtors are reviewed on an individual balance basis and a provision created for bad and doubtful debts based on the on the age and likely recoverability of the debt.

Defined benefit pensions liabilities

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Note 29.

East Midlands Housing Group Limited
Notes to the Financial Statements

For the year ended 31 March 2026

	Turnover	Cost of Sales	Operating costs	Operating surplus/deficit	Turnover	Cost of Sales	Operating costs	Operating surplus/deficit
	2026	2026	2026	2026	2025	2025	2025	2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
3 PARTICULARS OF TURNOVER, COST OF SALES, OPERATING EXPENDITURE AND OPERATING SURPLUS - GROUP								
Social housing lettings								
General needs	91,069	-	(65,899)	25,170	77,270	-	(56,509)	20,761
Supported housing and housing for older people	22,510	-	(20,259)	2,251	30,846	-	(26,498)	4,348
Low cost home ownership	10,317	-	(4,765)	5,552	9,213	-	(4,362)	4,851
	123,896	-	(90,923)	32,973	117,329	-	(87,369)	29,960
Other social housing activities								
Support activities	-	-	(211)	(211)	1	-	(239)	(238)
First tranche shared ownership sales	10,653	(11,125)	-	(472)	12,961	(12,846)	-	115
Other	4,017	(1,820)	(1,169)	1,028	2,869	-	(1,525)	1,344
	14,670	(12,945)	(1,380)	345	15,831	(12,846)	(1,764)	1,221
Total social housing	138,566	(12,945)	(92,303)	33,318	133,160	(12,846)	(89,133)	31,181
Non-social housing activities	18,327	-	(18,229)	98	18,204	-	(18,341)	(137)
Non housing activities	1,231	-	(1,483)	(252)	1,163	-	(1,298)	(135)
	158,124	(12,945)	(112,015)	33,164	152,527	(12,846)	(108,772)	30,909
Total	158,124	(12,945)	(112,015)	33,164	152,527	(12,846)	(108,772)	30,909
Surplus on disposal of tangible fixed assets				6,442				4,683
Operating surplus				39,606				35,592

East Midlands Housing Group Limited
Notes to the Financial Statements
For the year ended 31 March 2026

	General needs	Supported housing and housing for older people £'000	Low cost home ownership	2026 Total	2025 Total
3 SOCIAL HOUSING LETTINGS - GROUP					
Rent receivable net of identifiable service charges	85,277	14,009	9,160	108,446	103,358
Service charges receivable	3,770	7,781	787	12,338	10,886
Net rents receivable	89,047	21,790	9,947	120,784	114,244
Amortised government grant	1,979	475	370	2,824	2,717
Other	43	245	-	288	368
Total income from lettings	91,069	22,510	10,317	123,896	117,329
Expenditure on lettings activities:					
Management	17,210	7,234	2,506	26,950	25,835
Service charge costs	6,014	6,983	716	13,713	12,938
Routine maintenance	18,998	2,269	33	21,300	21,769
Planned maintenance	3,832	400	4	4,236	3,737
Major repairs expenditure	1,310	254	4	1,568	1,430
Bad debts	485	150	(2)	633	553
Depreciation of housing properties	17,406	2,662	1,443	21,511	20,150
Other costs	644	307	61	1,012	957
Total expenditure on lettings	65,899	20,259	4,765	90,923	87,369
Operating surplus on lettings	25,170	2,251	5,552	32,973	29,960
Void losses	1,101	1,081	1	2,183	1,955

East Midlands Housing Group Limited
Notes to the Financial Statements
For the year ended 31 March 2026

	Turnover	Operating costs 2026 £'000	Operating surplus	Turnover	Operating costs 2025 £'000	Operating surplus
3 PARTICULARS OF TURNOVER, COST OF SALES, OPERATING EXPENDITURE AND OPERATING SURPLUS - PARENT						
Other social housing activities						
Support activities	18,514	(16,655)	1,859	17,130	(15,756)	1,374
	18,514	(16,655)	1,859	17,130	(15,756)	1,374
Total social housing	18,514	(16,655)	1,859	17,130	(15,756)	1,374
Surplus on disposal of tangible fixed assets			-			-
Operating surplus			1,859			1,374

East Midlands Housing Group Limited
Notes to the Financial Statements
For the year ended 31 March 2026

4 HOUSING STOCK - GROUP		2025 Number	2025 Restatement	2025 Restated	Additions Number	Disposals Number	Reclassified Number	2026 Number
Social housing accommodation								
General needs rented		9,981	1,738	11,719	196	(52)	(56)	11,807
Affordable rented		2,485	-	2,485	58	(3)	64	2,604
Supported housing & housing for older people		4,403	(1,738)	2,665	9	(22)	(5)	2,647
Low cost home ownership		2,349	-	2,349	162	(27)	(1)	2,483
Managed on behalf of other landlords		1,341	-	1,341	5	-	-	1,346
Total social housing managed		20,559	-	20,559	430	(104)	2	20,887
Non-social housing managed								
Leaseholders		628	-	628	-	4	(1)	631
Freehold		266	-	266	-	5	(1)	270
Day care centres		3	-	3	-	(1)	-	2
Registered care bed spaces		47	-	47	-	-	-	47
Commercial		28	-	28	-	-	-	28
Total non-social housing managed		972	-	972	-	8	(2)	978
Total housing stock		21,531	-	21,531	430	(96)	-	21,865
Garages and other non-habitable units		935	-	935	-	-	-	935
Total units managed		22,466	-	22,466	430	(96)	-	22,800
Housing units in development pipeline		1,054						767

At 31 March 2026 the Group owned 180 units (2025: 148) which are managed by agents.

During the year services provided at some properties were reviewed and this resulted in 1,738 properties being reclassified from Supported housing and housing for older people to General needs.

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

	GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
5 EXPENSES AND AUDITORS REMUNERATION				
<u>Included in surplus are the following:</u>				
Depreciation of tangible fixed assets				
Housing properties	21,634	-	20,276	-
Other owned assets	1,959	717	1,915	726
Surplus on sale of fixed assets	6,423	-	4,683	-
Auditors' remuneration				
For the audit of the annual accounts	217	23	212	23
For other services	34	-	35	-
Operating lease payments				
Motor Vehicles	1,147	-	1,068	-
Office Equipment	7	-	21	-
Land and Buildings	84	226	86	314
	GROUP 2026 Number	PARENT 2026 Number	GROUP 2025 Number	PARENT 2025 Number
6 STAFF NUMBER AND COSTS				
The average number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows:				
Office staff	443	147	430	139
Wardens and caretakers	30	-	30	-
Care & Support Staff	315	-	320	-
Operatives	197	-	190	-
	985	147	970	139
	2026 £000	2026 £000	2025 £000	2025 £000
Staff costs for the above persons:				
Wages and salaries	37,618	8,037	35,854	7,553
Social security costs	4,659	1,008	3,423	783
Pension costs	2,600	592	2,627	541
Termination benefits	76	9	432	41
	44,953	9,646	42,336	8,918

East Midlands Housing Group Limited
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For the year ended 31 March 2026

	GROUP 2026	PARENT 2026	GROUP 2025	PARENT 2025
7 BOARD MEMBERS AND EXECUTIVE DIRECTORS	£000	£000	£000	£000
The total remuneration paid to the directors of the Group (the Board and Executive Management Team) was:				
Emoluments (including pension contributions and benefits-in-kind) paid to:				
Executive Directors	1,046	1,046	1,079	1,079
Directors and Senior Staff	6,192	3,072	4,600	2,463
Board Members	158	144	134	119
	7,396	4,262	5,813	3,661

Directors and Senior Staff includes employees that are members of the Group Leaders Forum who have authority and responsibility for planning, directing and controlling the activities of the Group.

The emoluments of staff disclosed above (excluding pension contributions) include the amounts paid to:

The highest paid Director	188	188	223	223
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In the current year this is the Executive Director – Housing and Development and Deputy CEO - Chris Jones. In the prior year this was the Chief Executive - Chan Kataria. This is a result of the change of Chief Executive part way through the year.

The current Chief Executive and the Executive Director – Housing and Development and Deputy CEO are both a current member of the Social Housing Pension Scheme (SHPS), multi-employer defined contribution scheme. No enhanced or special terms apply.

The previous Chief Executive was an ordinary member of the closed Social Housing Pension Scheme (SHPS), multi-employer defined benefit scheme and a member of the Social Housing Pension Scheme (SHPS), multi-employer defined contribution scheme. No enhanced or special terms applied.

The number of directors and senior staff, including the highest paid director, who received emoluments (including pension contributions and compensation for loss of office) in the following ranges was:

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

	GROUP 2026 Number	PARENT 2026 Number	GROUP 2025 Number	PARENT 2025 Number
£60k-£70k	31	14	24	11
£70k-£80k	16	7	15	9
£80k-£90k	14	7	11	6
£90k-£100k	4	4	6	5
£100k-£110k	5	2	3	2
£110k-£120k	4	2	4	3
£120k-£130k	1	1	2	1
£130k-£140k	2	1	1	-
£150k-£160k	-	-	1	1
£160k-£170k	1	1	1	1
£180k-£190k	2	2	-	-
£190k-£200k	1	1	1	1
£200k-£210k	1	1	-	-
£240k-£250k	-	-	1	1

Emoluments disclosed include payments to all members of the Executive Management Team in accordance with the Accounting Direction for Private Registered Providers of Social Housing 2022.

	GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
8 SURPLUS ON DISPOSAL OF TANGIBLE FIXED ASSETS				
Disposal proceeds	11,105	-	8,647	-
Grant abated	(31)	-	835	-
Cost of disposals	(4,632)	-	(4,799)	-
	6,442	-	4,683	-

The above numbers include the following for shared ownership staircasing;

Disposal proceeds	3,462	-	8,647	-
Grant abated	1	-	835	-
Cost of disposals	(1,957)	-	(4,799)	-
	1,506	-	4,683	-

	GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
9 INTEREST RECEIVABLE AND OTHER INCOME				
Interest receivable from unlisted investments	1,234	81	1,694	100

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

	GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
10 INTEREST PAYABLE AND SIMILAR CHARGES				
Loan interest	28,666	-	27,386	-
Amortisation of loan fees	573	-	547	-
Bond discount / premium amortisation	59	-	(12)	-
Annual financing costs	264	-	205	-
Change in FRS102 measurement	(159)	-	(120)	-
Recycled capital grant fund	227	-	252	-
Less capitalised interest	(6,200)	-	(5,871)	-
	23,430	-	22,387	-

	GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
11 FINANCE INCOME AND COSTS				
Expected return on pension scheme assets	3,340	298	3,189	251
Interest on pension scheme liabilities	(3,560)	(338)	(3,306)	(303)
Net financing income/(costs)	(220)	(40)	(117)	(52)

	GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
12 DONATIONS				
Amounts Paid to emh Housing & Regeneration Ltd	-	(1,800)	-	(1,485)
Amounts Paid to emh Care & Support Ltd	-	(200)	-	(165)
	-	(2,000)	-	(1,650)

Cash payments of £1,800k (2025: £1,485k) and £200k (2025: £165k) were made in the year to the subsidiaries emh Housing & Regeneration Ltd and emh Care and Support Ltd respectively.

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

	GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
13 TAXATION				
Total tax expense recognised in the income and expenditure account, other comprehensive income and reserves.				
<i>Current tax</i>				
Current tax on income for the period	27	-	-	-
Adjustments in respect of prior period	197	-	(16)	-
Total current tax	224	-	(16)	-
Reconciliation of effective rate				
Surplus before taxation	17,190	(100)	14,782	(228)
Total tax (credit)/charge	27	-	(16)	-
Tax using the UK corporation tax rate of 25% (2025: 25%)	5,400	475	4,755	(57)
Charitable exemption	(4,712)	-	(4,108)	-
Non-deductible expenses	195	187	196	188
Pension contribution allowances	(75)	(70)	(85)	(76)
Capital allowances	(66)	(49)	(127)	(107)
Trading losses (used)/offset	(50)	(53)	(19)	(29)
Group relief	-	10	-	81
Gift aid / donation credit	(665)	(500)	(612)	-
Current tax for the period	27	-	-	-

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

14 HOUSING PROPERTIES - GROUP						
	Under construction	Social housing letting	Supported & Elderly Housing	Low cost home ownership	Other Social Housing	Total housing properties
	£000	£000	£000	£000	£000	£000
Cost						
1 April 2025	105,379	915,140	173,534	189,314	6,876	1,390,243
Restatement	-	39,232	(39,232)	-	-	-
1 April 2025 Restated	105,379	954,372	134,302	189,314	6,876	1,390,243
Additions	91,322	-	-	-	-	91,322
Replacement components	1,246	21,250	3,380	65	230	26,171
Schemes completed in the year	(83,065)	55,840	2,360	24,844	21	-
Transfers	-	-	-	-	-	-
Disposals	-	(7,869)	(1,960)	(1,957)	(81)	(11,867)
31 March 2026	114,882	1,023,593	138,082	212,266	7,046	1,495,869
Accumulated depreciation						
1 April 2025	-	155,972	41,600	11,711	2,110	211,393
Restatement	-	11,865	(11,865)	-	-	-
1 April 2025 Restated	-	167,837	29,735	11,711	2,110	211,393
Provision in the year	-	16,816	3,227	1,464	127	21,634
Eliminated on disposal	-	(5,869)	(1,509)	(143)	(80)	(7,601)
31 March 2026	-	178,784	31,453	13,032	2,157	225,426
Impairment						
1 April 2025	-	1,394	-	1,170	317	2,881
31 March 2026	-	1,394	-	1,170	317	2,881
Net book value						
31 March 2026	114,882	843,415	106,629	198,064	4,572	1,267,562
31 March 2025	105,379	757,774	131,934	176,433	4,449	1,175,969

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

	GROUP 2026 £'000	GROUP 2025 £'000
The net book value of housing properties comprises		
Freehold	1,246,150	1,163,089
Long leasehold	21,412	12,880
	1,267,562	1,175,969
Additions to housing properties includes:		
Capitalised interest	6,200	5,871
(at the Group average borrowing rate)	4.61%	4.64%
Direct administration costs	2,998	2,828

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

The Group had property with a net book value of £556,609k pledged as security at 31 March 2026 (2025: £538,478k).

15 IMPAIRMENT OF HOUSING PROPERTIES

During the year emh Group carried out a desktop review of its property portfolio as part of its Asset Management Strategy. This identified a number of properties that cost the association more to hold than the income they are generating using a net present value calculation. As a result a number of properties have been identified which the Board have approved can be disposed of. This is a trigger for impairment.

emh Group estimated the recoverable amount of its housing properties as follows:

- Determined the level at which the recoverable amount is to be assessed i.e. the cash generating unit (CGU) level. The CGU was determined to be an individual property;
- Estimated the recoverable amount of the CGU;
- Calculated the carrying amount of the CGU and;
- Compared the carrying amount to the recoverable amounts to determine if an impairment loss had occurred.

Based on this assessment, the Group calculated the recoverable amount of each social housing property, using estimated market values. Comparing this to the carrying amount of each property, the Group, determined that no impairment charge was to be made against its social housing properties.

East Midlands Housing Group Limited
Notes to the Financial Statements
For the year ended 31 March 2026

	GROUP 2026 £'000	GROUP 2025 £'000
16 INVESTMENT PROPERTIES - GROUP		
As at 1 April	370	370
Transferred from other fixed assets	-	444
Revaluation	-	(74)
As at 31 March	370	370

The investment property is a long leasehold office owned by emh Care and Support Limited that the charity no longer uses for its own purposes and has sub-let to a third party on a long term lease. The last valuation of the property was carried out at December 2023 by Tim Richardson BSc MRICS, a director at FHP Property Consultants and a RICS Registered Valuer. The valuation was prepared on a Market Value and Market Rent basis in accordance with VPS4 of the most recent Red Book.

East Midlands Housing Group Limited
Notes to the Financial Statements

For the year ended 31 March 2026

17 OTHER TANGIBLE FIXED ASSETS					
	Freehold Offices £000	Leasehold Office £000	Fixtures, Fittings & Equipment £000	Plant and Vehicles £000	Total other assets £000
GROUP					
Cost					
1 April 2025	7,839	79	16,213	880	25,011
Additions	16	-	1,211	60	1,287
Transfers	-	-	(11)	-	(11)
Disposals	-	-	(87)	(227)	(314)
31 March 2026	7,855	79	17,326	713	25,973
Accumulated depreciation					
1 April 2025	2,853	79	10,116	827	13,875
Provision in the year	317	-	1,616	26	1,959
Eliminated on disposal	-	-	(74)	(227)	(301)
31 March 2026	3,170	79	11,658	626	15,533
Net book value					
31 March 2026	4,685	-	5,668	87	10,440
31 March 2025	4,986	-	6,097	53	11,136

East Midlands Housing Group Limited
Notes to the Financial Statements
For the year ended 31 March 2026

	Freehold Offices £000	Leasehold Office £000	Fixtures, Fittings & Equipment £000	Plant and Vehicles £000	Total other assets £000
PARENT					
Cost					
1 April 2025	-	-	4,390	-	4,390
Additions	-	-	127	-	127
31 March 2026	-	-	4,517	-	4,517
Accumulated depreciation					
1 April 2025	-	-	3,046	-	3,046
Provision for the year	-	-	717	-	717
31 March 2026	-	-	3,763	-	3,763
Net book value					
31 March 2026	-	-	754	-	754
31 March 2025	-	-	1,344	-	1,344

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

	GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
18 FIXED ASSET INVESTMENTS				
At 1 April	4,152	217	1,209	217
Transfer in year	66	-	2,943	-
At 31 March	4,218	217	4,152	217

The parent investment is in MOR Homes, a sector wide company established to secure funding for participating members.

The Group investments include £918k which is a condition of a loan with THFC where not less than 12 months interest is held in an Interest Service Reserve Fund. The amount is invested by THFC in a UK Treasury 4.75% Gilt due in 2038 with a nominal value of £933k.

The remaining Group investments are deposits held with banks.

	GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
19 INVESTMENTS IN SUBSIDIARIES				
At 31 March 2026 and 1 April 2025	-	93	-	93

The following are subsidiary undertakings of the Parent, all of which are wholly controlled:

Directly held

East Midlands Housing & Regeneration Limited

Registered Provider under Co-operative and Community Benefit Society Act 2014 (charitable)

emh Treasury plc

A company limited by shares for the issuance of bonds to the capital market.

emh Care & Support Limited

Company Limited by Guarantee under the Charities Commission (charitable)

Sharpes Garden Services Limited

A company limited by shares providing gardening services to the group.

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

Indirectly held

Midlands Rural Housing & Village Development Limited

Non-registered provider under Co-operative and Community Benefit Society Act 2014 (non-charitable)

emh Development Company Ltd

A company limited by shares providing design and build services to the group.

The registered address for all subsidiaries is Memorial House, Stenson Road, Whitwick Business Park, Coalville, LE67 4JP.

	GROUP 2026	PARENT 2026	GROUP 2025	PARENT 2025
	£000	£000	£000	£000
20 PROPERTIES FOR SALE AND WORK IN PROGRESS				
Schemes developed for shared ownership sale	2,845	-	1,556	-
Schemes developed/in development for transfer to others	1,594	-	1,295	-
Schemes in development for shared ownership sale	11,998	-	16,368	-
	16,437	-	19,219	-
	GROUP 2026	PARENT 2026	GROUP 2025	PARENT 2025
	£000	£000	£000	£000
21 TRADE AND OTHER DEBTORS				
Current tenant arrears	5,680	-	5,155	-
Less provision for bad and doubtful debts	(2,214)	-	(2,363)	-
Former tenant arrears	2,073	-	1,638	-
Less provision for bad and doubtful debts	(2,073)	-	(1,638)	-
Trade debtors	959	9	1,327	9
Less provision for trade debtors	(13)	-	(327)	-
Prepayments and accrued income	10,625	2,280	11,585	1,375
Other debtors	8	-	8	-
Taxation and social security	110	9	106	(4)
Loan to MOR Homes (all due after 1 year)	431	431	431	431
Amounts owed by group undertakings	-	1,743	-	1,539
	15,586	4,472	15,922	3,350
Due within one year	15,155	4,041	15,491	2,919
Due after more than one year	431	431	431	431
	15,586	4,472	15,922	3,350

Amounts due from group undertakings are interest free and repayable on demand.

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

22 IMPAIRMENT OF FINANCIAL ASSETS

During the year emh Homes also carried out a review of financial assets including properties held as stock for sale. This identified no triggers for impairment including properties where the market value was below the value of the stock.

	GROUP 2026	PARENT 2026	GROUP 2025	PARENT 2025
	£000	£000	£000	£000
23 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Loans and overdrafts (see note 25)	5,449	-	5,732	-
Trade creditors	12,149	388	14,191	570
Rent received in advance	5,496	-	4,667	-
Accruals and deferred income	19,003	1,510	19,775	805
Taxation and social security	686	238	942	213
Corporation tax	224	-	-	-
Leave pay	384	127	353	109
Deferred government grants (see note 27)	2,988	-	2,965	-
Other creditors	121	-	62	-
Amounts due to group undertakings	-	2,268	-	2,350
	46,500	4,531	48,687	4,047

Amounts due to group undertakings are interest free and repayable on demand.

	GROUP 2026	PARENT 2026	GROUP 2025	PARENT 2025
	£000	£000	£000	£000
24 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR				
Loans and overdrafts (see note 25)	656,071	-	607,261	-
Deferred government grants (see note 27)	341,714	-	324,803	-
HomeBuy grant payable	4,769	-	4,908	-
Recycled capital grant fund (see note 28)	4,862	-	5,095	-
	1,007,416	-	942,067	-

East Midlands Housing Group Limited
Notes to the Financial Statements
For the year ended 31 March 2026

	GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
25 LOANS				
Bank loans	210,537	-	157,124	-
The Housing Finance Corporation	15,958	-	21,030	-
MOR Homes loan	37,500	-	37,500	-
Pension Insurance Corporation PLC loan	100,000	-	100,000	-
Bond finance	297,525	-	297,339	-
	661,520	-	612,993	-

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

Loans have various fixed and variable rates of interest ranging between 3.1% (2025: 3.1%) and 11.8% (2025: 11.8%). The maturity of fixed rate interest arrangements does not necessarily lead to a requirement to repay the debt. Interest is payable on differing terms varying between monthly, quarterly and annually.

Loans are repayable as follows:

In one year or less	5,449	-	5,732	-
Between two and five years	123,224	-	69,148	-
In more than five years	532,847	-	538,113	-
	661,520	-	612,993	-

The loan valuations above include an increase of £848k (2025: £1,007k) in respect of FRS102 Basic Financial Instruments amortised cost valuation method.

	At 1 April 2025 £'000	Cash flows £'000	Other non- cash changes £'000	At 31 March 2026 £'000
26 ANALYSIS OF CHANGES IN NET DEBT - GROUP				
Cash and cash equivalents	34,053	(8,991)	-	25,062
Borrowings				
Debt due within one year	(5,732)	5,732	(5,449)	(5,449)
Debt due after one year	(607,261)	(53,639)	4,829	(656,071)
	(612,993)	(47,907)	(620)	(661,520)
Total Net Debt	(578,940)	(56,898)	(620)	(636,458)

East Midlands Housing Group Limited
Notes to the Financial Statements
For the year ended 31 March 2026

	Social housing grant	Other government grant	Total
	£'000	£'000	£'000
27 DEFERRED GOVERNMENT GRANTS - GROUP			
At 1 April 2025	310,163	17,605	327,768
Received in the year	19,373	1,778	21,151
Released to income in the year	(2,568)	(260)	(2,828)
Disposed in the year	(1,367)	(22)	(1,389)
At 31 March 2026	325,601	19,101	344,702
Deferred government grant to be released within one year	2,670	318	2,988
Deferred government grant to be released in more than one year	322,931	18,783	341,714
			Recycled capital grant fund
			£'000
28 RECYCLED CAPITAL GRANT FUND - GROUP			
At 1 April 2025			5,095
Utilised during the year			(2,197)
Interest credited to the fund			227
Transferred to fund during the year			1,737
At 31 March 2026			4,862

East Midlands Housing Group Limited
Notes to the Financial Statements
For the year ended 31 March 2026

29 PENSION SCHEMES

The Group operates four defined benefit pension schemes.

GROUP

Summary of the movement on pension scheme liabilities for the year ended 31 March 2026

	The Pensions Trust - SHPS	The Pensions Trust - Growth Plan	Leicester shire County Council	Derbyshire County Council
		£'000		
Net liability as at 1 April 2025	4,638	1	-	-
Movements reflected in the income & expenditure account	275	-	37	191
Movements reflected in other comprehensive income	(279)	-	43	231
Contributions paid	(1,580)	-	(80)	(377)
Net liability as at 31 March 2026	3,054	1	-	45

Summary of the movement on pension scheme liabilities for prior year ended 31 March 2025

	The Pensions Trust - SHPS	The Pensions Trust - Growth Plan	Leicester shire County Council	Derbyshire County Council
		£'000		
Net liability as at 1 April 2024	6,817	-	-	-
Movements reflected in the income & expenditure account	330	-	(81)	364
Movements reflected in other comprehensive income	(779)	1	218	(141)
Contributions paid	(1,730)	-	(137)	(223)
Net liability as at 31 March 2025	4,638	1	-	-

East Midlands Housing Group Limited
Notes to the Financial Statements
For the year ended 31 March 2026

The Company operates one defined benefit pension schemes.

PARENT

Summary of the movement on pension scheme liabilities for the year ended 31 March 2026

	The Pensions Trust - SHPS £'000
Net liability as at 1 April 2025	816
Movements reflected in the income & expenditure account	50
Movements reflected in other comprehensive income	(51)
Contributions paid	(280)
Net liability as at 31 March 2026	535

Summary of the movement on pension scheme liabilities for prior year ended 31 March 2025

	The Pensions Trust - SHPS £'000
Net liability at 1 April 2024	1,216
Movements reflected in the income & expenditure account	60
Movements reflected in other comprehensive income	(157)
Contributions paid	(303)
Net liability at 31 March 2025	816

The Pensions Trust - Social Housing Pension Scheme

The company/association/charity 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.

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

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

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

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

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

	GROUP		PARENT	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Present values of defined benefit obligation, fair value of assets and defined benefit asset/(liability)				
Fair value of plan assets	30,226	28,596	5,351	5,031
Present value of defined benefit obligation	(33,280)	(33,234)	(5,886)	(5,847)
Defined benefit (liability) to be recognised	(3,054)	(4,638)	(535)	(816)

	GROUP		PARENT	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Reconciliation of opening and closing balances of the defined benefit obligation				
Defined benefit obligation at start of period	33,234	35,630	5,847	6,257
Expenses	47	37	10	8
Interest expense	1,912	1,722	338	303
Actuarial losses (gains) due to scheme experience	(619)	1,566	(106)	304
Actuarial losses (gains) due to changes in demographic assumptions	268	-	46	-
Actuarial losses (gains) due to changes in financial assumptions	(445)	(4,642)	(78)	(853)
Benefits paid and expenses	(1,117)	(1,079)	(171)	(172)
Defined benefit obligation at end of period	33,280	33,234	5,886	5,847

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

	GROUP		PARENT	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Reconciliation of opening and closing balances of the fair value of plan assets				
Fair value of plan assets at start of period	28,596	28,813	5,031	5,041
Interest income	1,684	1,429	298	251
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(517)	(2,297)	(87)	(392)
Contributions by the employer	1,580	1,730	280	303
Benefits paid and expenses	(1,117)	(1,079)	(171)	(172)
Fair value of plan assets at end of period	30,226	28,596	5,351	5,031
The actual return on the plan assets (including any changes in share of assets) over the period	1,167	868	211	141
	GROUP		PARENT	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Defined benefit costs recognised in statement of comprehensive income (SOCl)				
Expenses	47	37	10	8
Net interest expense	228	293	40	52
Defined benefit costs recognised in statement of comprehensive income (SoCl)	275	330	50	60
	GROUP		PARENT	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Defined benefit costs recognised in other comprehensive income				
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(517)	(2,297)	(87)	(392)
Experience gains and losses arising on the plan liabilities - (loss)/gain	619	(1,566)	106	(304)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)/gain	(268)	-	(46)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss)/gain	445	4,642	78	853
Total amount recognised in other comprehensive income - gain (loss)	279	779	51	157

East Midlands Housing Group Limited
Notes to the Financial Statements
For the year ended 31 March 2026

	GROUP		PARENT	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Assets				
Global Equity	3,350	3,204	593	564
Liquid Alternatives	5,382	5,303	953	933
Insurance-Linked Securities	44	89	8	16
Property	1,476	1,432	261	252
Infrastructure	1	4	-	1
Private Equity	65	24	12	4
Real Assets	2,846	3,424	504	602
Private Credit	3,650	3,500	646	616
Credit Relative Value	1,203	1,093	213	192
Investment Grade Credit	1,778	881	315	155
Cash	7	388	1	68
Long Lease Property	-	8	-	1
Secured Income	917	477	162	84
Liability Driven Investment	9,215	8,662	1,631	1,524
Currency Hedging	(1)	45	-	8
Net Current Assets	293	62	52	11
Total assets	30,226	28,596	5,351	5,031

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

East Midlands Housing Group Limited
Notes to the Financial Statements
For the year ended 31 March 2026

Key Assumptions	GROUP		PARENT	
	2026	2025	2026	2025
	% per annum	% per annum	% per annum	% per annum
Discount Rate	6.11	5.84	6.14	5.87
Inflation (RPI)	3.30	3.09	3.29	3.08
Inflation (CPI)	3.03	2.79	3.03	2.80
Salary Growth	4.03	3.79	4.03	3.80

	75% of maximum allowance	75% of maximum allowance	75% of maximum allowance	75% of maximum allowance
Allowance for commutation of pension for cash at retirement:				

The mortality assumptions adopted as at 31 March 2026 imply the following life expectancies:

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

The Pensions Trust (TPT) is involved in a current court case regarding the administration of its defined benefit pension schemes, including the Social Housing Pension Scheme (SHPS). Following a benefits review, TPT are asking the court to determine if changes made to the scheme rules in the past were in accordance with the trust deed and rules, and if not, whether certain amendments are invalid. If the court determines that historic amendments have resulted in amendments that are invalid this could result in increased pension liabilities.

The court hearing finished on 28 March 2025, no ruling has yet been given nor is expected until late 2026. The estimated impact on the Group if these pension changes are ruled not to have been valid is not expected to be material on the consolidated financial statements.

The estimated impact on East Midlands Housing Group Limited if these pension changes are ruled not to have been valid is up to £228,000.

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

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

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

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

Reimbursement Asset

The Social Housing Pension Scheme provided by Midlands Rural Housing Association (a subsidiary of emh Group) is for staff employed under a joint employment contract with the 4 rural associations for which it provides services. A legal agreement is in place between the 5 entities which sets out how the pension costs of those jointly employed staff will be met by each entity.

In line with this agreement the 4 rural associations therefore have a liability for their share of the deficit contribution payments arising under the plan. Under FRS102 Section 21 this creates a reimbursement asset between Midlands Rural Housing (and therefore emh Group) and the 4 rural associations. This is separately declared within the Statement of Financial Position on the following basis:

	GROUP	
	2026	2025
	£'000	£'000
As at 1 April	337	560
Payment received	(123)	(153)
Change in debtor	2	(70)
As at 31 March	216	337
<u>Split to Rural Housing Associations</u>		
Warwickshire Rural Housing Association	80	125
Northampton Rural Housing Association	85	132
Peak District Rural Housing Association	39	61
Leicestershire Rural Housing Association	12	19
Total pension debtor	216	337

Movement in the year included in Other Comprehensive Income - Remeasurement of Social Housing Pension Scheme

Change in Debtor	2	(70)
	2	(70)

East Midlands Housing Group Limited

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For the year ended 31 March 2026

The Pensions Trust - The Growth Plan

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

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

The scheme is classified as a 'last 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:

	GROUP
	£2.1m per annum
Deficit contributions from 1 April 2025 to 31 March 2028:	(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 asked the participating employers to pay additional contributions to the scheme as follows:

	£3.312m per annum
Deficit contributions from 1 April 2022 to 31 January 2025:	(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.

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

	GROUP	
	2026	2025
	£'000	£'000
<u>Present Value of provision</u>		
Present value of provision at period end	1	1
<u>Reconciliation of opening and closing provisions</u>		
Provision at start of period	1	-
Remeasurement - amendments to the contribution schedule	-	1
Provision at the end of period	1	1
<u>Income and expenditure impact</u>		
Remeasurement - amendments to the contribution schedule	-	1
<u>Assumptions</u>		
Rate of discount per annum	4.92%	4.84%

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 to discount the same recovery plan contributions.

Local government pension scheme

The Group/Association also participates in two Local Government Pension Scheme; administered by Leicestershire County Council and Derbyshire County Council. The Local Government Pension Schemes are defined benefit scheme and are contracted out of the state scheme.

	Leicestershire County Council		Derbyshire County Council	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Fair value of employer assets	8,972	8,848	38,399	36,445
Present value of funded liabilities	(4,475)	(4,055)	(24,978)	(24,884)
Net overfunding in funded plans	4,497	4,793	13,421	11,561
Present value of unfunded liabilities	-	-	(45)	(49)
Restriction of pension fund surplus	(4,497)	(4,793)	(13,421)	(11,512)
Net (liability)	-	-	(45)	-

Both the Leicestershire County Council scheme and the Derbyshire County Council scheme are in a net asset position. As it is not expected that these net assets are recoverable, then they have been capped to £nil. It is possible that these surpluses could be recognised in future accounting periods. The effects of this restriction are noted below.

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

	Leicestershire County Council		Derbyshire County Council	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Reconciliation of defined benefit obligations				
Opening value of funded liabilities	4,055	4,645	24,884	28,703
Opening value of unfunded liabilities	-	-	49	54
Current service cost	39	72	197	267
Past service cost (including curtailments)	-	26	-	94
Interest cost on obligations	232	225	1,416	1,359
Members contributions	15	21	80	80
Benefits paid	(148)	(137)	(1,336)	(1,277)
Unfunded benefits paid	-	-	(4)	(4)
Changes in financial assumptions	(99)	(753)	(684)	(4,024)
Changes in demographic assumptions	(64)	(8)	(752)	(50)
Other experience	445	(36)	1,173	(269)
Closing value of funded liabilities	4,475	4,055	24,978	24,884
Closing value of unfunded liabilities	-	-	45	49

	Leicestershire County Council		Derbyshire County Council	
	2026	2025	2026	2025
Reconciliation of fair value of plan assets				
Opening fair value of plan assets	8,848	8,324	36,445	36,112
Interest on assets	234	404	1,422	1,356
Members contributions	15	21	80	80
Employers contributions	80	137	373	219
Benefits paid	(148)	(137)	(1,336)	(1,277)
Unfunded benefits paid	-	-	(4)	(4)
Contributions in respect of unfunded benefits paid	-	-	4	4
Other experience	(434)	-	(141)	-
Return on assets excluding net interest	377	99	1,556	(45)
Closing fair value of plan assets	8,972	8,848	38,399	36,445

Expenses recognised in the income and expenditure account

Current service cost	39	72	197	267
Past service cost (including curtailments)	-	26	-	94
Interest cost	(2)	(179)	(6)	3
Total pension costs recognised in the income and expenditure account	37	(81)	191	364

Amounts recognised in other comprehensive income

Changes in financial assumptions	(99)	(753)	(684)	(4,024)
Changes in demographic assumptions	(64)	(8)	(752)	(50)
Other experience	879	(36)	1,314	(269)
Return on assets excluding interest	(377)	(99)	(1,556)	45
Restriction of pension fund surplus	(296)	1,114	1,909	4,157
Total amounts recognised in other comprehensive income	43	218	231	(141)

East Midlands Housing Group Limited
Notes to the Financial Statements
For the year ended 31 March 2026

	Leicestershire County Council		Derbyshire County Council	
	2026	2025	2026	2025
Reconciliation of the effect of the restriction on pension fund surplus				
Net asset ceiling at Start Financial Year	4,793	3,679	11,512	7,355
Restriction of pension fund surplus	(296)	1,114	1,909	4,157
Net asset ceiling at End Financial Year	4,497	4,793	13,421	11,512

The estimated split of plan assets at each period end is as follows:

Equities	81%	78%	61%	62%
Bonds	5%	5%	28%	27%
Property	6%	7%	7%	7%
Cash	8%	10%	4%	4%
	100%	100%	100%	100%

	Leicestershire County Council		Derbyshire County Council	
	2026	2025	2026	2025
Principal actuarial assumptions at the year-end were as follows:				
Inflation/pension increase rate	3.00%	2.75%	3.00%	2.80%
Salary increase rate	3.50%	3.25%	4.00%	3.80%
Discount rate	6.20%	5.80%	6.20%	5.80%

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2025 model, with core parameterisation, initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Male Years	Female	Male Years	Female
Current pensioners	21.5	24.9	21.3	24.2
Future pensioners	21.9	26.5	22.1	25.5

A commutation allowance is included for future retirements to elect to take 70% in the Leicestershire County Council scheme and 65% in the Derbyshire County Council scheme, of the maximum additional tax-free cash up to HMRC limits.

The last full actuarial valuation of the both the Derbyshire County Council scheme and the Leicestershire County Council scheme were performed on 31 March 2025. The Group/Association expects to contribute £nil to the Derbyshire County Council scheme and £nil to the Leicestershire County Council scheme in the period to 31 March 2027.

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Leicestershire County Council		Derbyshire County Council	
	Approx. % increase to employer liability	Approx. monetary amount (£'000)	Approx. % increase to employer liability	Approx. monetary amount (£'000)
Change in assumptions at End Financial Year				
0.1% decrease in real discount rate	2%	68	1%	323
1 year increase in member life expectancy	4%	179	4%	1,001
0.1% increase in salary increase rate	0%	6	0%	18
0.1% increase in pension increase rate (CPI)	1%	62	1%	305

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

30 CALLED UP SHARE CAPITAL

At 31 March 2026, the Group had 7 ordinary shares (2025: 7) in issue, with each share having a nominal value of £1. The shares have no rights to dividends nor to any share of the assets of the Group in the event of it ceasing to operate.

	GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
31 RESTRICTED RESERVES				
Property fund - NHS	315	-	322	-
SEIF Capital Grant	90	-	92	-
	405	-	414	-

	Balance at 1 April 2025 £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2026 £000
Property fund - NHS	322	(7)	-	315
SEIF Capital Grant	92	(2)	-	90
	414	(9)	-	405

The Property fund - NHS relates to 5 properties transferred from the NHS to the emh Care and Support in March 1999 and represents the net book value of these properties. The properties must be used for the provision of residential and nursing care support and accommodation to the local public. The charge each year is the depreciation charged on the properties.

The SEIF Capital fund relates to a single property owned by emh Care & Support and represents the net book value of improvement works carried out to the property in 2011 funded by the Social Enterprise Investment Fund administered by the then Department of Health. The property must be used for ongoing care. The charge each year is the depreciation charged on the improvement works.

	GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
32 OPERATING LEASES				

Non-cancellable operating lease rentals are payable as follows:

Less than one year	1,360	226	1,254	226
Between one and five years	1,254	-	2,593	-
	2,614	226	3,847	226

During the year the group recognised £1,238k (2025: £1,175k) and the parent recognised £226k (2025: £314k) as an expense in the income and expenditure account in respect of operating leases.

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

	GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
33 CAPITAL COMMITMENTS				
Capital expenditure that has been contracted for but has not been provided for in the financial statements	124,724	-	108,378	-
<u>Sources of Funding</u>				
Government Grants	7,610	-	20,868	-
Working Capital	56,566	-	16,511	-
Secured & Available Facilities	60,548	-	70,999	-
Capital expenditure that has been authorised by the Board of Management but has yet been contracted for	69,018	-	93,951	-
<u>Sources of Funding</u>				
Secured & Available Facilities	69,018	-	93,951	-
	GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
34 CONTINGENT LIABILITIES				
Freehold Care Properties	1,432	-	1,432	-
Development Scheme Guarantees	105	-	105	-
Pension Guarantee	200	-	200	-
	1,737	-	1,737	-

The freehold care properties were transferred by the Secretary of State for Health to the Group. If following transfer, the use of any of these properties ceases to be the provision of residential and nursing care support and accommodation to the local public or the Group decides to sell the property, then the charity would be liable to pay back to the Secretary of State for Health an amount equal to the value at which the transfer at 31 March 1999 was made. The Secretary of State for Health has first option to purchase these properties.

The development scheme guarantees relate to section 38 planning conditions on 2 development schemes and are with local authorities.

The pension guarantee relate to the employees transferred from a local authority who are members of the LCC LGPS scheme as detailed in note 29.

East Midlands Housing Group Limited

Notes to the Financial Statements

For the year ended 31 March 2026

	GROUP 2026 £000	PARENT 2026 £000	GROUP 2025 £000	PARENT 2025 £000
35 RELATED PARTY TRANSACTIONS				

Within the boards of the Group, there were no board members or shareholders at 31 March 2026 who were tenants of the Association during the year. Tenant Board and committee members are charged and required to pay rent on standard terms.

During the year emh Group (parent) had the following intercompany recharge transactions with regulated and non-regulated entities within the emh Group.

Sales to:

emh Housing & Regeneration Limited	16,787	15,378
emh Care & Support Ltd	1,208	1,163
Sharpes Garden Services Ltd	7	7
emh Development Company Ltd	512	582

Sales to subsidiaries are management costs and overheads charged using an activity based apportionment method. These charges are made at cost plus a margin.

Purchases from:

emh Housing & Regeneration Limited	226	314
Sharpes Garden Services Ltd	1	-

Purchases from emh Housing and Regeneration are rental charges for an office building. These charges are made at an arm's length commercial rate. Purchases from Sharpes Garden Services are provision of gardening services and contract management services, these charges are made at an arm's length commercial rate.

At the end of the year emh Group (parent) had the following intercompany balances with regulated and non-regulated entities within the emh Group.

Debtors

emh Housing & Regeneration Limited	-	4
emh Care & Support Limited	222	136
Midlands Rural Housing	240	171
emh Sharpes	193	158
emh Development Company Ltd	16	17
emh Treasury plc	1,072	1,053

Creditors

emh Housing & Regeneration Limited	2,265	2,300
emh Care & Support Limited	3	2
Midlands Rural Housing	-	48