



Black Country Housing Group

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

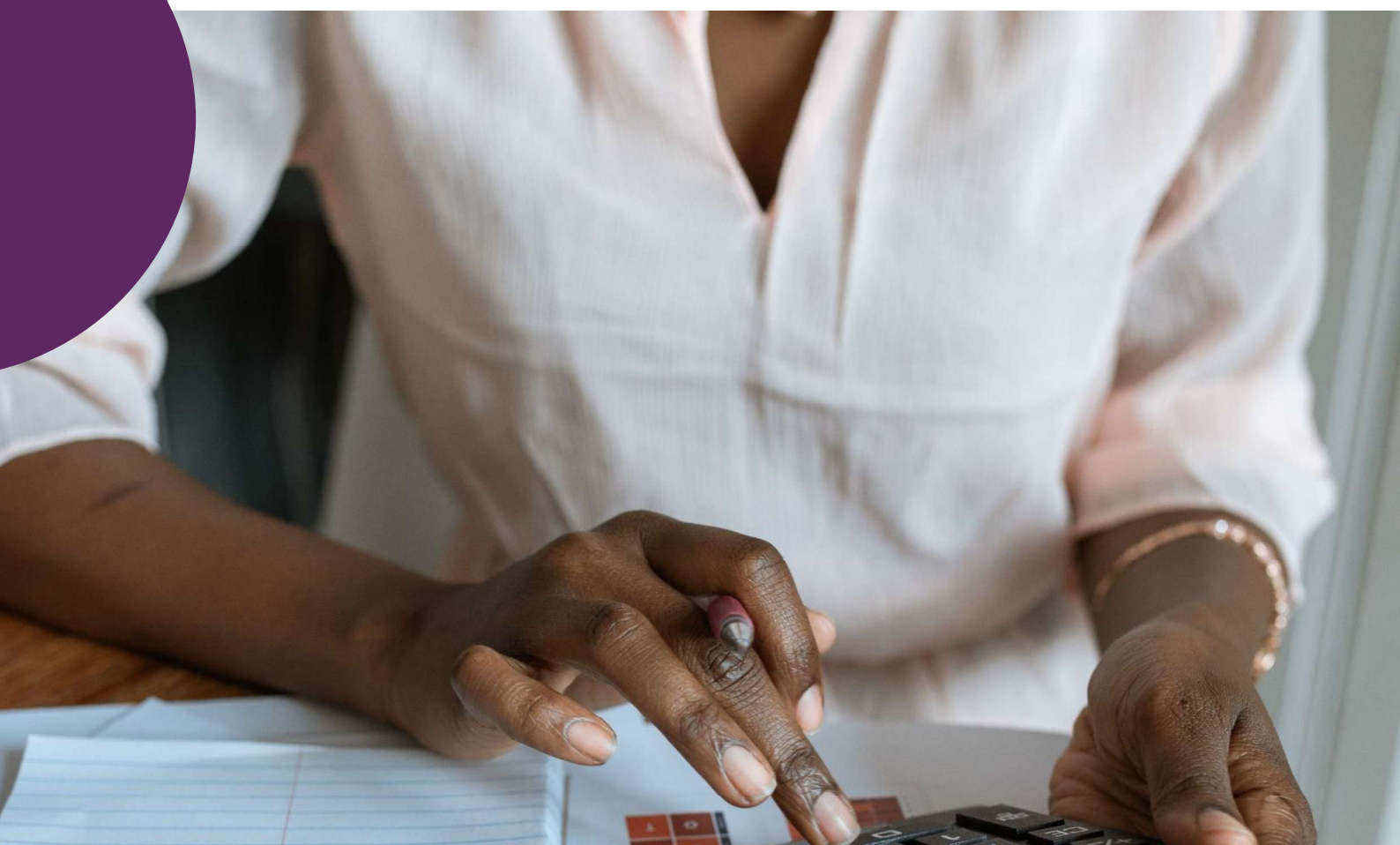


TABLE OF CONTENTS

Information.....	1
Chair's Statement	2
Chief Executive's Message	3
Report of the Board of Management	4
Strategic Report.....	14
Report of the Auditors	30
Primary Statements	
Statement of Comprehensive Income	34
Statement of Financial Position.....	35
Statement of Changes in Reserves.....	36
Consolidated Statement of Cashflows.....	36
Notes to the Financial Statements	
1. Legal Status	37
2. Accounting Policies	37
3. Critical Accounting Estimates and Assumptions	42
4. Turnover.....	44
5. Accommodation in management	46
6. Interest payable and similar charges	46
7. Operating surplus	47
8. Surplus on sale of fixed assets	47
9. Employees	47
10. Taxation	49
11. Tangible fixed assets.....	50
12. Impairment	51
13. Tangible fixed assets - other.....	52
14. Intangible assets	52
15. Subsidiary Undertakings.....	53
16. Stocks	53
17. Debtors.....	53
18. Creditors: amounts falling due within one year	54
19. Creditors: amounts falling due after more than one year.....	54
20. Recycled capital grant fund	55
21. Deferred capital grant	55
22. Financial instruments.....	56
23. Borrowings	56
24. Share capital	57
25. Reconciliation of profit after tax to net cash generated from/(used in) operations	57
26. Cash and cash equivalents.....	58

TABLE OF CONTENTS

27. Analysis of changes in debt 58

28. Capital commitments and other contractual obligations 58

29. Commitments under operating leases 59

30. Contingent assets..... 59

31. Retirement benefits 59

32. Related parties 62

Board

S Butters MBE (Chair - appointed 26 September 2024)
A Robson (Chair - resigned 26 September 2024)
L Wallace-Davis (Senior Independent Director)
N Wright (resigned 26 September 2024)
G Price
K Davis DL
N Simkins
S Brooksbank-Taylor
H Scarrett (appointed 26 September 2024)
M Lawton (appointed 26 September 2024)
A Tomlinson (until 30 April 2025)
A Eggington (from 1 May 2025)

Executive

A Tomlinson – Chief Executive until 30 April 2025
A Eggington – Chief Executive from 1 May 2025, Deputy Chief Executive until 30 April 2025
K Coulthard – Director of Resources
S Farnell – Director of People and Culture

Secretary

S Woods

Registered Office

134 High Street
Blackheath
West Midlands
B65 0EE

Bankers

Lloyds Bank plc
153 High Street
Blackheath
West Midlands
B65 0EB

Auditors

RSM UK Audit LLP
10th Floor, 103 Colmore Row
Birmingham
B3 3AG

Registration

RSH Number: L1668
VAT Number: 705333170
Co-operative & Community Benefit
Society: 21157R

CHAIR'S STATEMENT

This is my first Chair's statement, and I would like to pass on my thanks to the previous Chair, Abigail Robson, under whose guidance BCHG became an organisation I was proud to join. I would also like to thank BCHG Board for welcoming me to the organisation and for the support they have given me in my first year. Being a true Place Shaper, it is an organisation that feels a great fit!

One of the things that drew me to BCHG was how we listen to the customer voice and learn so that we can do better. It was particularly pleasing in 2024/25, when the first Tenant Satisfaction Measures were published, BCHG was ranked 9th out of 355 housing associations with an overall satisfaction score of 88.3%.

This level of performance is a strong step towards our commitment to deliver excellent services with a true customer focus and in so doing continue our objective of achieving a C1 (Consumer Standard) rating from the Regulator of Social Housing. We have recently retained our gradings of G1 for Governance and V1 for Viability. In 2024/25 BCHG Board committed to work even harder to ensure that our Customer Voice shapes services and makes a real and lasting difference to people's lives.

BCHG continued our commitment to new homes and despite a very challenging environment with pressures on value for money and contractor insolvency, we delivered 55 new homes in the year, including our largest scheme for years with 42 apartments at Siviter Court.

Retaining a focus on our existing stock, we also agreed a new Healthy Homes Strategy acknowledging that stock investment is about the people within the home and not just the bricks and mortar. We also continued to invest in energy efficiency, a theme which will be ever present in our future plans.

BCHG, like many others in our Sector, face challenges presented by the cost-of-living crisis, stock investment demands, customer expectation, regulatory challenge and net zero, however we believe we are in a strong place from which to move forward into 2025/26 with a clear focus and renewed vigour. I look forward to working with the Board, Executive team, customers, stakeholders and partners as we strive to deliver more.

Sinéad Butters MBE
BCHG Chair of the Board



CHIEF EXECUTIVE'S MESSAGE

As the new Chief Executive of BCHG from the 1 May 2025 I feel honoured that I can help BCHG continue its journey of being the best social landlord that we can be. We are in a very strong position as an organisation and I would like to thank the previous Chief Executive, Amanda Tomlinson for creating such a great legacy.

Our first Customer Scrutiny Conference was a huge success and working with residents we identified further improvements to how we work and introduced a new resident led complaints policy and helped us to decide to bring our gas servicing, maintenance and installations in house.

Performance in the year remained strong despite challenging economic conditions. We put in additional support during the year for those residents suffering economic hardship and overall total net rent arrears fell from 2.69% to 2.24%. It's our commitment to have no evictions, and whilst there was one eviction in the year, the resident had already abandoned the property and so it was a necessity.

Our care business continues to thrive, with New Bradley Hall providing quality residential care which is in high demand and generating strong surpluses during 2024/25. In the year BCHG Board decided to retain the home rather than transfer it to a new provider. Linked to this and our commitment to our communities we also agreed a new Supported Living Strategy with the aim of increasing both the quantity and quality in this critically important area for the Black Country.

Our business is one that is people based, not just our residents, but also our colleagues, as by supporting them we support our residents. In the year we spent £0.167m on learning and development, colleague turnover was 15.73% and colleague engagement was above target at 8.6 out of 10.

We continue to transform the business and in 2024/25 implemented a completely new IT system for both Housing Management and Finance. Due to sound management of the projects these were implemented on time and very close to budget which is a testament to the skills and commitment of BCHG colleagues.

We are now entering the final year of our current strategic plan in a very strong position and are already looking ahead to 2026 with the development of a new plan, retaining all that is good about BCHG and hopefully going that bit further, with our residents and colleagues at the heart of what we do.

Adrian Eggington
BCHG Chief Executive



Principal Activities

The Group comprises Black Country Housing Group (the Association) and its subsidiaries;

- BCS Associates Limited (dormant)
- Black Country Care Services Limited (dormant)

The Association is a registered provider of social housing and has exempt charitable status. Key activities during the year included:

- managing, maintaining and developing homes for rent;
- managing a residential care home;
- providing retirement and supported living;
- supporting people into work and training;
- helping to create sustainable communities and
- providing home improvements and adaptations.

Compliance with Regulatory Standards

The Regulator of Social Housing (RSH) provides a regulatory framework which consists of Economic Standards (Governance and Financial Viability; Value for Money; and Rent) and the new Consumer Standards (Neighbourhood & Community; Safety & Quality; and Tenancy, Transparency, Influence & Accountability.). From 1 April 2024 we have been working to the new Consumer Standards.

Each year the regulator requires registered providers to assess their compliance with the standards and the Group can confirm that it complied in all material respects with the above standards that were effective as of 31 March 2025.

We continue to maintain an assets & liabilities register, carry out stress testing on our financial plan and ensure that these and our annual budgets are based upon robust and prudent assumptions. We have also continued to operate a sophisticated approach to managing risk, based on risk triggers and early-warning indicators.

Governance

The BCHG Board has adopted the NHF Code of Governance 2020, and a full review of the requirements has been carried out. BCHG has already set the maximum tenure of Board Members at 6 years however to ensure stability the Board agreed a Non-Executive Director Succession Plan which addresses the balance of skills and experience on the Board to ensure fully effective governance. This means that a managed transition for succession of key postholders will take place, supporting wider compliance with all Code principles.

The Group's Board meets at least six times a year and comprises of eight non-executive members, plus one executive member, the Chief Executive. The Board met six times during 2024/25 and welcomed three new Board members, including the new BCHG Board Chair, who were all elected at the 2024 Annual General Meeting in September.

The Non-Executive Director succession plan ensures that the BCHG Board remains effective, through the appointment of new members with the relevant skills, knowledge and experience, to enhance the long-term performance and excellent governance of the Group. It is also important to us that the Board maintains a diverse and representative membership.

Current Board Member Profiles

Sinéad Butters MBE (BCHG Board Chair from 26 September 2024) - Sinéad has been Chief Executive of Aspire Housing for 18 years. She is an experienced Non-Executive Director, currently serving as a NED on Goram Homes and former Chair of Berneslai Homes. She is passionate about housing and the role Housing Associations play in creating vibrant, sustainable communities.

Dr Abigail Robson (BCHG Board Chair until 26 September 2024) - Abigail is an experienced governance expert and was previously a senior manager in local government in housing policy, practice and development. Her professional background is as a quantity surveyor. Abigail was also a member of Remuneration, Nominations & People Committee.

Lorna Wallace-Davis (Senior Independent Director and Chair of Remuneration, Nominations & People Committee) - Lorna began her career as a social worker and currently runs her own company providing culture change, facilitation, training and executive coaching in the public, housing and independent sectors. Lorna is the Senior Independent Director of BCHG and Chair of Remuneration, Nominations & People Committee.

Nicholas Simkins (Group Audit Committee Chair) – Nick is a retired audit partner and qualified accountant with an excellent understanding of corporate governance and risk management. Nick brings board member and Audit Committee chair experience as well as commercial and business knowledge and experience.

Gareth Price – Gareth currently works for Trident Group, responsible for leading on property development, asset investment and delivery of the sustainable homes programme. Gareth is a member of Group Audit Committee.

Kevin Davis DL - Kevin is a social entrepreneur, and Group Chief Executive of the Vine Trust. He is passionate about regeneration and education, and he is a social mobility champion. Kevin is an experienced board member in the health and education sectors. Kevin is a member of Remuneration, Nominations & People Committee.

Susan Brooksbank-Taylor – Susan brings 30 years' experience in the social housing, homelessness, wellbeing and recovery sectors, including Chief Executive, chair and board director roles. Susan is passionate about people, community, social purpose and solidarity. Susan is a member of Remuneration, Nominations & People Committee.

Helen Scarrett – Helen brings extensive experience as a senior executive in the social housing sector and as a charity CEO. She is a qualified housing professional with strong knowledge of housing and property management. She is an experienced Board Member and lives in the Black Country.

Mike Lawton - Mike brings senior executive experience in commercial and communications from his time in the private sector. He also has non-executive experience having been on the Board of other social housing providers.

REPORT OF THE BOARD OF MANAGEMENT

Nigel Wright - Nigel is a multi-sector independent Non-Executive Director, business owner and social entrepreneur. He brings broad commercial and digital expertise to the Board. Nigel was also a member of Group Audit Committee.

Amanda Tomlinson - Amanda was Chief Executive of Black Country Housing Group between 2013 and her retirement on 30 April 2025. She has a professional background in Finance and as well as being an Executive Board Member at BCHG, holds a number of non-executive roles in other organisations.

Adrian Eggington - Chief Executive and Executive Board Member since 1 May 2025. Adrian has been at BCHG since November 2015 having previously worked in executive roles for Housing Associations in London and Staffordshire with specialisms in housing and asset management, care and resident engagement. He previously held the Director of Operations and Deputy Chief Executive roles at BCHG.

The Group's Board has ultimate responsibility for the strategic planning and risk management framework. The Board is supported by two committees, Group Audit Committee (GAC) and Remuneration, Nominations & People Committee (RNP). Both GAC and RNP comprise of four non-executive members. GAC met four times during the year and RNP met five times. All members of these committees are also members of the BCHG Board.

Internal Control

BCHG's Board is committed to the highest standards of conduct and ethical behaviour. The Board has overall responsibility for establishing the system of internal control and for ensuring it is effective and focussed on the key risks threatening the Group's ability to meet its objectives. The Board reviews the system of internal control twice a year.

The internal control system is designed to reduce and manage risk, however the Board recognises that it provides reasonable, but not absolute, assurance. It does not eliminate the risk of failure to achieve Group objectives.

The Group Audit Committee received the annual report on internal control assurance at its meeting in April 2025, reviewing also the Board Assurance Map to satisfy itself of the effectiveness of the control processes.

The key components of BCHG's internal control system and the contributions to assurance are set out below.

Control System	Contribution to Assurance
Customer Voice & Complaints	Board receives a quarterly update on customer feedback, complaints and Tenant Satisfaction Measures. Annual Customer Scrutiny Conference held. Board Members have also attended a range of events involving Customers.
Governance Framework	Provides an overall structure for the Group's governance arrangements and gives oversight and scrutiny of the Group's activities and performance.
Risk Management Framework	Sets out the mechanisms and framework through which the Board, Executive and management will identify, manage and mitigate risks that may impact upon delivery of strategic objectives.

REPORT OF THE BOARD OF MANAGEMENT

Delegations Framework	Gives clarity on those responsibilities that are Matters Reserved for the Board, together with those that are delegated to committees of the Board as well as Chief Executive, Directors and Executive Board.
Terms of Reference for Group Committees, Working Groups and Panels	These set out clear delegations from BCHG Board for specific responsibilities and duties.
Financial Regulations	Annual oversight and approval by Group Audit Committee. They control the delegation of authority to commit and spend BCHG resources.
Strategic Plan and Financial Plan	Board's triennial approval of the Strategic Plan is supported by a detailed annual review of the Financial Plan. This includes stress testing and sensitivity analysis which ensures resources are in place to implement BCHG's long term vision, and mitigating actions are identified to preserve long-term sustainability and viability.
Approval of Strategies and Key Policies (customer-facing and corporate risk management)	Approval by Board, Committees and Executive Team confirms that strategies remain aligned to objectives, and that policies are up to date, compliant with relevant law and regulations, and remain fit for purpose. All customer facing strategies and policies are subject to customer scrutiny under the No Voice, No Approval approach.
Performance Monitoring	Key Performance Indicators and strategy performance updates are reported through each meeting of Executive Board and BCHG Board. These enable adverse variances to be identified, so that prompt review and corrective action can be taken.
Financial Monitoring	Annual budget approval, monthly management accounts reporting to the Executive Team, and consideration of the financial position and covenant compliance by the Board at every meeting support the delivery of financial goals.
Treasury and Cash Flow Management	Annual update and approval of the Financial Plan and Treasury Strategy together with monthly reviews of cash-flow forecast enable the Executive Team and Board to assess liquidity and availability of secured funding. Monthly forecasts of golden rule and covenant performance facilitate testing of compliance with lenders' requirements.
Assets and Liabilities Register	BCHG maintains an up-to-date register of all assets, liabilities and contracts. This is reviewed annually by Group Audit Committee.
Independent Assurance	External reviews are commissioned to provide independent assurance to the Board across a range of service areas. In addition, BCHG engages with advisors from a range of specialisms to support the Executive Board in ensuring services meet required laws and regulations and to minimise risk.
Safeguarding	Safeguarding Panel reviews ongoing safeguarding matters, determining lessons learned and improvements required, with annual reporting through the governance structure.
Health & Safety	Health & Safety Panel ensures key risks are monitored effectively, BCHG Board also receives an annual review of Health & Safety. Landlord compliance reports are considered at every meeting of Group Audit Committee and are reported upon quarterly to BCHG Board.

REPORT OF THE BOARD OF MANAGEMENT

Data Management and Cyber Security	The Data Management Panel oversees implementation of BCHG's data management framework, taking a key role in data security. Cyber security is managed through inhouse expertise, colleague training and external support.
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The Board is able to take further assurance from the following:

Risk Management

As detailed elsewhere in the Report of the Board, BCHG has a Risk Management Framework in place and regularly maintains its strategic and operational risk registers. The Framework is reviewed annually, whilst the Strategic Risk Register is a dynamic document reviewed monthly by Executive Team and at each meeting of BCHG Board. The Board has set its risk appetite for each category of risk and a statement of the risk appetite is included in the Risk Management Framework. Risk Events, including for example "near misses" are also considered by the Executive Team and reported to each Board meeting through the Risk and Assurance Update report.

Assurance Framework

BCHG has in place a Board Assurance Map to clearly illustrate to Board the various sources of assurance in accordance with the three lines model. The Board considers this at each meeting as part of its regular review of risk matters.

External Audit

RSM were appointed as BCHG's external auditor in 2019 for a 5 year-term and have been reappointed annually at the Annual General Meeting each September.

The external auditor provides assurance through the audit report and management letter confirming that no matters have come to the auditor's attention that would give rise to significant instances of internal control weaknesses or irregularity. The Chair of Group Audit Committee meets the lead partner at least once per year and the Committee also meet the auditor in camera without officers present at least annually.

Recently, BCHG has re-tendered for external audit services and Beever and Struthers have been awarded the contract, commencing with the audit of the 2025/26 financial year. They will be formally appointed at the Annual General Meeting in September 2025.

Internal Audit

BDO continue to fulfil the role as BCHG's internal auditors and have now completed year 2 of a second three-year term following successful reappointment. Positive assurance was provided to Group Audit Committee through BDO's annual report, which summarises the audits that have been undertaken and reported on throughout the year to each meeting of the committee. A recommendation tracker and follow-up audits ensure that recommendations are implemented.

Regulatory Engagement

BCHG embraces the Regulator of Social Housing's ethos of co-regulation. All data submissions are completed accurately and on time having been reviewed by the Director of Resources and Chief Executive, and an open and transparent dialogue is maintained as we work to ensure compliance with the Regulatory Standards.

As a provider of registered care services, BCHG also works to comply with all standards set out within the Health & Social Care Act and Care Quality Commission Regulations.

Principal Risks

The Black Country Housing Group Board has overall responsibility for the risk management strategy, framework, and internal control systems within the Group. Having regard to the risks arising from

REPORT OF THE BOARD OF MANAGEMENT

the Group's Strategic Plan, the Sector Risk Profile, and the many external factors that challenge our services, the Group has identified its key strategic risks.

As part of the Group's risk management strategy, the Board has set out its statement of Risk Appetite and assigns a risk category of Averse, Minimal, Cautious, Open or Hungry to each of its risks. For risks with an Averse risk appetite, every action possible will be taken to eliminate risk, as opposed to those risks assigned a Hungry risk appetite, where more innovative options would be taken to achieve potentially higher rewards. The Board makes decisions around what risks are captured, the mitigations/controls and further actions required to demonstrate that the risks are being managed to an appropriate level within the Group's risk appetite. Each of the Group's strategic risks are linked to stress testing exercises, performance indicators and other appropriate metrics.

A set of early warning indicators and risk triggers which take into consideration the risk appetite and stress testing scenarios, are monitored by the organisation's Executive Team and the Board alongside the Group's key performance targets. The Board has delegated responsibility for overseeing the effective day to day management of risk to the Executive Team and receives a detailed risk update at each Board meeting. During the year the Board reviewed risk appetite and elected to make amendments where applicable.

Specific Strategic Risks

The 2024 Sector Risk Profile (SRP) was published by the Regulator of Social Housing (RSH) in October 2024. Top of the strategic risks list is financial viability with the SRP highlighting that viability risks across the sector have intensified. Rising interest rates, increased spending on stock to achieve quality standards, and rent increase limits have strained financial resilience, and many social landlords are facing reduced financial headroom. Social landlords are facing significant and competing pressures to deliver both more, and better quality social homes against this backdrop.

Effective tenant engagement, responsive complaint handling, and transparent reporting on tenant satisfaction are key areas requiring improvement. Compliance with the new consumer standards dictates a proactive, transparent approach to tenant engagement and reporting accuracy.

Data Integrity and Cybersecurity feature again, with accurate, and comprehensive data on stock condition and tenant information being noted as crucial. Increased digital vulnerabilities pose risks to data integrity, with a rise in ransomware and phishing attacks in the sector impacting operational continuity and regulatory compliance for some providers.

Risks & Assurance

BCHG Board Risk Appetite	
FINANCIAL VIABILITY - Cautious	PEOPLE – Open
REGULATORY COMPLIANCE - Averse	HEALTH & SAFETY - Averse
HOUSING OPERATIONS - Cautious	CARE OPERATIONS - Minimal
NEW COMMERCIAL VENTURES – Cautious	DEVELOPMENT - Open

Description of Risk	Source of Assurance
Health and Safety policies fail resulting in serious detriment to a customer.	Bi-monthly Health & Safety Panel meetings taking place with minutes provided to the Executive Team. Policies and

REPORT OF THE BOARD OF MANAGEMENT

	procedures reviewed and updated regularly. Colleagues trained in IOSH and NEBOSH. Full fire safety checks completed on all properties with cladding.
Political uncertainty and shifting government policy negatively impacts upon BCHG's Strategic Plan and Operating Model.	Experienced Executive Team and Board with updates to Board as needed. Regular stress testing and Mitigations plan in place.
Uncertainty in development programme delivery caused by economy or government policy impacts on achievement of Development Strategy.	Appraisal model in place. Ability to switch between tenures within programme in case of market failure. Able to proceed with developments that are both land led and brought as a package deal. Member of the Matrix partnership.
Group ceases to be Financially Viable.	Financial Plan sensitivity analysis and stress testing owned by Board. Annual external audit opinion includes a Going Concern assessment. Compliance with loan covenants and golden rules as well as cashflow and other KPIs reported to each Board meeting. Internal audit on key financial systems.
Macro / Micro economic position impacts on some or all aspects of BCHG services.	Executive Team ongoing monitoring of UK's position. Updates from external advisors. Maintain contact with suppliers. Business continuity plan in place.
Financial loss, disruption or damage to the reputation of the Group caused by Cyber Crime.	GDPR training and awareness programme for all colleagues. Cyber risk awareness programme and policies in place. Firewall extended to off-site devices. Anti-virus software upgraded and installed on all equipment. Sophisticated cloud back-up solution in place. Penetration testing and cyber essentials in place.
The Government may cap future rent increases which would have a negative impact on income, creating a challenge for BCHG to meet rising costs.	Strong awareness of government policy changes, regular update and reporting of our financial plan, stress testing & mitigations. Effective financial reporting to identify cost pressures early.
Failure to manage Data Integrity.	Network Security Policy and Data Protection (DP) Policy in place. DP training for all colleagues. Access to systems monitored by ICT. Permissions granted and monitored by system administrators. Quarterly controls and checks. Data Management Panel meet at least quarterly.
Failure to recruit and retain engaged, motivated, skilled and productive colleagues.	Annual pay review and terms and conditions regularly kept under review. Training and development programme in place. Quarterly staff engagement surveys. IIP Gold recognition. Reward Strategy in place to recognise high performance and positive contributions. Management Development Programme launched and Talent Management Plans in place.
Tenant Voice is not heard at operational and / or Board level resulting in a breach of the Consumer	Resident Scrutiny Voice Panel in place. Customer Contact Strategy. Customer Engagement Strategy. Customer Transparency Strategy. Customer Success Strategy.

REPORT OF THE BOARD OF MANAGEMENT

Standard and the Code of Governance.	Customer Scrutiny Conference. Independent customer surveys quarterly. Complaints Policy and Procedure. Live customer feedback facility on BCHG website.
Ineffective Governance.	Annual review of Governance effectiveness. RSH stability checks and In-Depth Assessment. Annual compliance check with regulatory standards and NHF Code of Governance. Biannual review of Internal Controls. Succession planning in place for board member replacement.
Rental Income impacted by tenants' ability to pay leading to significant increase in rent arrears.	In depth understanding of our customers through our Customer First approach. Strong and experienced leadership in place for the Operations Team. Tenancy Support Programme. Colleague training and development. Regular reporting of rent arrears and cash collection levels.
Stock may not meet revised Decent Homes Standards diverting investment plans for energy efficiency and sustainability expectations to DHS works.	Asset Register in place for all properties. Asset Investment Strategy, Asset Disposal Strategy and Environmental Strategy all in place. Stock condition surveys regularly refreshed and externally validated. Investment requirements included in the 30-year Financial Plan. Works funded through the Social Housing Decarbonisation Fund carried out.
Responsive repairs, gas service and other compliance activities do not meet service expectations.	Healthy Homes Strategy in place. Repairs and Maintenance Policy in place. Risk events are reported and Sticky cases monitored. Disrepair claims are reported and monitored. Tenancy Visitation programme. Internal Stock condition 5 year visits.
Inadequate quality of service in our registered care services leads to serious harm or death to a resident.	Effective management team. Staff recruitment programme and substantial induction programme in place. Ongoing training and development for all colleagues in care services. Care Quality Assurance Framework in place. Internal audit.
Failure to retain skilled, knowledgeable and experienced executive colleagues.	Annual pay review and external benchmarking at least every three years. Succession Plan in place.

Equality, Diversity & Inclusion

At BCHG Equality, Diversity and Inclusion is reflected in everything we do, and colleagues are challenged and encouraged to view the work that they do through an EDI lens. It is important that we acknowledge and respect diverse cultures, embrace differences and have conversations without hesitation. Our EDI Strategy 2024-2027 was developed through customer and colleague consultation, underpins all of our other strategies and sets out the following objectives: Engage and listen; Lead from the top; Promote who we are; Educate and Review and Learn.

In 2023 we became members of the Employers Network for Equality and Inclusion (enei) and in 2024 we were awarded a Silver Award through their TIDE assessment (Talent, Inclusion and

REPORT OF THE BOARD OF MANAGEMENT

Diversity Evaluation). Our colleague led EDI Sounding Board continues to raise awareness of EDI amongst their peers with EDI being integral to The BCHG Way.

We also publish our Gender Pay Gap annually and have recently calculated this for April 2024 which shows a mean gender pay gap of 20.13%. This is our lowest gender pay gap to date. We have a number of women in senior positions within the business, including 75% of the Executive Team, and we also have a predominantly female workforce in our care business. We are looking at ways of reducing this gap further through our approaches to recruitment, talent management and promotion. We also calculate and publish our Ethnicity Pay Gap which in April 2024 was a positive 14.88%.

Our hybrid working policy and the flexibility this affords, benefits our colleagues, particularly those with family commitments, and in 2024 an external review of our People and Culture returned very positive results.

Going Concern

The Group's business activities, its current financial position, and factors likely to affect its future development are set out above and within the Strategic Report.

The Group has total fixed assets of £148.207m, an increase since the previous year of £7.487m, reflecting the ongoing investment in tenants' homes, along with the development and acquisition of new housing properties.

Overall net current liabilities as at 31 March 2025 stand at £0.283m, a movement of £2.886m from the prior year net current assets of £2.603m, mainly due to a reduction in cash and cash equivalents. Net current liabilities include debt repayable within one year of £0.779m, Recycled Capital Grant Funding (RCGF) of £0.604m and Deferred Capital Grant of £0.606m, both of which, although recognised as potential current liabilities, are usually able to be recycled within our business.

Long term creditors repayable after one year have increased by £2.841m from £106.120m to £108.961m, with an increase in Deferred Capital Grant, part offset by reductions in RCGF and debt. The Group has in place long term debt facilities which provide adequate resources to finance committed development and renewal programmes along with the Group's day-to-day operations. Debt outstanding as at 31 March 2025 was £51.813m, the long-term financial plan shows that the Group is comfortably able to service its debt facilities whilst continuing to comply with loan covenants.

The statement of financial position shows a strong net asset position for the Group of £37.666m as at the 31 March 2025, and the 2025 iteration of the financial plan has been prepared and stress tested. It is compliant with all lender loan covenants and internal golden rules, demonstrating BCHG to be strong and financially viable, both in the short and longer term.

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

Post Balance Sheet Events

The financial statements for 2024/25 have not been adjusted for any post balance sheet event.

Statement of Board's responsibilities under the Co-Operative and Community Benefit Societies Act 2014 for a registered provider of social housing

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Registered Provider (RP) and of the surplus or deficit 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the RP will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the RP and to enable it 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. It has general responsibility for taking reasonable steps to safeguard the assets of the RP and to prevent and detect fraud and other irregularities.

Auditors

All of the current board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the association's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

A resolution for the appointment of Beever and Struthers as auditors of the Group is to be proposed at the forthcoming Annual General Meeting.

Sinéad Butters MBE
BCHG Board Chair
31 July 2025



STRATEGIC REPORT

Strategic Objectives Performance

Our three-year Strategic Plan incorporates our five strategic objectives of:

- Trusted Landlord
- Quality Homes
- Thriving Communities
- Outstanding Employer
- Sound Business

There have been many positive achievements for the year as can be seen in the tables that follow.

Trusted Landlord
Key Achievements
Customer overall satisfaction with BCHG as a landlord at 85.7%. BCHG treats tenants fairly and with respect at 88.0%. Annual home visit programme embedded and increased presence on estates and within neighbourhoods. Strong links maintained with Local Authority Anti-Social Behaviour Teams, Police & other agencies. Annual Customer Scrutiny Conference held with a high number of residents in attendance. Neighbourhood plans developed in collaboration with local services and customers. Pathways established with the Health & Housing Forum. Service efficiency improvements made through hearing the Customer Voice. New Customer Portal and Repairs Portal launched. Activities to enhance customer wellbeing delivered within Retirement Living schemes. Money management support to residents through the Social Business Team. Promotion of a respectful and inclusive culture is having a positive impact; 27% of lettings went to ethnic minorities against a target of 20%.

Quality Homes
Key Achievements
Customer satisfaction with repairs at 84.2%. Satisfaction that the home is well maintained achieved 83.1%. Satisfaction that the home is safe achieved 84.9%. 100% of our homes meet or exceed the Decent Homes Standard. Capital programme of windows, doors, kitchens, bathrooms and boilers delivered. External benchmarking with Matrix peers show that our stock condition investment and responsive repair services continue to deliver value for money for BCHG. Compliance works ensure homes and communal areas remain safe. Damp, Mould and Condensation Policy agreed by Board. Fire safety risk assessments undertaken and investment increased. Homeforce have DLO:Accredit status from HQN. Development programme has delivered 55 new homes in the year. Healthy Homes Strategy approved by Board.

STRATEGIC REPORT

Thriving Communities

Key Achievements

72 hubs in the community supporting digital skills.
Over 411 volunteers and staff in the third sector have been trained by BCHG with over 4,886 end users benefitting.
The Savoy Centre had footfall of over 12,713 users.
Supported 14 customers through Rough Sleepers Accommodation Programme, care leavers, homeless prevention and the digitally excluded.
33 people have been supported with essential items who were previously homeless.
Care2Mentor supported 222 young people.
Gifted out 467 laptops in the year to people in the community and 28 data sim cards, this recycling initiative has diverted 1440kg from Landfill.
280 tenants supported through the year with a wide range of interventions including fuel vouchers and bus passes with positive outcomes through the tenant support programme.
Various projects are supporting local people to access employability, digital and independent living skills.
Employability project helped 30 individuals with job seeking skills.
Loneliness and isolation reduction project has supported lonely people to connect with others.

Outstanding Employer

Key Achievements

Equality, Diversity and Inclusion Strategy in place.
Annual EDI survey undertaken with colleagues.
The EDI Sounding Board are raising awareness on all aspects of EDI.
Employers Network for Equality and Inclusion (enei) Silver Standard achieved.
Quarterly engagement survey results exceeded the target at 8.6.
A refreshed Total Reward Strategy is in place.
'My Good Idea' generated innovation from colleagues making positive change across BCHG.
5 apprentices in post across BCHG.
Successful Staff Conference took place in October with awards to celebrate colleagues' achievements over the year.
A number of One Team days and Staff Forum activities delivered through the year.
Positive outcomes from the external People and Culture review.
Delivering Service Excellence and Brand Ambassador Programmes delivered.
5 Pillars of Wellbeing campaign delivered.

STRATEGIC REPORT

Sound Business
Key Achievements
G1/V1 retained. Financial Plan approved by Board. Lender covenants complied with. Housemark monthly pulse benchmarking in place. Effective management of Aged Debt. Annual laptop health checks implemented to minimise remote working issues. Housing and Finance software systems successfully implemented on time and to budget. Annual Penetration Test complete. Cyber Essential reaccreditation achieved. Monthly Cyber Crime awareness raising. Mobile device upgrades for colleagues to support excellent customer service and system security. Data Governance Framework in place. Increased Social Media engagement on all platforms. TSM quarterly results published on the website Board to tenant feedback published after each meeting of the Board.

Value for Money

Our approach

At BCHG our mission is to be a Social Business Investing in People and Communities. Value for Money (VfM) is a theme which runs throughout our three-year Strategic Plan. For us this means being a well-run not-for-profit organisation, operating effectively and efficiently, generating surpluses which create social value. BCHG's VfM strategy is a holistic approach that encompasses financial prudence, customer satisfaction, resource optimisation, and continuous improvement. It aims to deliver maximum value to customers while ensuring the long-term financial sustainability of the organisation.

BCHG has long been committed to delivering a diverse range of services to our local communities and employing local people and suppliers. VfM is about maximising the social return achievable through our investment in physical assets (including tenants' homes, ICT and our offices) and other assets (such as our people, partners and suppliers), providing homes which are safe and high-quality services, delivered by qualified and proficient colleagues, using systems that are modern and fit for purpose.

Value for Money Metrics

The Regulator's 2018 Value for Money Standard introduced seven metrics to be reported on across the sector. BCHG's results covering both a backwards and forwards look across a three-year period have been included. Comparatives for 2023/24 for the overall social housing sector are also shown for information.

Black Country Housing Group Limited

STRATEGIC REPORT

In addition to the seven metrics defined by the regulator, an adjusted headline social housing cost per unit has also been included, to remove the impact of the higher cost service provision in care. Overall, the metrics for 2024/25 demonstrate a strong and positive position.

RSH Value for Money Metrics	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2023/24 Sector Median
	Actual			Forecast			
Reinvestment	6.2%	8.1%	5.5%	11.0%	12.6%	8.0%	7.7%
New supply delivered							
- Social Housing	1.3%	2.4%	2.7%	0.8%	2.6%	3.3%	1.4%
- Non Social Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gearing	30.8%	33.3%	33.0%	34.9%	39.8%	40.8%	45.6%
EBITDA MRI	185.0%	220.0%	210.3%	194.1%	170.0%	177.0%	121.7%
Headline social housing cost per unit	£6,270	£6,331	£6,667	£7,302	£7,108	£7,064	£5,136
Adjusted social housing cost per unit	£4,029	£4,354	£4,448	£4,955	£5,003	£4,969	£5,136
Operating Margin							
- Social housing lettings	27.5%	29.6%	29.3%	29.6%	23.2%	25.2%	20.4%
- Overall	15.6%	20.4%	18.7%	18.2%	16.8%	18.6%	18.5%
Return on capital employed	4.0%	2.9%	2.7%	2.5%	2.1%	2.7%	2.8%

Metric 1 – Reinvestment *(Financial investment in acquiring and developing new properties)*

BCHG continues to invest in its existing homes and is delivering against a steady development pipeline of new affordable homes. There are 45 units that have either completed since the financial year end or are currently on site, with a target to have a further 106 new homes commence on site during the year. Beyond this our development targets will level off to around 50 new affordable homes per year between 2028 and 2032.

Metric 2 – New supply delivered *(The number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total housing units and non-social housing units owned at period end)*

BCHG continues to develop new affordable homes for rent. In addition to the 55 new homes built in 2024/25, at 31 March there were 19 units on site at Green Lanes which have now handed over. A further 26 units are on site at the former Gas Showrooms development in West Bromwich and are expected to be completed by October 2026. BCHG remains committed to developing new affordable homes as outlined above. BCHG has not developed any new units for non-social housing purposes and currently has no plans to do so.

Metric 3 – Gearing *(Assesses our level of debt against the value of our housing properties)*

The final tranche of our £40m Private Placement was issued on 3 April 2023. Our continued commitment to ongoing investment in our homes and new development will result in an increased borrowing requirement over the short to medium term, as the forecast above demonstrates, albeit this measure is still set to remain below the sector median.

STRATEGIC REPORT

Metric 4 – Earning Before Interest, Tax, Depreciation, Amortisation – Major Repairs Included (EBITDA MRI) *(Interest cover test that is an indicator for liquidity and investment capacity)*

BCHG continues to perform very strongly against this measure in comparison with the sector as a whole, whilst ensuring that levels of interest in our assets are maintained.

In the last financial years, the result against this metric has been positive and is mainly owing to the financial performance and operating surplus achieved as well as favourable levels of interest received from short term investments. It should be noted that interest costs have gradually increased due to the new costs of borrowing associated with the long term private placement being issued, and a marginally higher proportion of variable rate borrowing compared to prior years.

Future performance against the metric is forecast to be at lower levels, due to the aforementioned interest costs, investment in our business and the continued challenges of operating in an increased higher inflation environment, consistent with what is being experienced sector wide.

Metric 5 – Headline social housing cost per unit

Our overall headline social housing cost per unit includes costs associated with the provision of Supported Living and Residential Care and therefore is at a higher level than sector median. The predominant reason for the increased unit cost is that a significant proportion of the costs for these services are for salaries, which have seen significant increases in line with National Living Wage in recent years. Management and service charge costs have also increased due to increased investment in ICT transformation programmes, cyber security and other overheads, in support of the high level of service provision that we set out to achieve. In 2022/23 the improvement in this metric is largely attributable to the sale of the residential care home at Gower Gardens, and the associated reduction in operating costs.

As expected, the metric results during 2023/24 and 2024/25 increased, due to the ongoing investment in the business, an increased demand on services, and the challenging higher inflationary operating environment. Looking ahead to 2025/26 and beyond this metric will again increase as we respond to the environment we are working within and changes in government policy including additional costs for employers National Insurance Contributions.

An additional metric (5b) is also included in the table above which removes the impact of Supported Living and Residential Care, to provide greater transparency and read across to the sector comparators. Over recent years there has been increased investment in our assets both in terms of planned maintenance and capitalised component replacements, as well as continued investment in our People and ICT across the business. This has given rise to an increased cost per unit and is consistent with what is being seen in overall trends for the sector. Our unit costs remain at a lower level than our peer comparators and forecasts suggest that this will continue to be the case. Between 2022/23 and 2023/24, the increase in the median social housing cost for the sector was notably higher than that recorded for BCHG.

Metric 6 – Operating margin *(This aims to measure how efficient an organisation is)*

Social housing lettings – This is a metric where BCHG at 29.3% continues to significantly outperform the sector median, which for 2024 sat at 20.4%. Strong levels of performance are expected to continue, however there has been some reduction in this measure over time and this is reflective of the additional investment within the business and increasing costs. This is consistent with what is

STRATEGIC REPORT

being experienced across the sector. The forecast performance shows that the operating margin is expected to increase slightly in 2025/26 followed by a temporary reduction in 2026/27. This is mainly a consequence of additional depreciation charges for new developments completing that year, ahead of a full year's worth of rent being recognised. This is a key year in respect of our development programme, and in the years afterwards our rental income increases due to the handover of these new units, thus we see an increase in operating margins.

Overall - The sector trend for this metric has seen a steady decline in recent years. Whilst BCHG has traditionally compared less favourably owing to our diverse non-social housing activities, the sale of the care home in 2022/23 and strong financial performance in the proceeding years has seen us buck this trend slightly. A challenging budget was set for 2024/25 and again in 2025/26, with the financial plan for 2026/27 and beyond continuing to include resources for us to invest in our assets and our people, in order to provide our customers with high-quality services.

Metric 7 – Return on capital employed *(Assesses the efficiency of capital resource investment)*

Performance against this metric largely tracks that of our overall operating margin and has been boosted in recent years by the positive operating surpluses achieved. BCHG performance here largely tracks the sector median.

Director Remuneration and Management Costs Metrics

The Regulator for Social Housing has issued Value for Money guidance in respect of the Transparency, Influence and Accountability Standard which details the calculation of performance metrics for directors' remuneration and management costs. These are included below.

RSH Value for Money Metrics	2024/25 Actual
The remuneration paid to the highest paid Director relative to the size of the landlord	£63 per social housing unit that is owned and managed
The aggregate amount of remuneration paid to Directors relative to the size of the landlord	£238.61 per social housing unit that is owned and managed
Management costs relative to the size of the landlord	£1,392.31 per social housing unit that is owned and managed

Value for Money Achievements

Housing Management and Responsive Repairs

Our approach to supporting tenants through their dedicated Customer Relations Managers continues to have a positive bearing on some of our key housing management metrics, such as rent arrears and rent collection, and the more recently introduced Tenant Satisfaction Measures (TSM's). The role of the Tenancy Support Programme, which looks to provide additional help and advice to our most vulnerable tenants, has also been successful in helping to manage arrears, but also in securing new benefits and funding available to tenants. Signposting to other agencies and means of support also adds value.

Our housing management KPI's have continued to show a positive trend over the last three years, our rent collection levels are consistently above 100% and both our arrears and void loss performance improved during 2024/25. Our new housing management system and customer portal will hopefully help to enhance our data collection and communications with customers to improve these performance measures even further.

STRATEGIC REPORT

	2022/23	2023/24	2024/25
Rent Collected %	101.35%	100.17%	100.47%
Total Arrears %	2.63%	2.69%	2.24%
Void Loss %	0.85%	0.87%	0.80%

Our responsive repairs and maintenance service also continues to perform well; responsive repairs completed on first visit shows a very positive upwards trend over the comparative years with 93.61% being achieved during 2024/25. Emergency repairs performance has tracked at 100% across all of the years. Non-emergency repairs completed on time, despite a slight dip in 2024/25, show an exceptional improvement since 2022/23 during the past two years.

	2022/23	2023/24	2024/25
% Responsive Repairs Completed On First Visit	84.03%	87.80%	93.61%
% Emergency repairs completed on time	100%	100%	100%
% Non-Emergency repairs completed on time	81.57%	94.25%	92.47%

Customer Voice

We worked with our Resident Scrutiny Voice Panel to identify three key areas where improvements could be made to better enhance the customer experience. The areas identified were; Gas Servicing, service standards for Responsive Repairs; and clarity around the Complaints process and definitions. These issues were discussed at our first Customer Scrutiny Conference held in September 2024 and the outcomes of which strongly helped to shape our service improvement plan. As a result, from 1 April 2025 gas servicing has now been brought in-house with BCHG directly handling all gas servicing and boiler installation within our tenants' homes. Service standards for responsive repairs are now much clearer due to the 'golden rules' for operatives which were co-designed with tenants. These golden rules include things such as always wearing shoe covers when working in tenants' homes and should lead to a more consistent and professional approach and experience for customers. These standards are monitored by the Repairs Partnership Board, which includes seven residents who meet quarterly. The final area of focus was around complaint handling and the rule of thumb that was agreed was that if a customer raises an issue once, it is deemed to be a service request; if a customer needs to ask a second time because we didn't act, this then becomes a service complaint. This approach is now part of our new Customer Complaint Policy recently approved by the Board in March 2025.

Development of new Affordable Homes

We have continued to develop new units of much needed affordable housing accommodation for rent, all within the Black Country conurbation. We work closely with our development partners, other agencies and our own internal housing and asset management teams to ensure that the product delivered is of high quality and meets the needs of our customers.

During the year 55 new affordable homes were completed on site, 42 at Siviter Court and 13 at Darkhouse Lane. A further 9 units were acquired in the year, 3 of which were through shared ownership property buybacks and 6 units acquired from another Registered Provider. At 31 March 2025 there were a further 19 units on site. All of these homes are situated locally within the Black Country and local supply chains were used as far as possible. There are other schemes in the early stages and are expected to start on site during 2025/26, that will provide a total of 151 affordable new homes funded through a mixture of grant and BCHG's own resources.

STRATEGIC REPORT

Our design specifications incorporate aspects which make the properties environmentally friendly and also more economical for tenants to run in terms of utility costs and the like. In 2023/24 we developed a scheme using Modern Methods of Construction (MMC) which means that the build phase is much shorter, allowing for rents to be realised much more quickly. In addition to the more traditional methods of construction, we will continue to use MMC for some of our new development schemes where viable and practical to do so. Where possible we utilise local contractors and supply chains to support our local communities and to retain money within the Black Country.

We recognise that understanding the financial performance of our properties is fundamental to our business and that we need to invest in the right development opportunities, as well as making the best decisions about the future of our existing properties to make optimal use of resources. We continue to use a development appraisal model which shows how our planned property investments will perform financially over the long term. It identifies how long it will take for the income from a new property to cover its costs (breakeven) and when the loan used to finance the property will be fully repaid (payback). The model enables us to compare how different tenures perform financially, so that the best combination of properties for each development opportunity can be identified. The model generates a net present value of alternative investment options, which enables us to maximise the forecast return on new developments.

We undertake benchmarking of our development parameters as well as development costs and also engage with Employers Agents on all of our development schemes to ensure that works are carried out to high standards and that value for money is also achieved.

Asset Investment

Our stock is located within the West Midlands conurbation and includes a range of houses, bungalows, and flats with between one and six bedrooms. Our properties are relatively young with over 70% being built post 1970, and all of these meet the requirements of the Decent Homes Standard and the current Homes (Fitness for Human Habitation) Act 2018.

We continue to invest through our 30-year Asset Investment Plan and capital works programme, maintaining high standards to existing homes, including for example the replacement of kitchens, bathrooms, doors, and windows. A total of £1.430m was invested in the replacement of components and improvement works during 2024/25.

Our latest stock condition data shows that currently 82.4% of our homes are measured at an EPC rating of C or above, however we continue to work towards the target for all of our homes to achieve EPC C or above by 2030 and our financial plan includes additional investment in this area over and above the 30-year Asset Investment Plan. This is an area which continues to evolve as technology advances and is closely linked to the matter of fuel poverty which is also very much on our radar. During 2024/25 BCHG was awarded further funding of £0.075m (£0.122m 2023/24) under the Social Housing Decarbonisation Fund which has helped to resource investment in a total of 21 homes, to ensure that they remain fit for purpose long into the future. Works for energy efficiency improvements to windows, doors and external insulation were completed at these properties.

With a growing focus on damp, mould and condensation, BCHG undertook a pilot programme of Property MOTs. These MOTs focused on properties identified as potentially being more prone to these kind of issues due to their age and build structure. The MOT involved an inspection being carried out to ascertain whether any works were needed, with the objective being that this proactive intervention would potentially prevent more costly and significant works needing to be carried out at

STRATEGIC REPORT

a later date. Through the data we hold it was identified that there were a number of properties where multiple instances of damp, mould and condensation had been reported by the tenant. In addition to works being undertaken where required, and advice provided, Indoor Air Quality sensors have also been installed to provide us with better quality data about the performance of those properties. This is an approach which is being trialled to provide insight into how our customers are using their homes and how we can assist with improvements and pro-active initiatives to prevent damp and mould.

Asset Disposals

Within our Asset Investment and Asset Disposal Strategies, we identify that we will look to dispose of assets that are poorly performing and to use the proceeds from these disposals to reinvest back into other properties and regeneration initiatives. In order to meet our high standards, we review all of our homes that become void and may choose to dispose of those which are not cost effective to maintain, largely due to energy efficiency concerns and the impact that this can have on fuel poverty.

Where particular groups of assets with high levels of voids or disrepair for example are identified, options for these properties will be considered and separately reviewed.

Colleagues

Key metrics for colleague turnover, levels of sickness absence and colleague engagement during the last three years are all shown in the table below. Staff turnover has improved year on year and colleague engagement has remained largely consistent between years. Although sickness absence has increased very slightly to 9.58 days in 2024/25 versus 8.37 days in the previous year, this is below our organisational annual target of a maximum of 11 days.

	2022/23	2023/24	2024/25
Colleague Engagement Score	8.32	8.68	8.57
Sickness - average no. days lost overall	11.6	8.37	9.58
% Staff turnover overall	19.67%	16.08%	15.73%

Our colleagues and their wellbeing are highly important, and it is paramount that in order to deliver high quality services to our customers, we must recruit and retain high performing colleagues. Significant investment has again been made in learning and development, with our learning platform which enables a large element of our training to be delivered electronically, which is more cost effective. We also have a robust management development programme, that is mostly delivered internally with a focus on supporting succession planning.

Progress against our People Strategy objectives and colleague engagement levels at BCHG remain strong. Our Value Based Service Standards and behaviours framework: The BCHG Way continues to be embedded throughout the organisation. We have made good progress against our EDI Strategy, and we were awarded a Silver Award in recognition of our progress by Employers Network for Equality and Inclusion during the year.

We have a very active EDI Sounding Board running activities and training against our 5 Pillars of Wellbeing: Connect; Be Active; Take Notice; Keep Learning; Give, campaign. During 2024/25, these have included:

- My Whole-self Day, celebrating our cultures, identities and passions
- Disability Awareness & Inclusion Training Workshop delivered by HDN
- Menopause Coffee morning
- Ageism & Generational Diversity Workshop
- Progressing Pride: Linking Generations of LGBT+ Workplace Experiences

STRATEGIC REPORT

Our investment and engagement with colleagues are reflected in our Colleague Engagement Score from quarterly engagement surveys, which was 8.6 against a target of 7.7 at year end. We are supporting young people to enter the workforce with 8 individuals enrolled on an Apprenticeship with us during the year and have outperformed our 10% target for colleagues under the age of 29, with these making up 13.3% of our colleagues at year end. Where possible the Apprenticeship Levy is used to support the costs of these courses.

BCHG has continued to operate a hybrid working policy where, roles permitting, colleagues generally work part of the week from their office base, and part from home. This creates cost and environmental benefits in terms of office running costs and fuel, but also benefits colleague wellbeing and engagement based on feedback received from surveys undertaken.

Treasury

Our weighted average cost of capital remains low compared to the wider sector. In 2023/24 we renegotiated a new revolving credit facility with an improved margin and more generous headroom against both the interest cover and gearing covenants offered. Further to this, via effective cashflow management we have been able to maximise the return on our resources, whilst also ensuring that funds remain safe and secure with trusted counterparties. During the last two financial years we placed funds on deposit with a number of our approved banking institutions in line with our Treasury Policy, we took advantage of higher than usual interest rates to generate cashable benefits of £0.151m in 2024/25 (£0.338m 2023/24) for re-investment in our business.

BCHG has a well-balanced portfolio of borrowing, and where opportunities arise, we work with our Treasury Advisors to stay informed of any advantageous changes in markets that can be beneficial and provide better value for money. Surplus asset security headroom is reviewed regularly to determine whether it is appropriate to release to support financing opportunities or reduce costs.

Tenant Satisfaction Measures

High performance levels against the Tenant Satisfaction Measures demonstrate high levels of customer satisfaction recorded during the year. The table below shows the TSM results for BCHG for both 2023/24 and 2024/25, with the sector median comparators as published by the RSH also shown for 2023/24. Positively it can be seen that BCHG has mostly outperformed the sector median in 2023/24.

The positive results have continued into 2024/25, with a number of the measures seeing further improvement or remaining consistent compared to 2023/24. There has been a slight dip in some of the results against a very high level of performance overall. We are never complacent and are focussed on improving against this where this is the case. The sector averages for 2024/25 have not yet been published, but the initial outlook suggests that BCHG performs in the top quartile across most areas.

While overall satisfaction remains strong and above the national average, we noted small declines in areas such as home safety and communication. At the same time, we saw improvements in satisfaction with repairs and complaint handling. This feedback has directly informed our actions and will continue to shape our priorities, with further discussions planned at the Customer Scrutiny Conference in September 2025.

STRATEGIC REPORT

TSM Perception Question	BCHG 23/24 Performance	23/24 Average (sector median)	BCHG 24/25 Performance
TP01 Overall satisfaction	88.30%	71.30%	85.71%
TP02 Satisfaction with repairs	81.20%	72.30%	84.22%
TP03 Satisfaction with time taken to complete most recent repair	84.70%	67.40%	83.95%
TP04 Satisfaction that the home is well maintained	85.30%	70.80%	83.05%
TP05 Satisfaction that the home is safe	87.30%	76.70%	84.85%
TP06 Satisfaction that BCHG listens to tenant views and acts upon them	73.20%	60.40%	72.19%
TP07 Satisfaction that BCHG keeps tenants informed about things that matter to them	81.20%	70.30%	78.81%
TP08 Agreement that BCHG treats tenants fairly and with respect	89.30%	76.80%	88.03%
TP09 Satisfaction with BCHGs approach to handling complaints	36.40%	34.50%	44.59%
TP10 Satisfaction that BCHG keeps communal areas clean and well maintained	81.60%	65.10%	82.31%
TP11 How satisfied or dissatisfied are you that BCHG makes a positive contribution to your neighbourhood	74.30%	63.10%	74.12%
TP12 Satisfaction with BCHG's approach to handling anti-social behaviour	70.70%	57.87%	69.36%

Social Value

As a social business investing in people and communities, we strive to make a positive difference to peoples' lives and delivering social value is inherent in the services we provide. Intrinsically the provision of quality homes as a trusted landlord for people and working in partnership to support thriving communities has wide ranging social value across several themes and is essential to the health, wellbeing, and economic security of our customers and neighbourhoods.

Sustainable Tenancies

Against a backdrop of increasing economic pressure on households and housing need the provision of affordable and secure housing has never been more important. BCHG rents are 75% of median rents in the Private sector, offering affordable homes for those on lower incomes. We also seek to meet the housing needs of our communities in the provision of a range of different tenure including general needs and supported housing at both social and affordable rents; housing for older people; and low-cost home ownership. This is in addition to our purpose build Care Home, offering care to those with dementia, and our properties managed by other organisations such as Royal Institute for the Blind; the YMCA; and Women's Aid.

Our Customer Success Strategy continues to support our tenants throughout their tenancy and our compliance with the Neighbourhood & Community Standard and Tenancy Standard is strong. We have further reinforced our commitment to safe and inclusive neighbourhoods through additional training in issues such as Hate Crime, and Domestic Abuse and continue our membership and accreditation with the Domestic Abuse Housing Alliance (DAHA) supported by the appointment of Domestic Abuse Champions. We have built strong relationships with partner organisations for the

STRATEGIC REPORT

benefit of tenants and actively refer tenants to partners for further support offering Energy Efficiency advice; Local Energy Advice Partnership (LEAP) referrals; and 1-2-1 Tenancy Support.

Community Investment

Our Social Investment Team have continued to deliver personalised support for those who need additional assistance. The team work on several different projects across the Black Country tackling issues such as digital inclusion; rough sleeping; life skills; employability; social isolation; and financial confidence. The team offer one-to-one support to individuals and support other community organisations to increase their skillset and capacity, enabling benefits to impact a greater number of beneficiaries.

Some of the outcomes our Social Investment Team have achieved during 2024/25:

- 72 hubs in the community supporting digital skills
- 411 volunteers and staff in the third sector trained by BCHG
- 14 people benefitted from rough sleeping/street homelessness
- 33 people have been supported with essential items who were previously homeless
- 467 laptops to people in the community across 39 organisations in Sandwell and given out 28 data sim cards
- 19 staff within accommodations supporting care experienced young people trained
- 222 care experienced young people benefitted
- 67 people supported through 1-2-1 employment services
- 280 tenants supported through the year with a wide range of interventions and positive outcomes through tenant support programme
- 300 HACT fuel vouchers issued to the value of £14,700
- Bus passes issued to the Value of £10,368
- 20 Creative sessions including quilt making, flower arranging, building bird feeders, air dried clay, cross stitch, Christmas and Easter sessions.
- 12 people supported through social prescribing into accessing services outside of BCHG for further support

The impact of their work delivers real changes to peoples' lives, targeting those that are often disengaged and have complex or multiple needs. By building trust with individuals through empathy and persistence, often beginning with a small step, beneficiaries open-up to support in other areas of their lives. This snowball effect leads to real positive changes to improve their quality of life, what starts as a cookery session or working on managing anxiety can lead to training; a job; and a secure home.

Financial and Non-Financial Key Performance Indicators (KPIs)

Our Statement of Comprehensive Income shows a small decrease of £0.057m in the level of group operating surplus when compared to the previous year. Turnover year on year has increased by £1.443m but there has been an increase in operating expenditure of £1.500m. Turnover from social housing lettings, mainly income from rents and service charges, has increased by £1.352m, and in our other social housing activities, increased by £0.310m. The operating costs relating to social housing lettings increased by £0.996m. Asset investment has continued to be a key focus during the year with higher levels of maintenance and repairs works of £0.475m during the year and increased housing properties depreciation costs of £0.098m owing to capital development and enhancements to assets. Service charge costs increased between years by £0.166m and management costs by £0.266m. Operating costs relating to other social housing activities have increased by £0.598m.

STRATEGIC REPORT

Turnover from non-social housing activities has reduced by £0.219m between years, this is owing to a reduction in external works contracts within our repairs business as our focus moves towards in house activities and in particular the in-sourcing of gas servicing and repairs. Operating costs of non-social housing have reduced by £0.094m.

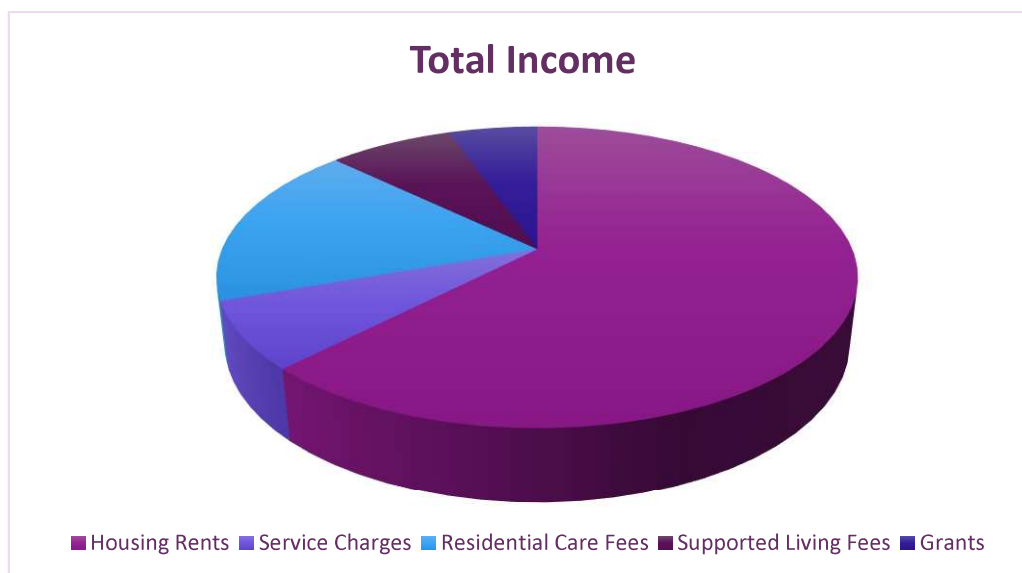
There has been an increase in overheads due to investment in colleague development, training, and ICT, to ensure that we have the right skills and systems to support our business. We have seen an increase in costs for cyber security and insurance which have been essential to ensure that we are able to manage and mitigate the external risks to our business.

The surplus for the year has reduced from £2.876m in 2023/24 to £2.130m in 2024/25. Gains recognised on the disposal of assets have reduced by £0.229m between years. Interest and financing costs have increased by £0.273m and interest receivable has reduced by £0.187m, as cash balances have been utilised in the development of new affordable homes.

Where does our income come from and what do we spend our money on?

The charts below provide an analysis in terms of where our income is derived and how we spend these resources. The first chart shows where our income comes from, and the second chart provides detail of where our rents and income in the form of grants is expended.

Our main source of income is rent generated from social housing lettings, which is where 62% of our income is derived. We also receive income from other sources, such as fees from our residential care home and our supported living services. Grant income in the chart below represents support grants that we receive to enable us to provide engagement and support services to tenants within our communities through social value activities.



Below we show how each £1 received through social housing rents and grant support is spent within our social housing business. The majority of this income is used to benefit our customers both now and in the future through the provision of maintenance and safeguarding of their homes, ensuring that we are investing to provide decent, compliant and safe homes. Grant funding also helps us to deliver added social value by supporting and engaging through projects and activities within our communities.



As a Social Landlord, we must also cover our business overheads, management costs and the interest costs of the borrowing that we secure against our housing stock. Any surpluses that are generated at each year end, are reinvested to ensure that we are able to meet future financial liabilities and are able to sustain the continued investment in our homes, communities, colleagues and business activities over the longer term.

Treasury KPIs

Total outstanding debt at the year-end was £51.8m (2023/24 £54.4m). Our high levels of undrawn facilities and cash balances at the end of each financial year as shown in the table below demonstrates good liquidity. Our average cost of borrowing has remained low in recent years as debt with high interest rates has been repaid and replaced with cheaper borrowing, the amount of fixed rate lending has remained at around 86% during the year.

	2022/23	2023/24	2024/25
Total Borrowing	£42.2m	£54.4m	£51.8m
Undrawn Facilities	£20m	£25m	£25m
Cash Balances	£1.647m	£7.652m	£3.025m
Fixed Rate Borrowing %	99%	86%	86%
Average Cost of Borrowing %	3.17%	3.31%	3.27%

The value of debt repaid in the 2024/25 financial year was £2.302m which reflects the agreed amortised debt profile of our facilities. There has been no use of the revolving credit facility during the year. The revolving credit facility stands at £25m and now ends in January 2029.

STRATEGIC REPORT

Loan Covenants

	2022/23	2023/24	2024/25
Gearing - Debt : Historical Cost	29%	33%	30%
Interest Cover - EBITDA MRI	358%	272%	214%

Significant headroom against our Gearing covenant can be seen across all three years displayed. Our Interest Cover covenant increased in 2022/23 as a result of the gain on the sale of Gower Gardens residential care home as well as the reduction in net operating costs from the point of sale.

Moving into 2023/24 the interest cover covenant reduced from this exceptional position due to the continued investment in our business and again, as expected, has reduced further in 2024/25 but still very much demonstrates significant headroom against the target. BCHG's covenant performance remains strong, and the recently approved refresh of the 30-year financial plan continues to demonstrate long-term financial viability.

Future Outlook

The Regulator of Social Housing's annual stability check, reconfirmed Black Country Housing Group to be rated as G1/V1, demonstrating our continued commitment to being a well governed and financially viable organisation. BCHG have yet to be inspected under the new regime and are therefore yet to be awarded a Consumer rating, however attaining C1 is equally something that we are committed to.

BCHG Board have recently approved the annual iteration of the 30-year financial plan. This reflects the Board's decision during the year to retain New Bradley Hall, our residential care home, along with an enhanced development programme. Over the next three years we have plans to build a minimum of 151 new affordable homes for rent within the Black Country. Beyond that there are plans to build an average of 50 new homes per year, contributing positively to the severe shortage of affordable housing in our local communities. Investment in our existing tenants' homes also remains a key priority to ensure that these remain compliant with the Decent Homes standard and provide a safe environment for our tenants to live. We continue to make good progress against the target for all homes to reach a minimum EPC rating of C by 2030: this will continue into the next year and will be partly funded by external grant. During the year we will also be looking to secure new borrowing facilities to support this investment.

BCHG went live with two new ICT systems during the year which will radically change how we operate as a business and how we communicate with our tenants, suppliers and other stakeholders. The introduction of the new housing management system has helped to increase levels of transparency to tenants in terms of the data in connection to their tenancy, whilst also increasing the accessibility of services through the launch of the new customer portal. The other area of investment has been within the Financial Management system which will streamline processes for the payment of supplier invoices and also increase the quality of business intelligence and reporting across all parts of the business.

There remains uncertainty of a longer-term rent settlement, however our financial plan contains prudent assumptions, and demonstrates BCHG to be a strong, financially viable business. The stress testing and mitigation plans in place provides assurance that we are pro-active and resilient in the

Black Country Housing Group Limited

STRATEGIC REPORT

face of challenge. We look forward to the year ahead as we enter the last year of our current strategic plan and continue to do the right thing for our customers, as a trusted landlord providing quality homes.

Approval

This Strategic Report was approved by the Board on 31 July 2025.

Kaye Coulthard
Director of Resources

A handwritten signature in black ink, appearing to read 'K Coulthard', is positioned below the printed name and title.

REPORT OF THE AUDITORS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK COUNTRY HOUSING GROUP LIMITED

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

REPORT OF THE AUDITORS

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Board Report and Strategic Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Boards' responsibilities statement set out on page 13, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

REPORT OF THE AUDITORS

The extent to which the audit was considered capable of detecting irregularities, including fraud irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the Association operates in and how the Association is complying with the legal and regulatory frameworks;
- enquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019 and tax compliance legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures and reviewing legal and professional costs incurred during the period.

The most significant laws and regulations that have an indirect impact on the financial statements are Health and Safety at Work Act 1974, the Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards) and the General Data Protection Regulations as set out in the Data Protection Act 2018. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations.

The audit engagement team identified the risk of management override of controls and other revenue as the areas where the financial statements were most susceptible to material misstatement due to

REPORT OF THE AUDITORS

fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and detailed substantive sample testing for other revenue.

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

Use of our report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
10th Floor
103 Colmore Row
Birmingham
B3 3AG

Date 26/08/25

PRIMARY STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Group		Parent	
		2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Turnover	4	20,327	18,884	20,327	18,884
Operating Expenditure	4	(16,528)	(15,028)	(16,528)	(15,028)
Operating Surplus		3,799	3,856	3,799	3,856
Gain on disposal of property, plant & equipment	8	134	363	134	363
Interest receivable		151	338	151	338
Interest & financing costs	6	(1,954)	(1,681)	(1,954)	(1,681)
Surplus before tax		2,130	2,876	2,130	2,876
Taxation	10	-	-	-	-
Surplus for the year		2,130	2,876	2,130	2,876
Remeasurements - Actuarial gain/(loss) in respect of pension schemes	31	229	(447)	229	(447)
Other comprehensive income / (loss)		229	(447)	229	(447)
Total comprehensive income for the year		2,359	2,429	2,359	2,429

The consolidated results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

PRIMARY STATEMENTS

STATEMENT OF FINANCIAL POSITION

	Notes	Group		Parent	
		2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Fixed Assets					
Housing Properties	11	146,540	139,247	146,540	139,247
Other Fixed Assets	13	862	986	862	986
Intangible Fixed Assets	14	805	487	805	487
		148,207	140,720	148,207	140,720
Current Assets					
Stock	16	43	32	43	32
Trade and Other Debtors	17	1,387	1,397	1,375	1,385
Investments					
Cash & Cash Equivalents	26	3,025	7,652	3,025	7,652
Total Current Assets		4,455	9,081	4,443	9,069
Current Liabilities					
Creditors - Amounts Falling Due Within One Year	18	(4,738)	(6,478)	(4,738)	(6,478)
Net Current Assets / (Liabilities)		(283)	2,603	(295)	2,591
Total Assets Less Current Liabilities		147,924	143,323	147,912	143,311
Creditors: Amounts Falling Due After One Year	19	(108,961)	(106,120)	(108,961)	(106,120)
Pension Liability	31	(1,297)	(1,896)	(1,297)	(1,896)
Total Net Assets		37,666	35,307	37,654	35,295
Reserves					
Income & Expenditure Reserve		37,666	35,307	37,654	35,295
Total Reserves		37,666	35,307	37,654	35,295

The financial statements on pages 34 to 62 were approved by the Board and authorised for issue on 31 July 2025 and are signed on its behalf by:

Member of the Board of Management: 

Member of the Board of Management: 

Company Secretary: 

PRIMARY STATEMENTS

STATEMENT OF CHANGES IN RESERVES

	Group £'000	Parent £'000
Balance as at 1 April 2023	32,878	32,866
Surplus for the year	2,876	2,876
Other comprehensive expenditure	(447)	(447)
Balance as at 31 March 2024	35,307	35,295
Surplus for the year	2,130	2,130
Other comprehensive income	229	229
Balance as at 31 March 2025	37,666	37,654

CONSOLIDATED STATEMENT OF CASHFLOWS

	Notes	2024/25 £'000	2023/24 £'000
Operating Activities			
Net cash generated from operations	25	5,684	4,832
Net Cash Generated from Operating Activities		5,684	4,832
Cash Flow from Investing Activities			
Purchase of tangible fixed assets		(8,304)	(11,314)
Purchase of intangible fixed assets		-	-
Proceeds on disposal of tangible fixed assets		368	793
Cost of Disposal		(5)	(18)
Grants received		2,068	940
Interest received		173	310
Net Cash (Used) / Generated in Investing Activities		(5,700)	(9,289)
Cash Flow from Financing Activities			
Interest paid		(1,953)	(1,664)
Cost of new borrowings		(8)	(163)
Proceeds of new borrowings		-	13,000
Repayments of borrowings		(2,650)	(711)
Net Cash Generated / (Used) in Financing Activities		(4,611)	10,462
Net Increase (Decrease) in Cash and Cash Equivalents		(4,627)	6,005
Cash and Cash Equivalents at beginning of Year		7,652	1,647
Cash and Cash Equivalents at end of Year	26	3,025	7,652

NOTES TO THE FINANCIAL STATEMENTS

1. LEGAL STATUS

Black Country Housing Group Limited (“the Association”) is a charitable registered provider and a public benefit entity, incorporated under the Co-operative and Community Benefit Societies Act 2014.

The address of the Company’s registered office and principal place of business is 134 High Street, Blackheath, West Midlands, B65 0EE.

The Group comprises Black Country Housing Group (the Association), and its subsidiaries

- BCS Associates Limited (dormant)
- Black Country Care Services Limited (dormant)

The Association is a registered provider of social housing and has charitable status. Key activities during the year included:

- managing and developing homes for rent;
- providing supported housing;
- providing care to residents in our schemes;
- provision of registered care homes;
- supporting people into work and training;
- helping to create sustainable communities, and
- providing home improvements and adaptations.

2. ACCOUNTING POLICIES

i Basis of Accounting

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”), the Housing SORP 2018 “Statement of Recommended Practice for Registered Housing Providers” and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022, under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

ii Basis of Consolidation

The consolidated financial statements incorporate those of the Association and all of its subsidiaries. All financial statements are made up to 31 March 2025.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

iii Going Concern

The Group’s business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

The Group has in place long term debt facilities, including £25m which was undrawn and available

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2025. Our loan facilities are fully drawn and provide adequate resources to finance committed development and renewal programmes along with the group's day to day operations. The long-term financial plan, and the range of modelled scenarios shows that the Group is comfortably able to service its debt facilities whilst continuing to comply with loan covenants.

Overall net current liabilities as at 31 March 2025 stand at £283,000, including debt repayable within one year of £779,000, RCGF of £604,000 and Deferred Capital Grant of £606,000.

The statement of financial position shows a strong net asset position of £37.666m as at the 31 March 2025 and the 2025 iteration of the financial plan has been prepared and stress tested with the base financial plan compliant with all lender loan covenants and golden rules, demonstrating BCHG to be a strong, financially viable group, both in the short and longer term.

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

iv Turnover and Revenue Recognition

Turnover comprises income from rental, service charges, the provision of care, shared ownership first tranche sales, other services provided at the invoice value (excluding VAT) and revenue grants receivable in the period.

Rental and service charge income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from first tranche sales is recognised at the point of legal completion of the transaction.

Revenue grants are receivable when the conditions of agreed grant funding have been met.

v Other Income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

vi Tangible Fixed Assets – Housing Properties

Housing properties include assets for the provision of social housing and residential care. Our social housing assets are principally properties available for rent and shared ownership.

Completed housing properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes the acquisitions of land and buildings, and expenditure incurred during the development period.

Properties in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the properties are ready for their intended use.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets,

NOTES TO THE FINANCIAL STATEMENTS

are capitalised as improvements. Such enhancements can occur if improvements result in either:

- an increase in rental income;
- a material reduction in future maintenance costs; and
- a significant extension to the life of the property.

Shared ownership properties are split proportionally between fixed assets and current assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset, and related sales proceeds are included in turnover. The remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment. Where the first tranche has been sold prior to the acquisition of the properties, these are included in fixed assets only.

vii Government Grants

Government grants include grants receivable from Homes England, local authorities and other government bodies. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants received for housing properties are recognised as income over the useful economic life of the structure of the asset under the accruals model. Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the Association will comply with the conditions and the funds will be received.

viii Recycling of Capital Grant

Where Social Housing Grant is recycled, it is credited to the Recycled Capital Grand Fund (RCGF) and appears as a creditor until used to fund the acquisition of new properties or other permitted expenditure. Where recycled grant is known to be repayable it is shown as a creditor within one year.

ix Other Grants

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

x Investments

Investments held as fixed assets are stated at cost less provision for any permanent impairment.

xi Depreciation of Housing Properties and Residential Care Homes

Freehold land and assets under construction are not depreciated. The Group separately identifies the major components of housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight-line basis over the following years:

Structure	100/150 years
Windows & Doors	30 years
Kitchens	20 years
Bathrooms	30 years
Roof	70 years
Boilers	15 years
Lifts	20 years
Solar Panels	25 years

NOTES TO THE FINANCIAL STATEMENTS

xii Impairments of Fixed Assets

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Association estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the income and expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

xiii Other Tangible Fixed Assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows:

- freehold offices are depreciated at 2% per annum on cost from the date of handover;
- office furniture and equipment is depreciated at 12.5% per annum on cost;
- motor vehicles are depreciated at 25% per annum on cost;
- computer equipment is depreciated at 25% per annum on cost; and
- residential care homes' fixtures and fittings are depreciated between 5% and 12.5% per annum on cost depending on the asset type.

Properties in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the properties are ready for their intended use.

xiv Intangible Assets

Intangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all intangible fixed assets at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life. The Association depreciates computer software between 10-25% per annum on cost depending on the expected life of the asset.

xv Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition and construction of qualifying properties are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

All other borrowing costs are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

xvi Stocks

Stocks are valued at the lower of cost and net realisable value.

xvii Schemes Managed by Agents

In respect of schemes owned by the Association where the managing agent suffers the risks and has control of benefits, only the net income receivable by the Association is included in the financial statements.

xviii Taxation

The Association has charitable status and is therefore not subject to Corporation Tax on its results for the year. Other members of the group are subject to taxation at the usual rates applicable to any taxable profits after any gift aid payment to the parent entity.

xix Operating Leases

The Association as Lessee

Rentals payable under operating leases are charged to income and expenditure on a straight-line basis over the lease term. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

xx Employee Benefits

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Association is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

xxi Retirement Benefits

Defined benefit plans

The Group participated in the multi-employer defined benefit Social Housing Pension Scheme (SHPS) until 31 August 2022, at which point the scheme was closed to future accrual. Retirement benefits to colleagues were funded by contributions from all participating employers and employees in the Scheme. Payments are made to a fund operated by The Pensions Trust, an independent trust providing superannuation benefits for employees of voluntary organisations. These payments are made in accordance with periodic calculations by Actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

Actuarial assumptions are applied to determine the share of liabilities. The assumptions are updated annually, and any changes go through 'Other Comprehensive Income', and not through the normal income and expenditure account.

Calculations are carried out annually and independently of the pension triennial valuation. The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Defined contribution plans

The Group continues to participate in the Social Housing Pension Defined Contribution Scheme (SHPS) where the Group and its participating colleagues currently contribute pensionable pay to the plan. The amount charged to the Statement of Comprehensive Income in respect of defined contribution plan pensions costs is the amount payable by the Group in the year.

NOTES TO THE FINANCIAL STATEMENTS

xxii Financial Instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets - Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Rent debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract.

Financial liabilities – Trade creditors and borrowings

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

xxiii Provisions

Provisions are recognised when the Association has an obligation at the reporting date as a result of a past event which is probable to result in the transfer of economic benefits and which can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

3. Critical Accounting Estimates and Assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Assets and Grants

The useful economic lives used to depreciate our assets and amortised social housing grant are as set out in our Accounting Policies and are periodically reviewed by management.

Social Housing Pension Scheme

The rate used to discount the SHPS benefit obligations to their present value is based upon market yields for high quality corporate bonds with terms consistent to those of the benefit obligations. Based on the actuarial assumptions, our commitment to SHPS over the next 10 years has been discounted at a rate of 5.85% (4.91% at 31 March 2024) amounting to a net present value of £1.297m at 31 March 2025 (£1.896m at 31 March 2024).

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m.

We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply.

PRIMARY STATEMENTS

4. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

Group and Parent	2024/25			2023/24		
	Turnover £'000	Operating Costs £'000	Operating Surplus / (Deficit) £'000	Turnover £'000	Operating Costs £'000	Operating Surplus / (Deficit) £'000
Social Housing Lettings Activities						
Housing accommodation	11,551	(7,452)	4,099	10,381	(6,750)	3,631
Supported Housing and Retirement Living	2,434	(2,594)	(160)	2,273	(2,312)	(39)
Shared ownership	477	(173)	304	456	(161)	295
	14,462	(10,219)	4,243	13,110	(9,223)	3,887
Other Social Housing Activities						
First tranche shared ownership sales	-	-	-	-	-	-
Charges for Support Services	1,528	(1,795)	(267)	1,455	(1,638)	(183)
Residential Care	3,561	(3,464)	97	3,324	(2,959)	365
Development costs	-	(14)	(14)	-	(78)	(78)
Non Social Housing Activities						
Homeforce	21	(317)	(296)	204	(390)	(186)
Social Business	448	(560)	(112)	490	(611)	(121)
Other	307	(159)	148	301	(129)	172
Total	20,327	(16,528)	3,799	18,884	(15,028)	3,856

NOTES TO THE FINANCIAL STATEMENTS

Particulars of Income and Expenditure from Social Housing Lettings

Group and Parent

	2024/25				2023/24
	Housing Accommodation £'000	Supported Housing & Retirement Living £'000	Shared Ownership £'000	Total £'000	Total £'000
Turnover from Social Housing Lettings					
Rents receivable (net of voids)	10,633	1,411	400	12,444	11,233
Service charges receivable (net of voids)	484	932	59	1,475	1,294
Net Rental Income	11,117	2,343	459	13,919	12,527
Other revenue income - non government	-	-	-	-	46
Amortised grant	434	91	18	543	537
Total Turnover	11,551	2,434	477	14,462	13,110
Expenditure on Social Housing Lettings					
Management	(2,647)	(390)	(79)	(3,116)	(2,850)
Service charge costs	(523)	(1,391)	(45)	(1,959)	(1,793)
Routine maintenance	(2,138)	(422)	(5)	(2,565)	(2,229)
Planned maintenance	(441)	(135)	(2)	(578)	(439)
Rent losses from bad debts	(24)	(5)	(2)	(31)	(40)
Depreciation of housing properties	(1,679)	(251)	(40)	(1,970)	(1,872)
Operating Costs on Social Housing Lettings	(7,452)	(2,594)	(173)	(10,219)	(9,223)
Operating Surplus on Social Housing Lettings	4,099	(160)	304	4,243	3,887
Rent losses from voids	64	28	4	96	99

NOTES TO THE FINANCIAL STATEMENTS

5. ACCOMMODATION IN MANAGEMENT

Group and Parent

	2024/25 Units	2023/24 Units
General needs	1,357	1,351
General needs - Affordable	327	270
Supported housing & Retirement living	241	241
Supported housing - Affordable	24	24
Low Cost Home Ownership	127	132
Intermediate Rent	45	45
Total social housing owned and managed	2,121	2,063
Residential Care Home	66	66
Properties Owned, Managed by Others	51	51
Leaseholders	25	25
Total Housing Stock	2,263	2,205

6. INTEREST PAYABLE AND SIMILAR CHARGES

Group and Parent

	2024/25 £'000	2023/24 £'000
Interest arising on;		
- Bank loans and overdrafts	1,960	1,748
Net interest expense (SHPS)	82	77
Amortisation of issue costs of bank loan	69	46
	2,111	1,871
less: Interest capitalised	(157)	(190)
	1,954	1,681

Interest costs directly attributable to the financing of developments were capitalised based on our long-term cost of borrowings.

NOTES TO THE FINANCIAL STATEMENTS

7. OPERATING SURPLUS

Group and Parent

	2024/25 £'000	2023/24 £'000
Operating surplus is stated after charging;		
Depreciation & Amortised Grant		
- Housing properties	2,227	2,061
- Other owned tangible fixed assets	135	141
- Other intangible assets	101	73
- Amortised grant	(592)	(589)
Operating lease rentals	83	106
Auditors Remuneration		
- Statutory audit of the company	50	45

8. SURPLUS ON SALE OF FIXED ASSETS

Group and Parent

	2024/25 £'000	2023/24 £'000
Housing Properties		
- Disposal proceeds	368	793
- Cost of disposal	(234)	(430)
	134	363

9. EMPLOYEES

Average monthly full-time equivalents (FTE) (including the Executive Team) employed by the Association during the year:

	2024/25 FTE	2023/24 FTE
- Office and management	28	28
- Care and support	100	102
- Housing, maintenance and development	25	25
- Other	51	55
	204	210

NOTES TO THE FINANCIAL STATEMENTS

Staff costs for the above persons:

	2024/25 £'000	2023/24 £'000
Wages and salaries	7,862	7,221
Social security costs	698	622
Pension costs		
- Contributions	400	368
	8,960	8,211

Agency costs incurred during the year were £0.147m (£0.166m 2023/24).

Full time equivalent of staff who received remuneration (including employer pension contributions) greater than £60,000:

	2024/25 FTE	2023/24 FTE
£60,001 - £70,000	5	3
£70,001 - £80,000	1	3
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
£150,001 - £160,000	1	1
	10	9

Key Management Personnel

The BCHG Board at 31 March 2025 consisted of eight Non-Executive members plus the Chief Executive. The Executive Team consists of the Chief Executive, Deputy Chief Executive, Director of Finance and Director of People. The Director of People role was introduced to the Executive Team from 1 December 2023.

Executive Team Remuneration:

	2024/25 £'000	2023/24 £'000
Remuneration and fees	443	429
Company contributions to pension schemes	36	33
	479	462

Retirement benefits for all members of the Executive Team are accruing under the SHPS defined contribution scheme.

NOTES TO THE FINANCIAL STATEMENTS

Board Members Attendance and Emoluments:

Current Members	Attendance			Emoluments	
	Board	Group Audit Committee	Remuneration, Nominations & People Committee	2024/25 £	2023/24 £
A Robson - Board - Chair (1)	2/2	(Ex-Officio)	2/2	6,891	11,500
S Butters - Board - Chair (2)	4/4	(Ex-Officio)	4/4	10,307	-
A Tomlinson - Chief Executive	6/6	-	-	-	-
N Wright (3)	2/2	1/2	-	3,060	5,538
L Wallace-Davis - R&N Chair/Senior Independent Director	6/6	-	5/5	7,496	7,175
G Price	6/6	4/4	-	5,250	5,125
K Davis	6/6	-	5/5	5,250	5,125
N Simkins - Group Audit Committee Chair (4)	5/6	4/4	-	7,595	5,644
S Brooksbank-Taylor (5)	5/6	-	5/5	5,719	3,908
H Scarrett (6)	5/5	3/3	-	4,813	-
M Lawton (6)	4/4	2/2	-	3,321	-
Former members					6,840
				59,702	50,855

- (1) BCHG Board Chair and Remuneration, Nominations and People Committee until 26/09/2024
(2) BCHG Board Chair from 26/09/2024 and Remuneration, Nominations and People Committee from 01/07/2024
(3) BCHG Board and Group Audit Committee until 26/09/2024
(4) BCHG Board from 01/07/2023, Chair of Group Audit Committee from 24/10/2023
(5) BCHG Board and Remuneration, Nominations and People Committee from 01/07/2023
(6) BCHG Board and Group Audit Committee from 26/09/2024

No members of the Board participate in the Social Housing Pension Scheme.

Highest Paid Director:

	2024/25 £'000	2023/24 £'000
Remuneration	141	144
Company contributions to pension schemes	12	12
	153	156

At 31 March 2025 the Chief Executive was a standard member of SHPS with no special arrangements or terms in place. The Chief Executive does not receive a separate emolument for being a member of the Board.

10. TAXATION

The Association has been accepted as having charitable status by HM Revenue and Customs with effect from 8 October 1997 and accordingly no tax is payable on income arising from the group's charitable activities. Trading activities carried out by Homeforce have generated a net deficit of £0.296m (£0.186m deficit 2023/24) after allowing for overheads. Therefore, there is no Corporation Tax liability in 2024/25 (£nil 2023/24).

NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

Group and Parent

	Housing Properties £'000	Housing Properties Under Construction £'000	Shared Ownership Properties £'000	Residential Care Properties £'000	Total Housing Properties £'000
Cost					
1 April 2024	142,923	9,095	8,688	5,629	166,335
Additions	29	5,488	-	-	5,517
Properties acquired	1,089	-	(126)	-	963
Work to existing properties	1,424	-	-	6	1,430
Components written out	(336)	-	-	-	(336)
Schemes completed	10,392	(10,392)	-	-	-
Property disposals	(176)	-	(61)	-	(237)
Other	2,090	-	(2,164)	23	(51)
31 March 2025	157,435	4,191	6,337	5,658	173,621
Depreciation and Impairment					
1 April 2024	25,603	-	604	881	27,088
Depreciation charged in year	1,913	-	38	153	2,104
Released on disposal	(7)	-	(8)	-	(15)
Depreciation on component disposal	(245)	-	-	-	(245)
Other	(1,836)	-	(15)	-	(1,851)
31 March 2025	25,428	-	619	1,034	27,081
Carrying Amount					
31 March 2024	117,320	9,095	8,084	4,748	139,247
31 March 2025	132,007	4,191	5,718	4,624	146,540

Expenditure on works to existing properties:

Group and Parent

	2024/25 £'000	2023/24 £'000
Improvement works capitalised	-	-
Components capitalised	1,430	1,816
	1,430	1,816
Amounts charged to I&E account	578	439
	2,008	2,255

NOTES TO THE FINANCIAL STATEMENTS

Total cumulative grants received or receivable at 31 March:

Group and Parent

	2024/25 £'000	2023/24 £'000
Social Housing Grant	67,341	65,032
Other grants	3,755	3,679
	71,096	68,711

Housing properties book value net of depreciation:

Group and Parent

	2024/25 £'000	2023/24 £'000
Freehold land and buildings	135,384	127,875
Leasehold land and buildings	11,156	11,372
	146,540	139,247

Interest capitalised in the year is £0.157m (£0.190m 2023/24). The aggregate amount of capitalised interest included in the cost of housing properties is £1.463m (£1.306m 2023/24).

12. IMPAIRMENT

BCHG has undertaken an impairment review of the carrying value of its Social Housing and Residential Care assets and is satisfied that there is no impairment.

NOTES TO THE FINANCIAL STATEMENTS

13. TANGIBLE FIXED ASSETS – OTHER

Group and Parent

	Freehold offices £'000	Residential homes, furniture & fixtures £'000	Office computer, fixtures & vehicles £'000	Total £'000
Cost				
1 April 2024	1,415	415	487	2,317
Additions	-	14	40	54
Disposals	-	-	-	-
Other	-	(52)	-	(52)
31 March 2025	1,415	377	527	2,319
Depreciation and Impairment				
1 April 2024	695	274	362	1,331
Depreciation charged in year	60	23	52	135
Released on disposal	-	-	-	-
Other	-	(18)	9	(9)
31 March 2025	755	279	423	1,457
Carrying Amount				
31 March 2024	720	141	125	986
31 March 2025	660	98	104	862

14. INTANGIBLE ASSETS

Group and Parent

	Computer Software £'000
Cost	
1 April 2024	991
Additions	419
Disposals	(77)
31 March 2025	1,333
Depreciation and Impairment	
1 April 2024	504
Depreciation charged in year	101
Released on disposal	(77)
31 March 2025	528
Carrying Amount	
31 March 2024	487
31 March 2025	805

NOTES TO THE FINANCIAL STATEMENTS

15. SUBSIDIARY UNDERTAKINGS

BCS Associates Limited (Dormant) and Black Country Care Services Limited (Dormant) are both considered to be subsidiaries of BCHG by virtue of the fact that the parent controls the composition of the Boards. BCS Associates is limited by guarantee of the parent; BCHG currently holds an investment of £1. BCS Associates Limited ceased trading on 31 March 2018, previously providing personal care and support in the community.

16. STOCKS

Group and Parent

	2024/25 £'000	2023/24 £'000
Materials	43	32
	43	32

17. DEBTORS

Group

	2024/25 £'000	2023/24 £'000
Amounts falling due within one year:		
Rent and services receivable	255	303
less: Provision for bad and doubtful debts	(137)	(133)
	118	170
Housing benefit receivable	112	82
Social Housing Grant receivable	423	122
Other taxation and social security costs	-	17
Prepayments and accrued income	734	1,006
	1,387	1,397
Amounts falling due after more than one year:		
Prepayments and accrued income	-	-
	1,387	1,397

NOTES TO THE FINANCIAL STATEMENTS

Parent

	2024/25 £'000	2023/24 £'000
Amounts falling due within one year:		
Rent and services receivable	255	303
less: Provision for bad and doubtful debts	(137)	(133)
	118	170
Housing benefit receivable	112	82
Social Housing Grant receivable	423	122
Other taxation and social security costs		17
Prepayments and accrued income	722	994
	1,375	1,385
Amounts falling due after more than one year:		
Prepayments and accrued income	-	-
	1,375	1,385

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group and Parent

	2024/25 £'000	2023/24 £'000
Bank loans (Note 23)	779	2,603
Rent and service charges received in advance	526	422
Other grants received in advance	7	40
Recycled capital grant funds (Note 20)	604	508
Trade creditors	361	1,052
Other taxation and social security costs	159	149
Corporation tax	-	-
Unpaid contributions for retirement benefits	72	67
Accruals, other creditors and deferred income	1,624	1,045
Deferred capital grant (Note 21)	606	592
	4,738	6,478

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group and Parent

	2024/25 £'000	2023/24 £'000
Debt (Note 23)	50,642	51,352
Recycled capital grant funds (Note 20)	367	948
Deferred capital grant (Note 21)	57,952	53,820
Accruals and deferred income	-	-
	108,961	106,120
Included in creditors are:		
Amounts repayable by instalments falling due after more than five years	44,629	45,485
	44,629	45,485

NOTES TO THE FINANCIAL STATEMENTS

20. RECYCLED CAPITAL GRANT FUND

Group and Parent

	2024/25 £'000	2023/24 £'000
Opening balance as at 1 April	1,456	1,712
Inputs to RCGF:		
- Grants recycled	81	219
- Interest accrued	56	11
Recycling of grant:		
- New build	(503)	(286)
- Property Acquisitions	(119)	(200)
Closing balance as at 31 March	971	1,456
Amounts 3+ years old where repayment may be required	-	64

21. DEFERRED CAPITAL GRANT

	2024/25 £'000	2023/24 £'000
Opening balance as at 1 April	54,412	53,632
Grant received in year	2,385	1,063
Grant recycled (to) / from RCGF	541	267
Capital grant released to income during the year	(592)	(589)
Write back on disposal of amounts previously amortised	7	39
Other	1,805	-
Closing balance	58,558	54,412
Short term	606	592
Long term	57,952	53,820
	58,558	54,412

NOTES TO THE FINANCIAL STATEMENTS

22. FINANCIAL INSTRUMENTS

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

Group and Parent

	Group		Parent	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Financial assets measured at historical cost				
- Rent receivable	118	170	118	170
- Other receivables	1,087	811	1,075	799
- Short term deposits	2,000	2,500	2,000	2,500
- Cash at bank	1,025	5,152	1,025	5,152
Total financial assets	4,230	8,633	4,218	8,621
Financial liabilities measured at amortised cost				
- Loans payable	51,813	54,416	51,813	54,416
Financial liabilities measured at historical cost				
- Trade creditors	361	1,052	361	1,052
- Other creditors	61,153	56,907	61,153	56,907
Total financial liabilities	113,327	112,375	113,327	112,375

23. BORROWINGS

Group and Parent

	2024/25 £'000	2023/24 £'000
Creditors: amounts falling due within one year:		
Housing loans	779	2,603
Bank overdraft	-	-
	779	2,603
Creditors: amounts falling due after more than one year:		
Housing loans repayable by instalments		
- between one and two years	3,085	779
- between two and five years	3,320	5,549
- repayable after five years	44,629	45,485
	51,034	51,813
less: Net finance costs	(392)	(461)
	50,642	51,352
	51,421	53,955

Housing loans from bank are secured by specific charges on the Group's housing properties and are repayable at varying rates of interest from 0.661% to 10.626%.

NOTES TO THE FINANCIAL STATEMENTS

Within total debt of £51.813m, £1.510m is long-standing fixed rate debt and has an interest rate of 10.626%. The overall average cost of borrowing for the year is 3.27% (3.31% 2023/24).

24. SHARE CAPITAL

	2024/25	2023/24
	£	£
As at 1 April	7	7
Issued during the year	3	3
Cancelled during the year	(2)	(3)
As at 31 March	8	7
Number of members at 31 March	8	7

Each non-executive Board member holds one £1 share of Black Country Housing Group Limited. The shares do not have a right to any dividend or distribution in a winding up and are not redeemable. Each share has full voting rights.

25. RECONCILIATION OF PROFIT AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

Group and Parent

	2024/25	2023/24
	£'000	£'000
Surplus for the year	2,130	2,876
Adjustments for non-cash movements:		
Depreciation of tangible fixed assets	2,463	2,275
Amortisation of SHG	(592)	(589)
Past service deficit payment	(452)	(428)
(Gain) on disposal of tangible fixed assets	(134)	(363)
Interest receivable	(151)	(338)
Interest payable	1,954	1,681
Transfers from Reserves		-
Operating cash flows before movements in working capital	5,218	5,114
Decrease / (Increase) in stock	(11)	(10)
(Increase) / Decrease in trade and other debtors	251	2
Increase / (Decrease) in trade and other creditors	226	(274)
Cash generated from operations	5,684	4,832

NOTES TO THE FINANCIAL STATEMENTS

26. CASH AND CASH EQUIVALENTS

Group and Parent

	2024/25 £'000	2023/24 £'000
Cash at bank	1,025	5,152
Cash held on deposit	2,000	2,500
	3,025	7,652

27. ANALYSIS OF CHANGES IN DEBT

	At 1 April 2024 £'000	Cash flows £'000	Other non- cash movements £'000	At 31 March 2025 £'000
Cash at bank and in hand	7,652	(4,627)	-	3,025
Debt due within 12 months	(2,603)	2,650	(826)	(779)
Debt due greater than 12 months	(51,352)	-	710	(50,642)
	(46,303)	(1,977)	(116)	(48,396)

28. CAPITAL COMMITMENTS AND OTHER CONTRACTUAL OBLIGATIONS

Group and Parent

	2024/25 £'000	2023/24 £'000
Capital expenditure contracted for but not provided in the financial statements	6,285	6,310
Capital expenditure authorised but not yet contracted for	1,975	8,615
	8,260	14,925

Capital expenditure will be financed by a mixture of bank finance that the Association has available, capital grants, and receipts from property sales and other third-party commitments.

NOTES TO THE FINANCIAL STATEMENTS

29. COMMITMENTS UNDER OPERATING LEASES

No new leases were entered into during the year. The total future minimum lease payments under non-cancellable operating leases are as follows;

	2024/25 £'000	2023/24 £'000
Amounts due:		
- Within one year	37	96
- Between one and five years	11	59
	48	155

30. CONTINGENT ASSETS

Additional capital grant funding of £1.553m (2023/24 £0.442m) has been approved by Homes England in relation to new social housing developments that were on site as at the year end.

31. RETIREMENT BENEFITS**Social Housing Pension Scheme**

The Association participates in the Social Housing Pension Defined Contribution (DC) Scheme and the Social Housing Pension Defined Benefit (DB) Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers.

For the DC Scheme the amount charged to the Statement of Comprehensive Income are the contributions payable in the year which in 2024/25 were £0.400m (£0.368m 2023/24).

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

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

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Association 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, valuation of the scheme was carried out with an effective date of 30 September each year. The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for the accounting year ending 31 March 2025.

NOTES TO THE FINANCIAL STATEMENTS

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

The defined benefit contributions made by the Group in year were £0.452m (£0.428m 2023/24), estimated defined benefit contributions for 2025/26 are £0.429m.

The Group elected to close the defined benefit Social Housing Pension Scheme to future accrual with effect from 1 September 2022.

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

	2024/25	2023/24
	£'000	£'000
Fair value of plan assets	7,870	8,120
Present value of defined benefit obligation	9,168	10,016
Surplus (deficit) in plan	(1,297)	(1,896)
Defined benefit asset (liability) to be recognised	(1,297)	(1,896)

Reconciliation of opening and closing balances of the defined benefit obligation

	2024/25	2023/24
	£'000	£'000
Defined benefit obligation at start of period	10,017	10,057
Current service cost	-	-
Expenses	14	14
Interest expense	481	481
Contributions by plan participants	-	-
Actuarial losses (gains) due to scheme experience	385	6
Actuarial losses (gains) due to changes in demographic assumptions	-	(115)
Actuarial losses (gains) due to changes in financial assumptions	(1,275)	(95)
Benefits paid and expenses	(454)	(331)
Defined benefit obligation at end of period	9,168	10,017

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

	2024/25	2023/24
	£'000	£'000
Fair value of plan assets at start of period	8,120	8,256
Interest income	399	404
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(661)	(651)
Contributions by the employer	466	442
Contributions by plan participants	-	-
Benefits paid and expenses	(454)	(331)
Fair value of plan assets at end of period	7,870	8,120

NOTES TO THE FINANCIAL STATEMENTS

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 was a deficit of £0.881m (£1.400m 2023/24).

Defined benefit costs recognised in the Statement of Comprehensive Income

	2024/25 £'000	2023/24 £'000
Current service cost	-	-
Expenses	14	14
Net interest expense	82	77
Defined benefit costs recognised in statement of comprehensive income	96	91

Defined benefit costs recognised in the Other Comprehensive Income

	2024/25 £'000	2023/24 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(661)	(651)
Experience gains and losses arising on the plan liabilities - gain (loss)	(385)	(6)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	-	115
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,275	95
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	229	(447)
Total amount recognised in other comprehensive income - gain (loss)	229	(447)

Key Assumptions

	2024/25	2023/24
Discount Rate	5.85%	4.91%
Inflation (RPI)	3.09%	3.14%
Inflation (CPI)	2.79%	2.78%
Salary Growth	3.79%	3.78%
Allowance for commutation of pension for cash at retirement	75% of maximum	75% of maximum

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

	2024/25 Life (Years)	2023/24 Life (Years)
Male retiring in 2025	20.5	20.5
Female retiring in 2025	23	23
Male retiring in 2045	21.7	21.8
Female retiring in 2045	24.5	24.4

NOTES TO THE FINANCIAL STATEMENTS

Assets

	2024/25	2023/24
	£'000	£'000
Global Equity	882	809
Absolute Return	-	317
Distressed Opportunities	-	286
Credit Relative Value	-	266
Alternative Risk Premia	-	258
Liquid Alternatives	1,460	-
Emerging Markets Debt	-	105
Risk Sharing	-	475
Insurance-Linked Securities	24	42
Property	394	326
Infrastructure	1	820
Private Equity	7	7
Real Assets	942	-
Private Debt	-	320
Optimistic Illiquid Credit	-	317
Private Credit	963	-
Credit	301	-
Investment Grade Credit	242	-
High Yield	-	1
Opportunistic Credit	-	-
Cash	107	160
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	2	52
Secured Income	131	243
Liability Driven Investment	2,384	3,305
Currency Hedging	13	(3)
Net Current Assets	17	14
Total assets	7,870	8,120

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

32. RELATED PARTIES

During both the 2024/25 and 2023/24 accounting period BCHG has not identified any relevant related party balances or transactions.