



CESSA Housing Association
1 Shakespeare Terrace
126 High Street
Portsmouth PO1 2RH

Tel. 02392 829319
www.cessaha.co.uk

Sumer Audit
Piper House
4 Dukes Court
Bognor Road
Chichester
West Sussex
PO19 8FX

Date: 10 June 2026

Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of the association for the year ended 31st December 2025 for the purpose of expressing an opinion as to whether the financial statements are give a true and fair view, in all material aspects, in accordance with The Housing and Regeneration Act 2008, the Co-operative and Community Benefit Societies Act 2014 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We confirm that the following representations are made on the basis of enquiries of the directors, management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you:

1. We have fulfilled our responsibilities as directors under the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014 for preparing financial statements, in accordance with the applicable financial reporting framework. We confirm that in our opinion the financial statements give a true and fair view and in particular that where any additional information must be disclosed in order to give a true and fair view that information has in fact been disclosed. We confirm that the selection and application of the accounting policies used in the preparation of the financial statements are appropriate, and we approve these accounts for the year ended 31st December 2025.
2. We confirm that all accounting records have been made available to you for the purposes of your audit, in accordance with your terms of engagement, and that all transactions undertaken by the Association have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and shareholders' meetings, have been made available to you. We have given you unrestricted access to persons within the Association in order to obtain audit evidence and have provided any additional information that you have requested for the purposes of your audit.
3. We acknowledge that it is a criminal offence to make a false statement in this regard, and where any director either makes a false statement; is aware that the statement is false; is reckless in preventing this statement; or fails to take reasonable steps to prevent the directors' report from being approved, we acknowledge that each director will be guilty of a criminal offence.

Church of England Soldiers', Sailors' & Airmen's Housing Association Ltd (CESSA HA)

CESSA HA Ltd a Charitable Registered Society
under the Co-operative and Community
Benefit Societies Act 2014 (21222R)



4. We confirm that the association is controlled by the directors and members as listed in the financial statements.
5. We confirm the Association has satisfactory title to all assets and there are no liens or encumbrances on the assets, except for those disclosed in the financial statements.
6. We confirm that the methods, significant assumptions and data used by us in making accounting estimates, and the related disclosures, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.
7. We confirm that we have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
8. We confirm that the Association has no liabilities or contingent liabilities other than those disclosed in the financial statements.
9. We have disclosed to you the following actual or possible litigation and claims, the effects of which should be considered when preparing the financial statements and these have been accounted for and disclosed in accordance with the applicable financial reporting framework.
10. We confirm that there have been no events since the balance sheet date which require disclosing or which would materially affect the amounts in the financial statements, other than those already disclosed or included in the financial statements.
11. We confirm that we are aware of the definition of a related party for the purpose of the accounting framework being applied in the preparation of the accounts. We have disclosed to you, as auditor, the identity of the Association's related parties and all the related party relationships and transactions of which we are aware.
12. We confirm that all related party relationships and transactions have been accounted for and disclosed in accordance with the applicable financial reporting framework.
13. We confirm that the Association neither had at any time during the year, any arrangement, transaction or agreement to provide credit facilities (including advances and credits granted by the Association for directors, nor provided guarantees of any kind on behalf of the directors.
14. We confirm that the Association has not contracted for any capital expenditure other than as disclosed in the financial statements.
15. We confirm that the Association has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

16. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the Association conducts its business and which are central to the Association's ability to conduct its business, except as explained to you and as disclosed in the financial statements.
17. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud, and that we believe we have appropriately fulfilled these responsibilities. We confirm that we have disclosed to you the results of our risk assessment of the risk of fraud in the business. There have been no deficiencies in internal control of which we are aware.
18. We confirm that there have been no actual or suspected instances of fraud involving management, employees who have a significant role in internal control or others where the fraud could have a material effect on the financial statements. We also confirm that we are not aware of any allegations of fraud by employees, former employees, analysts, regulators or others.
19. We confirm that, in our opinion, the Associations' financial statements should be prepared on the going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Association's needs. In reaching this conclusion, we have taken into account all relevant matters of which we are aware, including the availability of working capital and have considered a future period of at least one year from the date on which the financial statements were approved.
20. We confirm that in our opinion the effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is included below:

Detail	Statement of comprehensive income		Balance sheet	
	Debit (£)	Credit (£)	Debit (£)	Credit (£)
Interest not accrued on Teachers deposit account		3,469	3,469	
Increase/(decrease) in surplus	3,469			

21. We confirm the following specific representations made to you during the course of your audit relating to:
- We confirm that the Housing Association holds full title deeds over St George's Court and Trafalgar Court properties.
 - We confirm the grants with carrying amount of £2,267,695 are correctly deferred as at 31 December 2025 and being recognised over the life of the related assets.
 - We confirm that the estimated useful lives of the social housing assets are reasonable and based on the best estimate available to the board and management.
22. We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that:
- so far as each director is aware, there is no relevant audit information of which you as auditors are unaware, and

- each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that you are aware of that information.

23. We acknowledge that it is a criminal offence to knowingly or recklessly make you as an auditor, a statement (oral or written) that conveys, or purports to convey, information or explanations that you require in your capacity as auditor, or are entitled to require, that is misleading, false or deceptive in a material particular.

Yours faithfully

Signed on behalf of the board of directors by:

N E FLETCHER

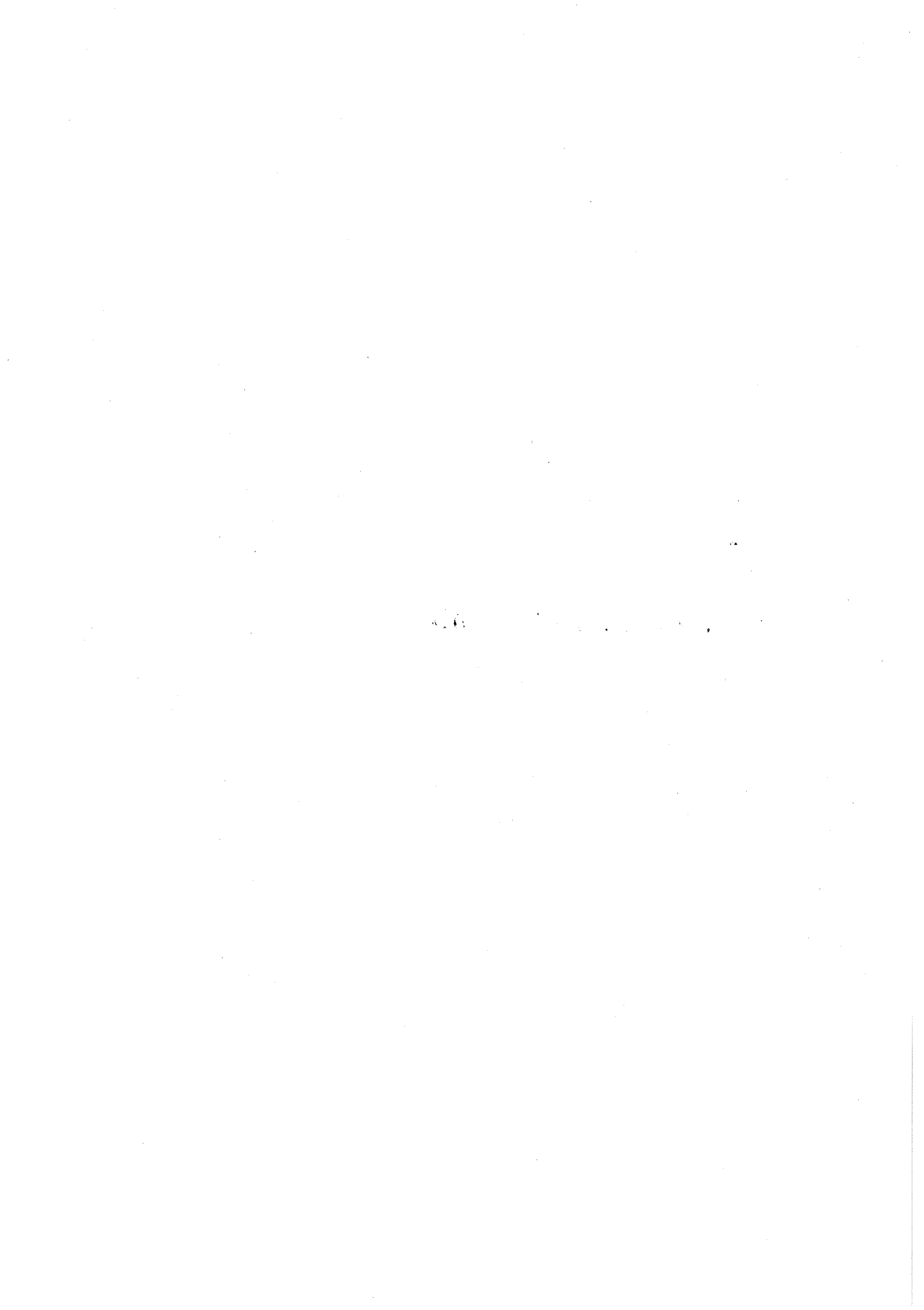


Name:

Adrian A SARLO WISE

Name:

Date 24 June 2020



Financial Conduct Authority registration number 21222R
Registered Provider number L0104

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

INFORMATION

Directors	Ms G Grindell MSc Commander S J Snowball RN (Vice-Chair) Mr D J Foster FCA Mr S D Rice Lieutenant Commander A Sard MBE RN Captain N E Fletcher (Chair) Mr A Davies	(Appointed 10 September 2025) (Appointed 19 November 2025)
Secretary	Lt Col Joseph Petty	
FCA registration number	21222R	
Registered Provider number	L0104	
Registered office	1 Shakespeare Terrace 126 High Street Portsmouth Hampshire PO1 2RH	
Auditors	Sumer Audit Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX	
Bankers	Lloyds Bank Plc Palmerston Road Southsea Hampshire PO5 3QQ	

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Board report	4 - 14
Independent auditor's report	15 - 17
Statement of comprehensive income	18
Balance sheet	19
Statement of changes in equity	20
Statement of cash flows	21
Notes to the financial statements	22 - 38

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The directors of CESSA Housing Association Limited (hereinafter referred to as CESSA HA or the association) present the strategic report and financial statements for the year ended 31 December 2025.

Fair review of the business

The key financial results for the year are set out on pages 18 & 19. CESSA HA continues to perform in line with its business plan and remains financially stable. The Association generated an operating surplus of £276k (2024: £286k). Total comprehensive income for the year was £337k (2024: £361k), reflecting stable operational performance alongside continued returns on investments and movements in the defined benefit pension scheme. The Association delivers Value for Money (VfM) to tenants and successfully completed its triennial accreditation assessment by "erosh" in 2025 maintaining its 'achieved accreditation' status under erosh's Independent Living Standards. While turnover reduced slightly during the year, primarily due to variations in service charge income, overall financial performance remains resilient and consistent with expectations.

Other information and explanations

The association and its sister charity, CofE Soldiers', Sailors' & Airmen's Clubs (CESSAC) share a Head Office and staff, each contributing the appropriate proportion of employee and other expenses. It is for this reason that such costs shown in the association's accounts are low. A significant portion of these result from CESSAC's agreement with Greenwich Hospital to manage the latter's three sheltered housing schemes, which contain a further 91 flats. This fine example of collaborative working provides Greenwich Hospital with appropriately qualified & sympathetic housing management at reduced costs, as well as benefitting all parties including the pensioner tenants. The relationship between the association and CESSAC was thoroughly reviewed in 2022 and its symbiotic nature found to provide compelling evidence for its continuance.

During the latter part of the year, the Association has continued to work closely with CESSAC and Greenwich Hospital in considering the future management arrangements for the Greenwich Hospital Sheltered Housing schemes. This includes very early-stage exploration of potential changes to long-term ownership and management structures, with the objective of ensuring continued high-quality provision for beneficiaries while maintaining operational and financial sustainability.

Principal risks and uncertainties

Principal risks include cost of living increases, compounded by inflationary pressures on essential goods and services, including energy and heat. These pressures continue to present a risk to cost control, although they are being actively managed through prudent financial planning.

The regulatory environment relating to heat networks continues to evolve. While initial requirements have now been introduced, further technical standards and consumer protection measures are expected. The full financial and operational implications for small providers such as CESSA HA, therefore remain uncertain, and may require future non-discretionary investment to ensure compliance.

Political risks. The Social Housing (Regulation) Act – The Regulator for Social Housing (RSH) continues to introduce new requirements, including those relating to competence and conduct standards and enhanced transparency requirements for tenants under the Social Tenants Access to Information Requirements (STAIRS) that is due to come fully into force from April 2027.

The Renters Rights Act – Legislative reform in the private rented sector became law in October 2025 with the first phase coming into force on 1 May 2026. The Act's remaining provisions will be brought into force in two further phases: the second from late 2026. Phase three will focus on raising standards through the extension of Awaab's Law to the private rented sector and a modernised Decent Homes Standard.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Other risks. One cost outside the Association's direct control is the level of deficit recovery payments to the SHPS Defined Benefit scheme, largely for historic pension entitlements. These payments are driven by the interaction between the fund's performance and changing calculations as assessed triennially. The most recent valuation has indicated a reduction in overall scheme liability, although future movements remain subject to actuarial and market factors.

The association has chosen to cease offering the DB scheme effective April 2025, but it remains in place for existing participants. This is because no staff have opted for it in nearly a decade due to the high level of individual contributions and the lack of control over increases. It is for this reason that the majority of staff are now enrolled in the Defined Contribution scheme instead, minimising the association's exposure to cost increases in the long term.

A key strategic consideration remains the future of the Association's long-standing management arrangements with Greenwich Hospital. While this relationship remains strong and collaborative, any change to these arrangements could have operational and financial implications, including the potential impact on shared overhead structures and cost efficiencies. This is mitigated by continually demonstrating that an excellent service is being provided.

The Association holds a portion of its cash reserves not required for immediate use in listed investments of medium to low risk with Charles Stanley as discretionary manager. Despite the cautious approach these still represent a higher level of risk than bank deposits but have the potential to give a rate of return above inflation in the medium to long term. The value of investments increased modestly during the year, and performance continues to be reviewed regularly. Risk is also mitigated by spreading deposits between several FSCS-eligible institutions.

Development and Performance

The association priority is the sustainability of its current schemes and to this end it has spent over £5 million on remodelling and upgrading since 2005. The Association continues to prioritise investment in its existing stock, with a focus on maintaining quality, compliance and long-term viability, particularly in the context of emerging Net Zero Carbon requirements.

Applications remain buoyant and void rates very low but considering the uncertain costs of meeting Government Net Zero Carbon targets, the Association has no current plans to expand through building or development in the short-medium term.

During 2025, the Association has taken steps to strengthen its internal structure and operational capacity. This has included the establishment of a dedicated Asset & Services Management function, improving the separation of asset and people management responsibilities, and supporting a more strategic approach to long-term investment planning. The Association has also continued to develop its approach to asset management, with a view to formalising a longer-term Asset Management Strategy to support future investment decisions. This work extends beyond a desktop exercise and includes the progressive gathering and interrogation of detailed stock condition, compliance, lifecycle and energy efficiency data across all schemes. The phased approach reflects the need to align future investment decisions with evolving regulatory requirements, including Heat Network Regulation and Net Zero Carbon expectations, whilst ensuring that future expenditure remains proportionate, evidence-based and strategically sustainable.

In addition, a dedicated Housing Administrator role has been introduced within Head Office to enhance operational resilience, improve service delivery and support the increasing administrative demands associated with regulatory compliance and tenant engagement.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Strategic Objectives

Our short-term objectives are to meet the changed regulatory requirements regarding tenant satisfaction measures and re-accreditation with erosh, including embedding revised Tenant Satisfaction Measures and strengthening data-led performance monitoring.

Our medium-term objective is to improve the service and the VfM offered to all beneficiaries, supported by continued investment in people, systems and asset management capability.

Our long-term objective is to ensure the ongoing viability of schemes, including consideration of remodelling, repurposing or alternative delivery models where appropriate.

Note: the association's focus is to provide sheltered housing for ex-Services personnel and other eligible applicants in suitably-sized schemes that support the provision of a Scheme Manager. Like for many housing associations of similar scale there are practical reasons for focussing on a specific geographic area within sensible reach of the Head Office.

Sheltered accommodation implicitly meets the needs of older people, who have an increased risk of health and mobility issues. The association's schemes foster a sense of community to combat loneliness and are dementia-friendly. There has also been a programme of improving the ratio of double to single flats, to reflect increased longevity and its effect on the number of couples seeking accommodation, as well as providing some flats suitable for wheelchair users.

On behalf of the board

Captain (Royal Navy) NE Fletcher (Chairman)
Director

.....


CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present their annual report and financial statements for the year ended 31 December 2025.

Principal activities

The association is a Private Registered Provider of Social Housing and a charitable housing association for elderly ex-Service personnel and their families. Owning fewer than 1,000 properties, it is defined as 'small' by the Regulator of Social Housing. Its principal activities are the rental and management of 191 sheltered flats situated in 5 locations in Portsmouth, Southsea, Gosport & Fareham.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr I H Currie FCA	(Retired 1 November 2025)
Ms G Grindell MSc	
Commander S J Snowball RN (Vice-Chair)	
Mr D J Foster FCA	
Mr S D Rice	
Lieutenant Colonel D B Ruffle RE	(Retired 9 April 2026)
Lieutenant Commander A Sard MBE RN	
Rear Admiral A R Rymer CEng	(Retired 19 November 2025)
Colonel C E H Ackroyd TD RD DL	(Retired 1 November 2025)
Captain N E Fletcher (Chair)	(Appointed 10 September 2025)
Mr A Davies	(Appointed 19 November 2025)

All directors hold one share in the association.

Results

The results for the year are set out on page 18.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors' insurance

The Association maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the Association.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Auditor

A quinquennial review of the auditor was last conducted by the directors in 2023, and it is proposed that Sumer Audit continue to be the appointed as auditor of the Association. This will also be put to the Annual General Meeting in 2026.

Code of governance

The association has adopted the National Housing Federation's (NHF) Code of Governance 2020 (and associated Code of Conduct 2022) and is satisfied that it complies with the both the spirit of the code and the principles set out in it.

Board's annual review of internal control

Board members routinely undertake internal assurance activity and monitor the result of staff's compliance checks. Specific risks are scheduled for review at each meeting so that every risk identified is covered at least once a year and any mitigation required is instigated. Stress testing has been undertaken against a combination of identified risks, but for a small sheltered housing association without mortgages or a development programme, there are few existential short-term threats not covered by insurance. Longer terms threats also included in the stress testing also are unsustainable price inflation/wage growth or a drying up of the existing pool of applicants. The former would not be unique to the organisation (and would affect it later) and the latter could be addressed by extending the eligibility criteria.

The Board met four times during 2025 with consistently strong attendance, and continued to maintain effective oversight of risk, compliance and performance throughout the year.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the association's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the association's auditor is aware of that information.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Statement of Directors' responsibilities

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

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

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

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and 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 in England 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

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

Assessment of compliance with the Governance and Financial viability Standard

CESSA HA is governed by its volunteer, unpaid non-executive directors in a Committee of Management (CoM), in accordance with its rules. The NHF's code of governance checklist is reviewed periodically and was last completed in April 2023. The CoM also monitors the following additional points closely:

- Allocation of properties and recruitment of staff are compliant with equality legislation and the Board strives to be as inclusive and diverse as possible in its membership. However, the latter is challenging to achieve for a small association based in Portsmouth whose client group are elderly ex-service. Subject to the usual ebb and flow of representation in a relatively small organisation, gender balance overall has been satisfactory. In order to maximise the opportunity for minority participation in future, recruitment criteria, advertising and procedures are kept under review.
- The code permits the absence of a separate Finance or Audit Committee for small non-developing associations, so FCA-qualified directors support the board in undertaking these roles. Much of the detailed performance monitoring is conducted by a sub-committee (which has tenant representation).
- The longstanding Chair of the Board of Directors', Rear Admiral AR Rymer, retired in Nov 25. This transition was successfully concluded with the appointment of a new Chair. The Board has managed this change in a structured and orderly manner, ensuring continuity of leadership, stability in governance arrangements and ongoing support to the Association's strategic direction.

The Board met 4 times in 2025 with 96% attendance. The Chairman co-ordinates Board and individual performance assessment and involves all directors in this process. The Board oversees the association's compliance with the Regulator's Economic & Consumer standards. The Board certifies its compliance with the Governance & Viability standard and asserts that the association remains a going concern. The Asset & Liability Register was updated in February 2025. Regarding the Rent Standard, all of CESSA HA's tenants have Assured Tenancies. Service charges are set to meet actual costs and therefore in some years, the charges decrease slightly rather than increase.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Complaint Handling. The association has long subscribed to the Housing Ombudsman Service (HOS) and follows its 2020 Complaint Handling Code. This section in the Annual Report reflects its requirements:

- a. Result of the self-assessment. The association confirms its compliance with the code, which is reassessed annually. The number of complaints received during 2025 remained low, with one Stage 1 Complaint received and no escalation to Stage 2.
- b. Ombudsman's insight into complaints. It was noted property condition remained the largest category of complaint HOS received.
- c. Issues and trends arising from internal complaint handling. The small number of issues raised during the year primarily related to queries regarding the outcomes of reported Anti-Social Behaviour.
- d. Organisational learning. Learning identified through the complaints process has been incorporated into service delivery, particularly in relation to communication and response times.
- e. HOS Complaints. No complaints were escalated to the Housing Ombudsman Service during 2025.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Assessment of how the association is achieving value for money

Overall, the directors consider CESSA HA meets the VfM standard, and have a strategic approach to VfM championed by one of its members as the Chairman of the Housing Committee, which leads on the detailed implementation and oversight. VfM is therefore embedded in the Board and cascaded down the association to grow a culture of efficiency, effectiveness and economy. CESSA HA aims to deliver the best possible use of the resources by ensuring the following are considered:

- Economy - careful use of resources to save expense, time or effort (whether in the interests of CESSA HA (rent) or its tenants (service charge));
- Efficiency - delivering the same level of service for lower cost, less time or effort;
- Effectiveness - delivering a better service or getting a higher return for the same amount of expense, time or effort.

The importance of ensuring that how it delivers VfM is optimised by:

- Doing the right things – having a business strategy that focuses resources on the right activities by making informed choices to achieve its priorities.
- Ensuring it has the right physical and human assets for the right cost.
- Delivering efficiently and effectively, especially with regard to property improvements and enhancing service delivery. It is important that it upgrades its properties in order to remain attractive for applicants, but to do so with the minimum disruption to tenants and at costs that deliver best value. Effective delivery of services means that it includes tenants' views in all major issues that may affect them.
- Using the right tools to evaluate success and apply learning – to check it has delivered the right outcomes, including any annual surpluses and efficiency gains for reinvestment in its aims and objectives.

CESSA HA aims to provide a choice of high-quality sheltered housing for its beneficiaries as charitably as possible, while promoting tenant wellbeing, independence and mutual support. Accordingly, it wants to produce as much value as possible for the money and resources at its disposal. For a number of years, CESSA HA's Strategic Plan has been based on the fact that the ex-Service community is shrinking and that there is poor information about likely demand for sheltered housing, especially by location. For this reason, CESSA HA had not been planning to expand the number of flats it offers so has not set basic rents as high as permitted by the Formula. Instead it has focussed on delivery of the social benefit it seeks by improving:

- the quality of its schemes. About £5.1m has been spent on remodelling since 2005 to: provide flats for the disabled; eliminate most single bedsits; and improve the proportion of doubles,
- the quality and breadth of services offered to its tenants,
- the resourcing of its staff including their training.

Assets. Our schemes and their flats are the foundations of the Association so we must manage these effectively in order to provide the most efficient operational performance and enable both the provision of great services to our residents as well as to invest in the future. We take a strategic approach to managing our schemes to make sure we're consistent in our investment decisions. The basis of this approach is having a clear understanding of the performance of our flats/schemes from a financial, resident and social perspective, and using this information to make the right investment choice to improve the overall value. This has led to careful consideration being given to energy efficiency in 2025 and steps being proactively taken to move towards achieving the Government's Net Zero Carbon aims. In the context of NZC, note that all the Association's flats are already at EPC C ahead of the government's target of 2030, unlike most of the benchmarking peer group (EPC3).

The carrying value of housing assets within the financial statements reflects applicable housing association accounting requirements and should not be interpreted as equivalent to open market valuation.

Procurement. Supplier relationship and contract management is a key driver to delivering additional savings, as well as lower costs for the association and our residents. It complements direct procurement savings and contributes to the overall savings target. Furthermore, the Association has invested in external energy consultancy services, which has realised an ROI – as our schemes become more energy efficient.

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the association's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the association's auditor is aware of that information.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Assessment of how the association is achieving value for money (continued)

Social value. We consider the social value of our homes so that we can deliver increased savings to both the public purse and our tenants. One way of measuring the social value delivered is by assessing how much the association saves its tenants (or the country for those on benefits) compared with accommodation in the private rented sector. The most recent Private Rental Market Statistics from the Office of National Statistics (updated 22 April 2026) show that the association's comparable rents for new lettings were significantly lower - about 50% of the Portsmouth median. An additional benefit for the association's tenants over private renting is the significantly greater security of tenure (as well as an acute focus on quality of service rather than making a profit). We also give tenants regular opportunities over a coffee to meet with us (normally every 8 weeks), to discuss the services we deliver and how they could be enhanced. This ensures that tenants have a say in decisions that affect their daily life in the scheme they live in, as well as being a useful means of delivering our biannual satisfaction survey.

Resident value. We look to deliver value to our residents, both in terms of direct savings and improvements to their well-being. We have continued to invest in our communities and helped residents sustain their tenancies, including by reducing running costs. Schemes help residents avoid loneliness and fuel poverty as well as providing security and better health. Note the association is considering supplying photovoltaic cells to its schemes that would reduce service charges.

Our performance. Investing in our homes makes sense, resulting in better living standards for our residents as well as maintaining the value of our assets. What we have spent on major/capitalised investments such as new kitchens, bathrooms, windows and heating systems, planned and responsive maintenance over the last few years is shown below. It is an accepted maxim that planned work is more efficient than responsive therefore a lower ratio of responsive : planned maintenance is considered better. It can be seen from below that the association achieves an enviably low (good) ratio.

	2020	2021	2022	2023	2024	2025
Responsive maintenance	£41,072	£47,497	£65,240	£48,390	£70,129	£74,809
Cyclical (Planned)	£80,393	£71,958	£47,210	£80,370	£98,350	£116,017
Major Planned - capitalised	£92,796	£164,241	£180,339	£114,562	£23,552	£121,183
Major Planned - other	£229,714	£54,186	£0	£0	£0	£0
Ratio Responsive : Planned	0.10	0.16	0.29	0.25	0.32	0.32

Investing in our people. We know that providing learning and development opportunities for our people is an investment in our future. This was demonstrated in 2025 when a member of our domestic services team who had periodically provided staff cover for our Scheme Management Staff, went on to complete CIH Level 2 and secured a Scheme Manager vacancy. In Jan 26, another member of staff successfully also completed their CIH Level 3 in Housing Practice qualification.

During 2025, the Association strengthened its organisational structure through the establishment of a dedicated Asset & Services Management (A&SM) function. This has enhanced the separation between asset and housing management responsibilities and those that support people. The aim being to enhance our asset and data intelligence to help inform strategic decisions – in relation to asset investment, compliance and long-term planning.

In addition, a dedicated Housing Administrator role has been introduced within Head Office. This has improved operational resilience, strengthened administrative capacity and supported the increasing demands associated with regulatory compliance and tenant engagement.

This restructuring of our small Head Office Team has resulted in the A&SM attending their NEBOSH training, and our recently arrived Head Office Administrator has undertaken Excel user training. All staff and Directors are both encouraged and supported to gain professional Housing qualifications - as well as qualifications that add strength to the collective.

Our working environment. A key aim of our strategy is to deliver a workplace that is fit for the future capable of operating as a modern connected business. In doing so, opportunities are exploited, where possible, to use intelligence to improve efficiencies, data management and to improve workflow. 2025 saw the migration of all IT systems from Windows 10 to 11+ and the upgrade of Sage accountancy software.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Assessment of how the association is achieving value for money (continued)

Furthermore, after a Cyber-attack in Nov 2025, IT security and resilience was further reinforced with a revised back-up regime and enhanced VPN protections for the remote desktop. Hybrid working continues to be used by several members of staff, and it works well for our small team – providing the flexibility expected from a modern and well-connected workforce.

Achievements in 2025. During 2025, the Association has continued to build on its operational and governance foundations, with a particular focus on strengthening internal capacity, maintaining compliance and supporting long-term sustainability.

The Association's strategy has continued to be monitored and will undergo its next biennial review in 2027. In parallel, CEO and DOH continue to develop the Association's Asset Management Strategy, with a target implementation date of Spring 2027. This reflects the need to gather and interrogate detailed stock condition, compliance, energy efficiency and lifecycle data across all schemes, together with the continuing uncertainty surrounding Heat Network Regulation and Net Zero Carbon requirements, so that future investment decisions are evidence-based, proportionate and strategically sustainable.

The Association's strategy has continued to be monitored and will undergo its next biennial review in 2027. However, CEO and DOH continue to develop the Association's Asset Management Strategy, which has a target 'go-live' of Spring 2027.

The Revised Tenant Satisfaction Measures continue to be embedded and utilised to monitor performance and service delivery.

Fire Risk Assessments and compartmentation reports have been reviewed, with ongoing work to assess and implement any required actions, and progress has continued in digital infrastructure and building safety compliance across the schemes. The Association also took advantage of a sizeable HNES grant, enabling it to procure an energy efficiency report on its oldest sheltered scheme, CESSAC House. The information from this report is being used to identify quick impact and larger planned works projects that can be implemented and also rolled out to other schemes to improve energy efficiency. The Association remains appropriately focussed on non-discretionary improvements to meet Net Zero Carbon goals and the possible, but not fully known, requirements of the Heat Network Regulations.

Importantly, the Association secured its erosh re-accreditation with a positive report that highlighted a high quality of asset condition, maintenance and repairs and tenant engagement.

Plans for 2026. During 2026, the Association will focus on embedding the revised Head Office re-structure, and further work will be undertaken to develop and formalise the Association's Asset Management Strategy, providing a structured framework for future investment and decision-making.

The Association will continue to monitor regulatory developments, including Heat Network requirements, and will respond accordingly wherever required. This will include continued implementation of initiatives to improve the energy efficiency of our schemes.

Social Return on Assets: All schemes are provided with a Scheme Manager plus out-of-hours Careline service, controlled access to the building, lifts, communal laundry facilities, a communal lounge and supporting kitchen facilities & wifi, access to an elderly-friendly computer & training thereon, guest room, charging & storage facilities for mobility scooters, parking spaces, garden areas and a salon for visiting hairdressers/others. Space is provided in one scheme for a tenants' shop (where there are fewer shops and buses than there used to be). The fostering of an ex-Service community in each scheme is a key aim both for tenant well-being and to alleviate the scourge of loneliness. 30% of the Scheme Manager's time is allocated to organisation of support for tenants including social activities and no charge is made to tenants for this service. On average, CESSA HA's basic rents for new lettings are about 12% below the Government's 'Formula' Rent for each flat. Low rents do not mean sacrifices elsewhere – the schemes have been remodelled and are maintained to a high standard. This has been achieved by VfM gains, low voids, high rent collection, low management costs and an appropriate proportion of planned maintenance. We are also proud to be a Dementia-Friendly organisation and to fund an Additional Support service via a local contractor. The latter provides periods of companionship for tenants with support needs and enables them to access social inclusion activities they could not otherwise participate in, such as shopping trips and visits to cafes.

The combination of the social & resident values plus the Social Return on Assets generates significant savings to the nation. These are the benefits for the tenants and the community from such sheltered housing supporting vulnerable older people to remain independent for longer. This also lowers the costs to the NHS and frees general needs housing for younger families.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Assessment of how the association is achieving value for money (continued)

Absolute & Comparative Costs: The Association uses a variety of metrics to gauge and compare its performance. It participates in an Acuity benchmarking club covering the south and east of England where it can compare with other organisations delivering similar sheltered housing services. Inevitably there are differences in the way that members of the club work and CESSA HA has a particular client group (elderly ex-Service). Nevertheless, the Association compares favourably in the key performance indicators reported by the club that include the RSH's (Regulator for Social Housing) 7 key metrics. This club is comprised of 35 smaller housing associations, primarily providing Housing for Older People (HfOP) in London and the South-East.

Key metric	RSH	CESSA 2025	CESSA 2024	Peer median	
		Stock managed (number of units)	191	191	
		Turnover £'000	1,529	1,549	
1	304	Reinvestment %	0.68	1.89	2.50
2	204	New supply delivered (Social housing units) %	-	-	-
	205	New supply delivered (Non-social housing units) %	-	-	-
3	203	Gearing (RSH and Scorecard measure) %	(44.63)	(36.77)	3.00
4	103	EBITDA MRI (as a percentage of interest) %	812	748	381
5	501	Headline social housing cost per unit (HSHC)	5,972	6,286	5,792
6	101	Operating margin (overall) %	18.41	19.07	7.95
	102	Operating margin (social housing lettings) %	18.41	19.07	9.00
7	401	Return on Capital Employed (ROCE) %	4.93	5.36	0.80

The association has not built for many years and therefore the relevant metrics reflect this (2, 3, 4). The regulator of Social Housing's most recent Value for Money analysis (Value for Money Metrics & Reporting 2025) continues to demonstrate increasing costs pressures across the sector, particularly in relation to maintenance, building safety, energy efficiency and investment in existing homes.

Against this backdrop, the Association continues to perform strongly. Headline social housing cost per unit of £5,972 remains below the sector weighted average of £6,278, demonstrating continued cost efficiency. Operating margins also compare favourably at 18.41% against a sector average of 17.2%, while Return on Capital Employed of 4.93% remains significantly ahead of the sector average of 2.7%.

Reinvestment levels remain below the sector average, and this reflects a deliberate strategic position. The Association has chosen not to pursue new development at this time, recognising the uncertainty surrounding future regulatory requirements and associated costs. In addition, the existing housing stock has been subject to sustained investment over several years and is currently maintained to a high standard, reducing the immediate requirement for significant capital expenditure.

However, this position is expected to evolve over the medium term. The Association anticipates an increase in capital investment over the next three years as it responds to emerging requirements, including Heat Network Regulation and Net Zero Carbon obligations, together with the ongoing need to maintain and enhance the quality and sustainability of its homes.

These results reflect the Association's continued focus on efficient management, low voids and proportionate overheads, whilst maintaining high-quality service delivery to tenants. Separately, using the NHF's Local Economic Impact Calculator with updated 2025 inputs, it is estimated that the Association generates a direct Gross Value-Added impact of approximately £1.1m per annum within the South-East, alongside employee income of approximately £661k. This reflects the ongoing economic contribution of the Association through its employment, procurement and operational activity within the local economy.

The Directors key measurements of VfM success are 1. Repairs, 2. Voids and 3. Satisfaction.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Repairs. In common with other benchmarking members, the association undertakes 100% of Emergency repairs within 24 hours (the target is 95%). Under the new TSM, this KPI has changed (now RPO2) and combines the previous categories of urgent and routine. These are now reported against the target time we set ourselves: urgent repairs in 5 days and routine 21. Our achievement was an impressive 100% for urgent and 97.6% for routine repairs (most members aim for 95% of urgent to be complete within 7 days and 92% within 28 days).

Voids management. This is important in order to maximise income and minimise losses and the association has performed well in this regard – around 1.5% (HMHO 30), despite the need to renovate flats between occupants and the additional challenges for sheltered providers of finding applicants ready to move when vacancies happen to occur.

Satisfaction. For all these reasons, the association's tenants appear well satisfied (TP 01), at 95%, compared with the peer median of 94%.

The Directors have not set arbitrary targets for efficiency reductions given: the low costs already illustrated; the ratio achieved of planned to responsive maintenance; the minimal arrears and bad debts; and the fact that its basic rents remain below the formula.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Assessment of how the association is achieving value for money (continued)

VfM Gains: Many improvements have been made in schemes whether remodelled or not, including new kitchens, double glazing, upgraded fire alarm systems, hearing induction loops and the replacement of baths by showers. The association is a member of Procurement for Housing and conducts its own health & safety assessments. Achievements in 2025:

General

- The successful re-structure of Head Office.
- The association's strategy was monitored and will undergo its biennial review in 2025.
- The re-role of the HSM post to become a dedicated A&SM.
- The recruitment of a Housing Support Administrator
- Scheme Manager CIH Level 2 and Level 3 Housing Practice Qualification
- Successful recruitment of Chair of Directors, Vice-Chair and MRC.
- Implementation of scheme electronic notice boards
- Purchase of a new, replacement minibus for CESSAC House

Re the Short-term objective (Regulation & erosh):

- The Social Housing (Regulation) Act required an increase in the amount of Tenant surveys and so all 5 schemes were surveyed in 2025 (with the first Tenant Satisfaction Measure surveys taking place in 2023).
- The organisation was re-accredited by "erosh".
- Registered with the Energy Ombudsman to ensure compliance with the Heat Network Regulation Complaints requirements.

Re the medium-term objective (improving VfM). The following progress has been made:

- All necessary Fire Risk Assessments (FRAs) and Compartmentation Reports had also been commissioned and provided. The results will now be scrutinised to understand the implications for HA.
- Introduction of energy efficiency measures in order to meet Net Zero Carbon targets.

Re the long-term objective (keeping its properties viable or planning their replacement)

- The impact on revised Heat Network Regulations has been monitored to ensure compliance.
- The need to re-model some pairs of former bedsits is considered as voids are presented.
- Continue to ensure that the Association meets its regulatory requirements.

Plans for 2026:

General

- Better exploit the Housing Management Software to automate work.
- Support staff with personalised training opportunities wherever identified.
- Support staff by creating opportunities for them to focus on their mental health and wellbeing.

Re the short-term objective (Regulation & erosh):

- Monitor the implications of the Energy Bill, the Procurement Act and Heat Network Regulations. Undertake the erosh interim review assessments successfully.
- Monitor Heat Network Regulation published requirements and register with Ofgem and DESNZ as required by February 2027.
- Compile and publish new policies and procedures as required by the Heat Network Regulations.

Re the medium-term objective (improving VfM):

- Monitor the energy contracts to deliver best VfM for tenants.
 - Ensure that Planned Maintenance projects (expected cost £407,740) are completed on time and to budget.
 - Continue to implement and deliver energy efficiency measures so as to meet Government Net Zero Carbon objectives.
-

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

- Prepare for the implementation of the Social Tenants Access to Information Requirements (STAIRS) which commences from Oct 26 to go-live from Apr 27.
- Prepare for the Competence and Conduct for Social Housing arrangements that come into force from Oct 26 and require Registered Providers to have suitably trained staff.

Re the long-term objective (viability).

- React to Heat Network Regulations to complete works and ensure compliance requirements.
- Further data will be gathered in 2026/27 so that a properly-considered decision can be made about whether to install Photovoltaic Cells (PV) on the roofs of each scheme and if this would include batteries. It is recognised that this would reduce tenants' electricity costs but would need to be paid for by the association as part of the carbon footprint recommendations, and importantly, prioritised against other improvements.

CESSA HA will continue to ensure the best possible use is made of the resources by listening to the feedback from tenants and other stakeholders. It will use this information in planning and delivering its long-term maintenance programme and excellent services to tenants.

On behalf of the board



Commander S J Snowball RN

Director

Date: 24.6.2026

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Church of England Soldiers', Sailors' and Airmen's Housing Association Limited (the 'association') for the year ended 31 December 2025 set out on pages 18 to 38. 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 December 2025 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022.

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 directors' 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Board Report.

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:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 - 14, the directors are 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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.

Identification and assessment of irregularities including fraud

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

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

- Obtaining an understanding of the legal and regulatory framework that the association operates in, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the association's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud; and
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud through our knowledge and understanding of the company and our sector-specific experience.

As a result of these procedures, we considered the opportunities and incentives that may exist within the association for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: health & safety and employment law, as well as compliance with the UK Companies, Cooperative and Community benefit society, Housing Regenerating and Accounting Direction for Social Housing Acts

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of the board and senior management;
- Reading correspondence with regulators;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

Sumer Audit

Sumer Audit

30/06/2026

.....

Chartered Accountants

Statutory Auditor

Piper House
4 Dukes Court
Bognor Road
Chichester
West Sussex
PO19 8FX

Sumer Audit is a trading name of Sumer Auditco Limited

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

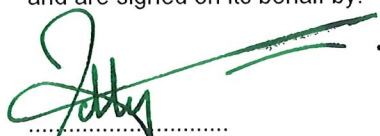
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	2024 £
Turnover	3	1,528,710	1,549,670
Operating expenditure		(1,252,184)	(1,263,416)
Operating surplus	5	276,526	286,254
Interest receivable and similar income	8	94,900	82,820
Interest payable and similar expenses	9	(55,000)	(53,000)
Fair value gains and losses on investments	10	29,513	27,615
Surplus before taxation		345,939	343,689
Taxation	11	-	-
Surplus for the financial year		345,939	343,689
Other comprehensive income			
Actuarial gain/(loss) on defined benefit pension schemes	20	(9,000)	17,000
Total comprehensive income for the year		336,939	360,689


The Income and Expenditure Account has been prepared on the basis that all operations are continuing operations.

The notes on pages 22 to 38 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 24 Jun 26 and are signed on its behalf by:


.....
Lt Col Joseph Petty

Secretary


.....
Captain N E Fletcher (Chair)

Director


.....
Lieutenant Commander A Sard
MBE RN
Director

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	12		3,627,311		3,714,607
Investments	13		454,164		422,771
			<u>4,081,475</u>		<u>4,137,378</u>
Current assets					
Debtors	15	128,417		108,909	
Cash at bank and in hand		1,543,974		1,300,981	
		<u>1,672,391</u>		<u>1,409,890</u>	
Creditors: amounts falling due within one year	16	(144,660)		(207,276)	
Net current assets			<u>1,527,731</u>		<u>1,202,614</u>
Total assets less current liabilities			<u>5,609,206</u>		<u>5,339,992</u>
Creditors: amounts falling due after more than one year	17		(2,230,969)		(2,267,695)
Provisions for liabilities SHPS Defined Benefit Pension	18		(130,000)		(161,000)
Net assets			<u><u>3,248,237</u></u>		<u><u>2,911,297</u></u>
Capital and reserves					
Called up share capital	21		26		25
Income and expenditure reserve			3,248,211		2,911,272
Total equity			<u><u>3,248,237</u></u>		<u><u>2,911,297</u></u>

The notes on pages 22 to 38 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 24 Jun 26 and are signed on its behalf by:



Lt Col Joseph Petty

Secretary



Captain N E Fletcher (Chair)

Director



Lieutenant Commander A Sard
MBE RN

Director

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Share capital £	Income and expenditure reserve £	Total £
Balance at 1 January 2024		24	2,550,583	2,550,607
Period ended 31 December 2024:				
Surplus for the year		-	343,689	343,689
Other comprehensive income:				
Actuarial gains on defined benefit plans		-	17,000	17,000
Total comprehensive income for the year		-	360,689	360,689
Issue of share capital	21	1	-	1
Balance at 31 December 2024		25	2,911,272	2,911,297
Period ended 31 December 2025:				
Surplus for the year		-	345,939	345,939
Other comprehensive income:				
Actuarial gains on defined benefit plans		-	(9,000)	(9,000)
Total comprehensive income for the year		-	336,939	336,939
Issue of share capital	21	3	-	3
Forfeited shares	21	(2)	-	(2)
Balance at 31 December 2025		26	3,248,211	3,248,237

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025		2024	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	23		244,853		333,850
Investing activities					
Purchase of tangible fixed assets		(47,881)		(121,183)	
Purchase of investments		(36,193)		(25,361)	
Proceeds from investments and other loans		34,313		19,353	
Interest received		39,690		30,733	
Dividends received		8,210		8,087	
Net cash used in investing activities			(1,861)		(88,371)
Financing activities					
Proceeds from issue of shares		3		1	
Redemption of shares		(2)		-	
Net cash generated from financing activities			1		1
Net increase in cash and cash equivalents			242,993		245,480
Cash and cash equivalents at beginning of year			1,300,981		1,055,501
Cash and cash equivalents at end of year			<u>1,543,974</u>		<u>1,300,981</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

Information

Church of England Soldiers', Sailors' and Airmen's Housing Association Limited is a Co-operative and Community Benefit Society and a private registered provider of social housing in the United Kingdom. The registered office is 1 Shakespeare Terrace, 126 High Street, Portsmouth, Hampshire, PO1 2RH. The nature of the association's operations and principal activities are the rental and management of social housing sheltered flats.

The association constitutes a public benefit entity as defined by FRS 102.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Statement of Recommended Practice for Social Housing Providers 2018 Update (SORP), and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014.

The financial statements are prepared in sterling, which is the functional currency of the association. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of certain financial instruments at fair value.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable net of discounts. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants and the amortisation of government grants.

Interest income is recognised using the effective interest method and dividend income is recognised as the association's right to receive payment is established.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land and buildings	Up to one hundred years straight line basis
Fixtures and fittings	Ten years straight line basis
Office equipment	Four years straight line basis
Vehicles	Ten years straight line basis

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in income and expenditure.

Major components of housing properties, including roofs (70 years), double glazing (30 years), boilers and heating (15 to 30 years), bathrooms (30 years), kitchens (30 years), lifts (25 years) and electrics (40 years), have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives and are included in housing properties.

The useful economic lives of all tangible fixed assets are reviewed annually.

1.5 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is considered at scheme level. The key indicators considered are:

- A change in demand for a property.
- Obsolescence of a property.
- A change in government policy.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income. No such indications were noted and therefore no review was considered necessary.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.7 Financial instruments

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

Financial assets are recognised in the association's balance sheet when the association becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets

Basic financial assets, which include rent arrears and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through income and expenditure are measured at fair value.

Other financial assets

Other financial assets, including investments in equity instruments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in income and expenditure, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Rent arrears, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in income and expenditure.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through income and expenditure are measured at fair value.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the association's obligations are discharged, cancelled, or they expire.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.8 Taxation

The association has charitable status with HM Revenue and Customs and no charge to Corporation Tax tax arises on these results. Deferred tax is therefore also not applicable.

The association is not registered for VAT and all expenditure is shown inclusive of VAT.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the association is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Payments are also made to a multi employer defined benefit pension scheme. The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net defined benefit pension asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.11 Government grants

Social housing or other government grants are received to finance social housing properties. These grants are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover.

Under certain circumstances, primarily following the sale of a property, the grant is repayable or recyclable but this is often restricted to the net proceeds of sale. Where government grants are required to be recycled, a liability is included to recognise this obligation.

Government grants received as a contribution to revenue expenditure are recognised in the statement of comprehensive income on a systematic basis over the period in which the landlord recognises the related costs for which the grant is intended to compensate. The related expenditure is included under administrative expenses. Grants are recognised in the same period as the related expenditure provided the conditions for receipt have been satisfied and there is reasonable assurance that the grant will be received.

2 Judgements and key sources of estimation uncertainty

In the application of the association's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Multi employer defined benefit pension scheme

Payments are made to a multi-employer defined benefit pension scheme. The board has relied upon the information received from TPT Retirement Solutions in order to account for the Association's share of the scheme's assets and liabilities from 1 January 2019, the first date for which this information is available. See notes 18 and 20.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Estimated useful lives

The useful life of housing properties and their components has been estimated using the National Housing Federation matrix of property components as a basis.

Multi employer defined benefit pension scheme

In estimating the value of the Association's share of defined benefit pension scheme obligations, fair value of assets and net liability, TPT Retirement Solutions makes a number of assumptions regarding the impact of current and future factors, these are outlined in note 20.

3 Social housing turnover and costs

	2025 £	2024 £
Rents receivable excluding service charges	959,019	924,047
Service charges receivable	500,544	565,555
Guest room income receivable	7,725	5,880
Other sundry income	996	17,462
Other grants received	23,700	-
Amortisation of capital grants	36,726	36,726
	<u>1,528,710</u>	<u>1,549,670</u>
Social housing activity expenditure	(1,252,184)	(1,263,416)
	<u>276,526</u>	<u>286,254</u>
Operating surplus/(deficit) from social housing activities	<u>345,939</u>	<u>343,689</u>
Net surplus/(deficit) from social housing activities	<u>(23,891)</u>	<u>(14,142)</u>
Void losses	<u>(23,891)</u>	<u>(14,142)</u>

4 Accommodation owned and in management

	Number of units at 31 December 2025	Number of units at 31 December 2024
Completed units:		
Sheltered housing let at social rent	191	191
	<u>191</u>	<u>191</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

5	Operating surplus	2025	2024
		£	£
	Operating surplus for the year is stated after charging/(crediting):		
	Exchange losses/(gains)	-	(1,247)
	Remuneration, exclusive of VAT, payable to the external auditors:		
	Auditing of the accounts	8,535	8,250
	Accountancy services	1,830	1,789
	Depreciation of owned tangible fixed assets	130,252	121,575
	Deficit on disposal of tangible fixed assets	4,925	9,253
		<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including members of the executive team) employed by the association during the year was:

	2025	2024
	Number	Number
Management	6	6
Scheme managers	4	4
Cleaners	8	8
Maintainers	2	2
	<u> </u>	<u> </u>
	20	20
	<u> </u>	<u> </u>
Average full time equivalent (based on a 35 hour week)	13	12
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2025	2024
	£	£
Wages and salaries	446,020	420,918
Social security costs	36,784	36,584
Pension costs	37,751	24,084
	<u> </u>	<u> </u>
	520,555	481,586
	<u> </u>	<u> </u>

There are no employees who received more than £60,000 as their employee package.

	2025	2024
	£	£
Defined contribution schemes:		
Included within pension costs above is the following charge to income and expenditure in respect of defined contribution schemes	37,051	31,843
	<u> </u>	<u> </u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

7 Board and key management personnel remuneration	2025	2024
	£	£
Remuneration for qualifying services	40,013	42,009
Association pension contributions to defined contribution schemes	3,988	3,796
	<u>44,001</u>	<u>45,805</u>

None of the Directors (or any persons connected with them) received any remuneration during the year, but 4 of them were reimbursed a total of £1,344 travelling expenses (2024 - 7 were reimbursed £1,306).

The highest paid director received £40,013 (2024 - £42,009) remuneration (excluding pension contributions).

For the purposes of the above disclosures, "Director" also includes the Chief Executive and any other person who is a member of the executive management team, or its equivalent, of the association.

Chief Executive Remuneration. The Chief Executive, the only Senior Executive, is one of the members of staff jointly employed with a related party, Church of England Soldiers', Sailors' & Airmen's Clubs (CESSAC). The Chief Executive is not a Director, but was an ordinary member of the association's defined contribution pension scheme carrying no special terms. The division of the costs for all joint employees is regularly reassessed in proportion to the value of contribution to each entity, the CEO's being 50% to the association and to CESSAC. This resulted in the share of costs below (excluding national insurance contributions):

	2025	2024
CESSAC Emoluments	£40,012	£42,009
Association Emoluments	£40,013	£42,009
Total Emoluments	£80,025	£84,018
CESSAC pension contribution	£3,987	£3,796
Association pension contribution	£3,988	£3,796
Total pension contributions	£7,975	£7,932

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

8 Interest receivable and similar income	2025	2024
	£	£
Interest income		
Interest on bank deposits	39,233	30,383
Interest from defined benefit scheme asset	47,000	44,000
Other interest income	457	350
	<u>86,690</u>	<u>74,733</u>
Other income from investments		
Dividends received	8,210	8,087
	<u>94,900</u>	<u>82,820</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through income and expenditure	<u>39,233</u>	<u>30,383</u>
9 Interest payable and similar expenses	2025	2024
	£	£
Other finance costs:		
Interest on defined benefit scheme liability	55,000	53,000
	<u>55,000</u>	<u>53,000</u>
10 Gains and losses on investments	2025	2024
	£	£
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	15,811	27,357
Other gains/(losses)		
Gain on disposal of financial assets held at fair value through profit or loss	13,702	258
	<u>29,513</u>	<u>27,615</u>

11 Taxation

The association has charitable status with HM Revenue & Customs and on the basis of these financial statements no provision has been made for corporation tax.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

12 Tangible fixed assets

Housing properties

Housing properties for letting
£

Cost

At 1 January 2025	5,974,387
Additions: works to existing properties	23,552
Disposals	(25,040)

At 31 December 2025	5,972,899
---------------------	-----------

Depreciation and impairment

At 1 January 2025	2,436,378
Depreciation charged in the year	96,966
Eliminated in respect of disposals	(20,115)

At 31 December 2025	2,513,229
---------------------	-----------

Carrying amount

At 31 December 2025	3,459,670
At 31 December 2024	3,538,009

Other

	Fixtures and fittings £	Office equipment £	Vehicles £	Total £
Cost				
At 1 January 2025	375,507	9,948	23,743	409,198
Additions	-	-	24,329	24,329
At 31 December 2025	375,507	9,948	48,072	433,527
Depreciation and impairment				
At 1 January 2025	202,547	9,948	20,105	232,600
Depreciation charged in the year	28,478	-	4,808	33,286
At 31 December 2025	231,025	9,948	24,913	265,886
Carrying amount				
At 31 December 2025	144,482	-	23,159	167,641
At 31 December 2024	172,960	-	3,638	176,598

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

13 Fixed asset investments	2025	2024
	£	£
Unlisted investments	454,164	422,771
	<u> </u>	<u> </u>
<p>The investments are recognised at fair value through income or expenditure and have an original cost of £288,481 (2024: £287,864).</p>		
Movements in fixed asset investments		
		Investments
		£
Cost or valuation		
At 1 January 2025		422,771
Additions		36,193
Valuation changes		15,811
Disposals		(20,611)
		<u> </u>
At 31 December 2025		454,164
		<u> </u>
Carrying amount		
At 31 December 2025		454,164
		<u> </u>
At 31 December 2024		422,771
		<u> </u>
14 Financial instruments	2025	2024
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	454,164	422,771
	<u> </u>	<u> </u>
15 Debtors	2025	2024
	£	£
Amounts falling due within one year:		
Social housing rent arrears	10,130	8,952
Other debtors	64,124	60,753
Prepayments	54,163	39,204
	<u> </u>	<u> </u>
	128,417	108,909
	<u> </u>	<u> </u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

16 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Other taxation and social security		15,196	12,988
Government grants	19	36,726	36,726
Trade creditors		4,904	110,598
Rents paid in advance		15,600	7,346
Other creditors		49,413	16,757
Accruals		22,821	22,861
		<u>144,660</u>	<u>207,276</u>

17 Creditors: amounts falling due after more than one year

	Notes	2025 £	2024 £
Government grants	19	<u>2,230,969</u>	<u>2,267,695</u>

18 Provisions for liabilities

	Notes	2025 £	2024 £
Retirement benefit obligations	20	<u>130,000</u>	<u>161,000</u>
		<u>130,000</u>	<u>161,000</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

19 Government grants

Deferred income is included in the financial statements as follows:

	2025 £	2024 £
Current liabilities	36,726	36,726
Non-current liabilities	2,230,969	2,267,695
	<u>2,267,695</u>	<u>2,304,421</u>
	2025 £	2024 £
Social Housing Grant received		
At 1 January 2025	3,672,646	3,672,646
At 31 December 2025	<u>3,672,646</u>	<u>3,672,646</u>
Amortisation		
At 1 January 2025	1,368,225	1,331,499
Amortised during the year	36,726	36,726
At 31 December 2025	<u>1,404,951</u>	<u>1,368,225</u>
Carrying amount		
At 31 December 2025	<u>2,267,695</u>	<u>2,304,421</u>

Deferred income is comprised of social housing government grants which are amortised over the useful economic life of the assets which they finance. Included above are amounts which fall due to be amortised after five years totalling £2,084,065 (2024: £2,120,791).

20 Retirement benefit schemes

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

20 Retirement benefit schemes

(Continued)

Defined benefit schemes

The company operates a defined benefit scheme for qualifying employees. Under the scheme the employees are entitled to retirement benefits as a percentage of final salary on attainment of a retirement age of 67. No other post retirement benefits are provided.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 September 2024 by TPT Retirement Solutions with the 31 December 2025 position projected from the 30 September 2024 data. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

The figures in note 20 are necessarily entirely based on the Accounting Disclosure provided to the association by The Pensions Trust (TPT Retirement Solutions). TPT's disclosure is provided from a tool that makes a number of approximations, which is why many of the figures in the Note (and where they are taken elsewhere in the accounts) are rounded to the nearest thousand. A further complication is that some of the staff are jointly employed by CESSAC, for example, so TPT does not (and cannot) take into account the fact that some of the employers pension costs are only part-funded by the association. Therefore some of the figures in note 20 will inevitably be higher than those relevant to the association alone, e.g. notes 6 and 7 record the costs included in the I&E & balance sheet.

Key assumptions

	2025 %	2024 %
Discount rate	5.24	5.33
Expected rate of salary increases	3.45	3.79
Inflation (RPI/CPI)	2.85/2.45	3.26/2.79
Allowance for commutation of pension for cash at retirement	75	75
	====	====

The above rates are given as at the 31 December 2025 and 2024 respectively.

Mortality assumptions

Assumed life expectations on retirement at age 65:

	2025 Years	2024 Years
Retiring today		
- Males	20.5	20.5
- Females	23	23
	====	====
Retiring in 20 years		
- Males	21.7	21.8
- Females	24.5	24.4
	====	====

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

20 Retirement benefit schemes	(Continued)	
Amounts recognised in the profit and loss account	2025	2024
	£	£
Net interest on defined benefit liability/(asset)	8,000	9,000
Other costs and income	7,000	4,000
Total costs	<u>15,000</u>	<u>13,000</u>
Amounts taken to other comprehensive income	2025	2024
	£	£
Actual return on scheme assets	(54,000)	(4,000)
Less: calculated interest element	47,000	44,000
Return on scheme assets excluding interest income	(7,000)	40,000
Actuarial changes related to obligations	16,000	(57,000)
Total costs/(income)	<u>9,000</u>	<u>(17,000)</u>
Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)	2025	2024
	£	£
Present value of defined benefit obligations	1,037,000	1,081,000
Fair value of plan assets	(907,000)	(920,000)
Deficit in scheme	<u>130,000</u>	<u>161,000</u>
Reconciliation of opening and closing balances of the defined benefit obligation		2025
		£
Liabilities at 1 January 2025		1,081,000
Benefits paid		(125,000)
Contributions from scheme members		3,000
Actuarial gains and losses		16,000
Interest cost		55,000
Other		7,000
At 31 December 2025		<u>1,037,000</u>

The defined benefit obligations arise from plans which are wholly or partly funded.

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

20 Retirement benefit schemes

(Continued)

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

	2025 £
Fair value of assets at 1 January 2025	920,000
Interest income	47,000
Return on plan assets (excluding amounts included in net interest)	7,000
Benefits paid	(125,000)
Contributions by the employer	55,000
Contributions by scheme members	3,000
	<hr/>
At 31 December 2025	907,000
	<hr/> <hr/>

The actual return on plan assets was £54,000 (2024 - £4,000).

Fair value of plan assets at the reporting period end

	2025 £	2024 £
Property	44,000	44,000
Global equity	111,000	106,000
Bonds and securities	3,000	4,000
Liability driven investments	281,000	295,000
Other	468,000	471,000
	<hr/>	<hr/>
	907,000	920,000
	<hr/> <hr/>	<hr/> <hr/>

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

Schedule of Contributions

The table below sets out the future deficit contribution payments the company is expected to pay TPT Retirement Solutions

01/01/2026 - 30/12/2026	51,468
01/01/2027 - 30/12/2027	54,299
01/01/2028 - 30/03/2028	13,754

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

21 Share capital

	2025 £	2024 £
Ordinary share capital		
Issued and fully paid		
Brought forward	25	24
Issued during the year	3	1
Forfeited during the year	(2)	-
	<u>26</u>	<u>25</u>
26 Ordinary of £1 each	<u>26</u>	<u>25</u>

These shares do not carry any right to a dividend, cannot be redeemed and do not give any provision for a distribution on a winding up. All members are entitled to vote at General Meetings.

22 Capital commitments

At the year end of the prior year the Association was committed to the completion of major works to upgrade the Glamis Court entry system from analogue to digital. The cost to complete these works was £54,322, this was paid for in January 2025, with the work being completed in February 2025. The work was funded from the Association's cash at bank. There are no capital commitments at the current year end.

23 Cash generated from operations

	2025 £	2024 £
Profit for the year after tax	345,939	343,689
Adjustments for:		
Finance costs	55,000	53,000
Investment income	(94,900)	(82,820)
Loss on disposal of tangible fixed assets	4,925	9,253
Depreciation and impairment of tangible fixed assets	130,252	121,575
Other gains and losses	(29,513)	(27,615)
Pension scheme non-cash movement	(48,000)	(54,000)
Movements in working capital:		
Increase in debtors	(19,508)	(78,937)
(Decrease)/increase in creditors	(62,616)	86,431
Decrease in deferred income	(36,726)	(36,726)
	<u>244,853</u>	<u>333,850</u>
Cash generated from operations	<u>244,853</u>	<u>333,850</u>

24 Analysis of changes in net funds

	1 January 2025 £	Cash flows £	31 December 2025 £
Cash at bank and in hand	1,300,981	242,993	1,543,974
	<u>1,300,981</u>	<u>242,993</u>	<u>1,543,974</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2025

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2025	2024	2024
	£	£	£	£
Turnover				
Rents receivable excluding service charges		982,910		938,189
Service charges receivable		500,544		565,555
Void losses		(23,891)		(14,142)
Guest room income		7,725		5,880
Other income		996		17,462
Revenue grants receivable		23,700		-
Amortisation of capital grants		36,726		36,726
		<hr/>		<hr/>
		1,528,710		1,549,670

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

DETAILED PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 £	2025 £	2024 £	2024 £
Operating expenditure				
Wages and salaries	406,007		378,909	
Social security costs	36,784		36,584	
Staff training	9,454		4,783	
Staff pension costs defined contribution	33,063		28,047	
Staff pension costs defined benefit (allocation)	-		835	
Defined benefit scheme - all payments	48,700		45,406	
Defined benefit scheme - pension contras	(48,000)		(54,000)	
Directors' remuneration	40,013		42,009	
Directors' pension costs - defined contribution scheme	3,988		3,796	
Rent re licences and other	11,838		11,640	
Service charge payable	15,228		15,832	
Rates	6,807		12,381	
Cleaning	16,589		17,840	
Power, light and heat	136,833		224,413	
Repairs and maintenance	74,809		70,129	
Cyclical repairs and maintenance	116,017		98,350	
Garden maintenance and landscaping	23,098		20,911	
Renewals and replacements	22,204		25,922	
Service repairs and contracts	34,532		28,292	
Premises insurance	29,016		31,738	
Computer running costs	7,865		8,560	
Motor running expenses	2,114		1,641	
Travelling expenses	3,074		1,195	
Professional subscriptions	9,138		11,032	
Legal and professional fees	20,846		12,557	
Pension scheme administration charges	7,835		7,687	
Non audit remuneration paid to auditors	2,196		2,147	
Audit fees	10,242		9,900	
Charitable donations	30		-	
Bank charges	3,280		4,052	
Printing and stationery	3,245		1,873	
Books, periodicals, reference materials	72		321	
Advertising	2,293		2,951	
Telecommunications	1,933		1,898	
Sundry expenses	9,446		6,956	
Social and welfare fund expenditure	13,786		15,210	
Committee expenses	2,632		2,038	
Depreciation	130,252		121,575	
Profit or loss on disposal of tangible assets	4,925		9,253	
Profit or loss on foreign exchange	-		(1,247)	
	(1,252,184)		(1,263,416)	
Operating profit		276,526		286,254

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S HOUSING ASSOCIATION LIMITED

DETAILED PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 £	2025 £	2024 £	2024 £
Interest receivable and similar income				
Bank interest received	39,233		30,383	
Other interest received on financial instruments	457		350	
Interest from defined benefit scheme asset	47,000		44,000	
Other dividends - receivable	8,210		8,087	
	<u> </u>	94,900	<u> </u>	82,820
Interest payable and similar expenses				
Interest on defined benefit scheme liabilities		(55,000)		(53,000)
Other gains and losses				
Change in fair value of financial assets measured at FVTPL	15,811		27,357	
Profit or Loss on disposal on financial assets measured at FVTPL	13,702		258	
	<u> </u>	29,513	<u> </u>	27,615
Profit before taxation	22.63%	<u>345,939</u>	22.18%	<u>343,689</u>

