

Annual report and financial statements

Year ended 31 March 2026

Livv
housing group



*A charitable registered society under the Cooperative and Community
Benefit Societies Act 2014, registered number 007773*



Group Information

Registered Office

Livv Housing Group,
Lakeview,
Kings Business Park,
Prescot,
Merseyside, L34 1PJ

Website

livvhousinggroup.com

Registration Number

A charitable registered society under the Cooperative and Community Benefit Societies Act 2014, registered number 007773. Registered with the Regulator of Social Housing, number LH4343.

External Auditor

BDO LLP, Eden,
Irwell Street,
Manchester, M3 5EN

Internal Auditor

PwC,
1 Hardman Square,
Manchester, M3 3EB

Principal Solicitors

Anthony Collins,
Solicitors LLP,
134 Edmund Street,
Birmingham, B3 2ES

Bankers

Barclays Bank plc,
48b & 50 Lord Street,
Liverpool, L2 1TD

Contents



Contents.....3

Board Members4

Executive Directors.....5

Chair of the Board’s introduction.....6

Chief Executive statement8

Strategic report..... 10

Board report 35

Independent Auditor’s Report..... 41

Statement of comprehensive income 45

Statement of financial position..... 46

Statement of Changes in Reserves..... 48

Consolidated statement of cash flows..... 49

Notes to the Financial Statements..... 51

Board Members

Livv Housing Group

Independent Board Members



Philip Raw (Chair)



Steve Agger



Eleanor Bowden



Anthony Deakin



John Ray



Nicola Waterworth



Ann Gibbons



Claire Postlethwaite
(resigned
23 March 2026)



Jonathan Westhoff



Andy Gamble
(appointed 1 April
2025)

Executive Board Members



Léann Hearne
(resigned 31
August 2025)



Christopher
Howard Roberts
(resigned 28
February 2026)



Sharon Marsh
(appointed 1
August 2025)



Mark Bradshaw
(appointed
1 April 2026)

Company Secretary



David Shaw

Executive Directors



Léann Hearne
Chief Executive
(resigned 31 August 2025)



Sharon Marsh
Chief Executive
(appointed 1 August 2025)



Laura Johnson
Executive Director - Property



Christopher Howard Roberts
Executive Director - Finance, Risk and Performance
(resigned 28 February 2026)



Mark Bradshaw
Executive Director - Finance, Risk and Performance
(appointed 1 April 2026)



Helen Ward
Executive Director - Resources



Sharon Marsh
Executive Director - Customer Insight
(resigned 31 July 2025)



Lisa Olsen
Executive Director - Customer
(appointed 1 November 2025)



Chair of the Board's introduction

I am pleased to present Livv Housing Group's financial statements for 2025/26, which demonstrate both the organisation's resilience and its ability to respond to a changing and increasingly complex operating environment.

Over the past year, the Group has delivered a strong financial recovery, with operating surplus increasing by approximately £7m compared to the previous year. Despite ongoing economic uncertainty and heightened regulatory expectations, Livv remains in a robust financial position, with reserves growing to around £125m.

At the same time, increased investment in repairs and maintenance has reduced headroom against our most restrictive loan covenant. This represents a key area of focus for the Board, and we will address this proactively through the implementation of a strengthened Treasury Strategy in 2026/27 to support long-term financial resilience.

The broader social housing landscape continues to evolve, with rising expectations around building safety, sustainability and customer outcomes, alongside continued cost pressures and constraints on development capacity. These factors have a direct influence on our financial performance and the delivery of our Business Plan.

Government policy continues to prioritise new housing supply and greater certainty on rents, both of which are critical to enabling future investment. However, ongoing economic volatility reinforces the need for disciplined financial stewardship and careful planning.

We have continued to invest significantly in both new and existing homes, supporting growth while maintaining the quality, safety and sustainability of our housing stock. Our development programme remains underpinned by a strong pipeline, ensuring we can contribute to future housing need while progressing our net zero ambitions.



Chair of the Board's introduction (continued)

Overall, financial performance has been strong, with most value for money metrics exceeded and good levels of operational efficiency achieved. However, we recognise ongoing challenges, including lower-than-target delivery of new homes, continued pressure within repairs services, and the need to balance future investment ambitions within our financial capacity.

As we enter the next Corporate Plan period, we do so from a position of strength. Our focus will be on increasing investment capacity, delivering new homes at scale, and sustaining high-quality services, while continuing to strengthen our resilience in a changing regulatory and economic environment.

On behalf of the Board, I would like to thank our colleagues, partners and stakeholders for their continued commitment. Together, we remain focused on delivering for our customers and communities, and on creating lasting social value.



Philip Raw
Board Chair



We have continued to invest significantly in both new and existing homes, supporting growth while maintaining the quality, safety and sustainability of our housing stock.



Chief Executive statement



This has been a year of strong performance, continued progress and resilience for Livv Housing Group, as we have navigated operational challenges while maintaining delivery across our services.

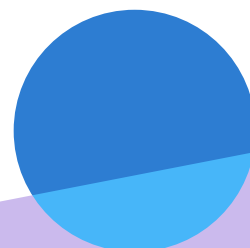
We achieved a significant improvement in operating surplus during the year, supported by strong performance in social housing lettings, tighter cost control and increased returns from property disposals. This has been complemented by solid cash generation, with operating inflows of around £29m, stable turnover of approximately £82m, and a healthy balance sheet with growing reserves and a sustainable approach to borrowing.

While this reflects a positive financial position, we are also seeing increased pressure from rising repairs and maintenance costs. This required greater reliance on subcontractors and contributed to cost inflation, alongside the reprofiling of investment in existing homes. We are responding to these challenges through the development of a robust Treasury Strategy for 2026/27, working closely with the Board to strengthen our financial resilience.

Operationally, we have delivered strong outcomes across many areas. We exceeded almost all of our value for money targets, reflecting improved efficiency, strong margins and effective financial management. We also made good progress in key service areas, with improved performance in arrears, customer access, empty homes turnaround times and reletting.



Supporting our customers remains a central priority, particularly in the context of ongoing cost-of-living pressures.



Chief Executive statement (continued)

Supporting our customers remains a central priority, particularly in the context of ongoing cost of living pressures. We have continued to strengthen accessibility and simplify the customer journey, making it easier for customers to engage with our services. Our improvement activity is increasingly driven by customer insight, with a clear focus on raising customer satisfaction scores and responding to the themes emerging from tenant satisfaction measures and customer feedback. These insights are helping to shape service improvements and ensure we focus on the issues that matter most to our customers. While good progress has been made, we recognise that complaint response times require further improvement, and clear actions are already in place.

We have maintained a strong focus on the safety and quality of existing homes through ongoing investment, alongside continued development activity to support housing need. While completions remain positive, new starts and supply have been lower than planned due to careful phasing and disciplined decision-making on new schemes.

Alongside delivery, we have continued to progress with improvements in data capability and maturity, process efficiency and performance management. These changes are strengthening our ability to deliver sustainable services into the future.

I would like to recognise the commitment, resilience and adaptability of our colleagues, particularly in what has been a challenging year operationally. Their contribution has been central to maintaining services and driving improvement.

As we look ahead, we will continue to invest in our people, our services and our homes, ensuring we are well positioned to deliver our new Corporate Plan with confidence, stability and ambition.



Sharon Marsh
Chief Executive



Strategic report

Business overview and structure

Livv Housing Group is a Registered Provider of social housing regulated by the Regulator of Social Housing (RSH). We operate from our main head office at Kings Business Park, Prescot.

We own and manage around 13,000 homes and work both independently and in partnership with others, including KMBC and development contractors, to predominantly deliver affordable housing for rent but also low cost home ownership, shared ownership, sheltered schemes and independent living services.

We are a charitable Co-operative and Community Benefit Society (CBS) registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 (Registration number 007773).

The full Group and Board structure is outlined on pages 25 to 28.



Strategic report (continued)

Financial review

The three-year consolidated financial performance of Livv Housing Group can be summarised as follows:

For the year ended 31 March	2026	2025	2024
	£'000	£'000	£'000
Statement of Comprehensive Income			
Turnover	82,069	82,515	74,010
Operating Surplus	21,359	13,933	14,411
Surplus after tax	11,887	4,700	6,419
Movement in fair value of financial instruments	(3,672)	1,564	(300)
Re-measurement in respect of pension scheme	266	105	16
Hedging Movement	33	-	-
Total Comprehensive Income for the year	8,514	6,369	6,135
Statement of Financial Position			
Housing properties	383,051	357,319	318,566
Other fixed assets	1,533	1,717	2,138
Social investments	352	339	3
Fixed assets	384,936	359,375	320,707
Net current assets	12,409	13,446	15,836
Total assets less current liabilities	397,345	372,821	336,543
Loans due over 1 year	203,390	189,935	166,816
Pensions liability	1,324	1,631	1,824
Grants	66,541	63,731	56,811
Other long term liabilities	563	511	448
Reserves	125,527	117,013	110,644
	397,345	372,821	336,543

Strategic report (continued)

Financial performance

Livv Housing Group's operating surplus is £21.4m, compared to £13.9m in 2024-25. Performance is mainly attributable to increased levels of turnover net of cost of sales, one off impairment charges attributable to Knowsley Heights incurred in 2024-25, and increased level of property disposals in 2025-26 compared to 2024-25. Whilst the current year performance includes Livv Maintenance and First Ark Social Investment (FASI), this has not had a significant impact on trading performance. More details can be found in the Value for Money review section on pages 14 to 24.

Statement of financial position

We invested £23.8m in the development of new homes and a further £12.3m improving existing homes. This is partially offset by disposals, write-offs and depreciation, resulting in a net increase of £25.7m in the year between the opening and closing net book values of housing properties (refer to the Housing Properties note 13 within the financial statements).

We access debt funding to support the delivery of new homes. The funding and repayment profile is outlined in note 26. Our reserves at 31 March 2026 were £125.5m (2025: £117.0m).

Cash flow

Our cash flow is detailed on pages 49 and 50 of this report.



Strategic report (continued)

Treasury management

Our Treasury Management Policy sets out clear objectives for our treasury activities. It focuses on the importance of effective risk management, transparency in decision-making, and achieving value for money.

Treasury management covers our borrowing, investments, cashflows, and our banking and market transactions. It also includes managing the risks linked to these activities while aiming for the best possible performance within acceptable risk levels.

We consider the identification, monitoring, and control of risk as the most important measure of effective treasury management. Reporting will therefore focus on the risks to the Group, especially the parent organisation, and on any financial instruments used to manage those risks.

We recognise that strong treasury management supports our wider business and service objectives. We are committed to achieving value for money and using robust performance measures to manage risk effectively.



Strategic report (continued)

Value for Money statement 2025/26

Our Approach to Value for Money

Value for Money (VFM) means using our financial and operational resources and capacity to meet our core purpose and strategic objectives in an economic, effective and efficient way. The Board is committed to delivering the optimal balance of value and resource across the Group to achieve the Corporate Plan outcomes.

Core Purpose and Values

We are rooted in the communities we serve and committed to making a difference where it matters most. By working closely with customers, partners and local organisations, we create opportunities, strengthen communities and help people to live well and flourish. We continue to invest in our homes, services and people, ensuring we have the skills, insight and ambition to deliver lasting positive impact. Our vision is to unlock potential and give people and communities opportunities to flourish. Our mission is to work together with our partners to be the provider of choice for great homes, support and services. These values guide everything we do:

Making a difference daily - Investing in people, homes and a fairer society to create positive outcomes for customers and communities.

Positively open - Listening to feedback, learning from experience and continuously improving the services we provide.

Forging the right way - Finding new and better approaches that deliver value, inspire confidence and create lasting impact.

Together as one - Working collaboratively with customers, colleagues and partners to achieve better outcomes for everyone.

Strategic Objectives

As we look ahead, our new Corporate Plan, Building a Better Future 2026–29, sets a refreshed direction focused on where we can make the greatest difference for customers and communities. The plan is centred around three key priorities:

Customers, Homes and Communities, underpinned by three strategic enablers: Data & Digital (Better Working), People & Culture (Better Equipped), and Finance & Governance (Better Resilience).

Customers: delivering quality, reliable and accessible services that meet diverse needs, shaped by customer insight, engagement and feedback.

Homes: providing safe, quality and affordable homes through continued investment in existing properties and the development of new homes that meet local needs.

Communities: supporting communities to flourish through partnership working, targeted investment, neighbourhood improvements and opportunities that promote wellbeing, resilience and prosperity.

These priorities are supported by a commitment to better ways of working, making the best use of data, technology and resources, investing in our people, and maintaining a strong, financially resilient organisation that is fit for the future.

The launch of Building a Better Future 2026–29 marks the beginning of the next phase of Livv's journey. While the achievements reported in this document relate to the final year of our previous Corporate Plan, our new priorities will shape future investment, decision-making and statutory reporting, ensuring we continue to deliver better services, better homes, better opportunities and a better future for customers, communities and colleagues.



Strategic report (continued)

Delivering value for money (VFM) is a key priority. We aim to make decisions based on data and insight, and to measure success using clear performance indicators. We are committed to continuous improvement and are open to working with partners who can help us grow, improve our services, and maintain a strong financial position.

Our VFM strategy is designed to deliver clear, measurable, and transparent benefits for our customers, in line with our Corporate Plan. The three VFM thematic objectives are:

- Improve operational economy, effectiveness and efficiency;
- Increase development supply and capacity; and
- Deliver economic, effective and efficient asset management.

We track our progress across the thematic objectives, comparing our performance with peer organisations using the global accounts and other benchmarking sources such as Housemark. Our ambition is to deliver quality, reliable and accessible services that meet customer needs, are shaped by customer insight and engagement, and help people to live well and flourish.

We have reported our multi-year performance across each objective in this statement - as well as outlining our future targets and expectations, with a continuing focus on supporting our customers and applying our resources accordingly. All of this is linked to our 2026-29 corporate plan aims and objectives. We also provide additional contextual VFM information to stakeholders through our Customer Annual Report, our Social Accounts, and through publication on the Tenant Satisfaction Measures.

VFM targets are set having considered historic and forecast performance, benchmarks, and the operational and strategic context. During 2025-26 performance improvement remained focused on benefit realisation in key operational areas, with stretch targets set and progress monitored at Board and Committee level.

Our 2024-27 VFM Strategy sets out our priorities, with progress monitored by the Board and Committees. We also embed value for money across our wider corporate strategies to ensure it is considered in all key decisions. In particular, our Asset and Development and Regeneration strategies set out how we will deliver homes that meet a range of needs.

The organisation has a strong financial management culture, with clear understanding of budgets and cost drivers. However, we remain alert to new trends and ensure they are considered in relation to value for money. Throughout the year, we carried out detailed projects and continuous improvement work. This analysis has helped us better understand what drives efficiency and performance, ensuring that value for money remains central to our decisions on change and improvement.

We are committed to delivering value for money in our housing services. Due to the changing external environment, including economic pressures, regulatory changes, and sector challenges, we will keep our VFM targets under review. Where needed, we will adapt our approach to ensure resources are used effectively and our strategy continues to meet the needs of our residents and communities, while keeping targets both challenging and achievable.

Procurement plans are updated on a rolling basis and gains identified through competitive tendering and built into forward targets and plans. The latest Procurement Strategy covering 2024-27 continues to be implemented in line with the stated intent, responding to the emergent business landscape where relevant. The organisation has also successfully bedded down the requirements arising from the implementation of the Procurement Act and associated legislation.

Strategic report (continued)

Our Performance - VFM objective 1 - Improving Operational Economy, Effectiveness and Efficiency

Corporate Plan - Livv Well, Livv Together, Livv People, Livv Local	Actual 23/24	Actual 24/25	Actual 25/26 ^{*1}	Target 25/26	National - Median	Benchmark - Source	Target 26/27	Target 27/28	Target 28/29
1a. Operating Margin Overall % ^{*2} (Group)	17.0	13.2	20.2	17.2	17.6	Global Accounts	18.3	19.1	20.8
1b. Operating Margin Overall % ^{*2} (Association)	17.7	13.3	20.4	17.1	18.5	Global Accounts	18.0	18.8	20.6
2. Operating Margin SHL % ^{*2} (Group and Association)	19.8	15.3	22.1	19.1	21.3	Global Accounts	20.0	20.5	21.8
3a. EBITDA MRI % ^{*2} (Group)	144.2	96.9	140.9	131.3	113.0	Global Accounts	132.0	127.2	141.7
3b. EBITDA MRI % ^{*2} (Association)	151.7	97.5	144.6	130.4	115.1	Global Accounts	130.4	125.6	139.0
4. Headline Social Housing CPU £'s ^{*2} (Group and Association)	4,316	4,534	4,795	4,952	5,529	Global Accounts	5,256	5,450	5,429
5. Current Arrears %	4.9	4.5	4.5	4.6	2.9	National - Housemark	4.5	Not ^{*4} Available	Not ^{*4} Available
6. Customer Ease % ^{*3}	90.2	83.7	90.4	90.0	Not Available	N/A	Not Available	Not ^{*4} Available	Not ^{*4} Available
7. Complaints Resolved <10 days %	75.8	95.8	98.8	100.0	87.5	National - Housemark	100.0	Not ^{*4} Available	Not ^{*4} Available
8. Short Term Absence ^{*3}	2.5	2.2	3.1	3.4	Not Available	N/A	Not Available	Not ^{*4} Available	Not ^{*4} Available

^{*1} The RAG indicators displayed in the table above refer to performance relative to the median benchmark. Where benchmarks are not available, the in-year target has been used to define the RAG rating.

^{*2} Mandatory VFM Metrics - Benchmark data source - 2025 Global Accounts Annex – VFM Metrics, published by the Regulator of Social Housing.

^{*3} These measures have been removed under the new performance management framework (PMF) for 2026/27 and therefore no target data for future years is referenced.

^{*4} The targets for these financial years will be set in the preceding January, as per previous years.

Strategic report (continued)

Performance against our Value for Money (VFM) Objective 1 metrics in 2025/26 was strong, with seven of the eight key indicators exceeding target. This reflects improved consistency across both operational and financial performance. The sole area of underperformance was complaints resolved within 10 days, which fell marginally below target.

Performance against financial metrics — including Operating Margin, EBITDA MRI and Headline Social Housing Cost per Unit — exceeded target. This reflects a combination of disciplined financial management, effective cost control and the phasing of expenditure across the year. Whilst lower-than-forecast spend in some areas contributed to this position, it is also indicative of strengthened financial control, procurement practices and prioritisation frameworks. There is no evidence that this has materially impacted service delivery outcomes, as reflected in the broader performance metrics.

Operating margins for both the Group and the Association exceeded target, indicating continued financial resilience and a strong underlying operating model. Performance reflects ongoing focus on cost efficiency, productivity and management of income and expenditure.

EBITDA MRI also exceeded target and remains strong relative to sector benchmarks, supporting our capacity to service debt and sustain investment. The VFM EBITDA MRI definition differs from the covenant definition, particularly in relation to the treatment of grant income, non-social housing depreciation and the calculation of net financing costs.

Headline Social Housing Cost per Unit was below target, indicating improved cost efficiency within core landlord services. This reflects greater control over expenditure, alongside improved performance within repairs and maintenance services, which had been subject to cost pressures in the prior year.

Customer-focused metrics remained stable. Current arrears continued to outperform target, maintaining the improvement reported in 2024/25 despite ongoing external pressures on household income. This reflects the continued application of enhanced income management approaches, including early intervention and targeted customer support.

Strategic report (continued)

Customer ease also exceeded target, indicating continued progress in accessibility and service delivery. This is consistent with ongoing activity to simplify customer journeys and improve interaction channels.

The percentage of complaints resolved within 10 days fell slightly below target. Although performance improved year-on-year, this reflects capacity pressures and increased case complexity. Actions have been identified to strengthen complaints handling, including improved case management processes, clearer accountability and enhanced performance monitoring.

Short-term sickness absence remained below target, supporting service continuity and reflecting stable workforce management.

We have continued to progress transformation and continuous improvement activity during the year, including the development of digital and data capabilities, process simplification and the strengthening of performance management. These initiatives are intended to support sustained efficiency and improved resource utilisation over the medium term.

The external operating environment remains challenging, with ongoing regulatory change and inflationary pressures impacting sector capacity. We recognise the need to maintain financial resilience while continuing to deliver service outcomes.

Overall, the 2025/26 VFM results demonstrate that we are operating from a position of financial stability and improving efficiency, providing an appropriate platform to support delivery of our corporate plan and long-term investment requirements.



Strategic report (continued)

Our Performance - VFM Objective 2 - Increasing Development Capacity and Supply

Corporate Plan - Building More Homes, Livv Green	Actual 23/24	Actual 24/25	Actual 25/26 ^{*1}	Target 25/26	National - Median	Benchmark - Source	Target 26/27	Target 27/28	Target 28/29
9. New Supply (Social – Group and Association) % ^{*2}	2.1	2.4	1.9	2.3	1.2	Global Accounts	1.4	1.9	2.4
10. New Supply (Non-Social – Group and Association) % ^{*2}	-	-	-	-	-	Global Accounts	-	-	-
11. Gearing % ^{*2} (Group and Association)	49.0	50.1	49.6	49.3	46.7	Global Accounts	49.1	49.7	49.2
12. Starts on Site	140	215	51	200	N/A	N/A	467	122	328
13. Completions	270	308	251	320	N/A	N/A	193	260	329
14. New homes available for Sale	53	50	51	40	N/A	N/A	40	40	40

^{*1} The RAG indicators displayed in the table above refer to performance relative to the median benchmark. Where benchmarks are not available, the in-year target has been used to define the RAG rating.

^{*2} Mandatory VFM Metrics - Benchmark data source - 2025 Global Accounts Annex – VFM Metrics, published by the Regulator of Social Housing.

Strategic report (continued)

Performance against our development-focused VFM metrics in 2025/26 reflects the planned phasing and maturity profile of the development programme. Delivery in-year was below target across a number of measures, with the exception of completions, which exceeded plan. This reflects the timing and sequencing of schemes progressing through the development pipeline rather than a fundamental change in delivery capacity.

Starts on site were below target, primarily due to programme rephasing, extended pre-construction periods and the application of strengthened approval criteria. Schemes have progressed only where they meet defined financial, quality and sustainability thresholds. This approach reflects a continued focus on ensuring scheme viability and risk management in the context of ongoing build cost pressures, contractor market constraints and evolving regulatory requirements.

Completions were below target, demonstrating the fluid nature of the development operating environment. The shortfall reflected in year is as a result of phasing and it is envisaged that these homes will be delivered during the next financial year. Overall, the number of new homes delivered and on site within the 2023-26 strategy period exceeds the overall strategy target.

Performance against the new supply metric was below target, consistent with the lower level of starts on site. This position is attributable to programme phasing rather than a reduction in ambition. We continue to maintain an active and viable pipeline, with schemes progressing through appraisal and approval stages to support future delivery. The Business Plan remains aligned to the provision of new homes across a mix of tenures to meet identified housing need.

The number of homes available for sale was above target at the year end, reflecting the timing of completions and handovers. Mitigating actions are in place to manage sales exposure and accelerate disposal of homes. Proceeds from sales continue to form part of the Group's funding model, supporting reinvestment into affordable housing.

Gearing on a VFM basis was marginally above target, reflecting the timing of borrowing in advance of development delivery. We remain within internal policy limits and retain sufficient headroom to support planned investment. The reported position continues to be influenced by accounting treatments, including fair value adjustments associated with private placement funding.



Strategic report (continued)

Overall, the in-year position reflects a managed approach to development delivery, where decisions on scheme timing and progression are taken to ensure financial viability, appropriate risk management and alignment with strategic priorities. Whilst this has resulted in reduced activity against some metrics in-year, it supports the sustainable delivery of the programme over the medium term.

Looking ahead, development activity is expected to increase as schemes within the existing pipeline progress into delivery. The pipeline will continue to be actively managed to reflect prevailing market conditions, regulatory expectations and funding capacity.

In summary, while a number of development metrics were below target in 2025/26, this is consistent with the planned phasing of the programme. Performance on completions and the strength of the forward pipeline provide assurance that we remain on track to deliver our development objectives and demonstrate value for money over the longer term.



Strategic report (continued)

Our Performance - VFM Objective 3 - Deliver Economic, Effective and Efficient Asset Management

Corporate Plan - Strategic Smart Safe, Livv Together, Livv Green	Actual 23/24	Actual 24/25	Actual 25/26 ^{*1}	Target 25/26	Regional - Median	Benchmark - Source	Target 26/27	Target 27/28	Target 28/29
15. ROCE % ^{*2} (Group and Association)	4.5	3.8	5.5	4.4	3.0	Global Accounts	4.1	4.0	4.0
16. Reinvestment % ^{*2} (Group and Association)	12.1	14.8	9.4	11.0	7.4	Global Accounts	10.2	12.3	14.1
17. Relet Time Days	95.2	53.1	44.6	45.0	32.1	National - Housemark	42.0	Not ^{*3} Available	Not ^{*3} Available
18. Net Zero Delivery %	100.0	100.0	100.0	100.0	N/A	N/A	100.0	100.0	100.0
19. Empty Homes Rent Loss £'s	0.9m	1.8m	1.4m	1.7m	N/A	N/A	1.2m	1.3m	1.3m
20. Operating Margin - Livv Maintenance %	0.4	0.1	-0.8	-	N/A	N/A	0.2	0.2	0.3

^{*1} The RAG indicators displayed in the table above refer to performance relative to the median benchmark. Where benchmarks are not available, the in-year target has been used to define the RAG rating.

^{*2} Mandatory VFM Metrics - Benchmark data source - 2025 Global Accounts Annex – VFM Metrics, published by the Regulator of Social Housing.

^{*3} The targets for these financial years will be set in the preceding January, as per previous years.

Strategic report (continued)

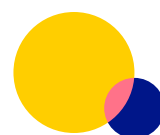
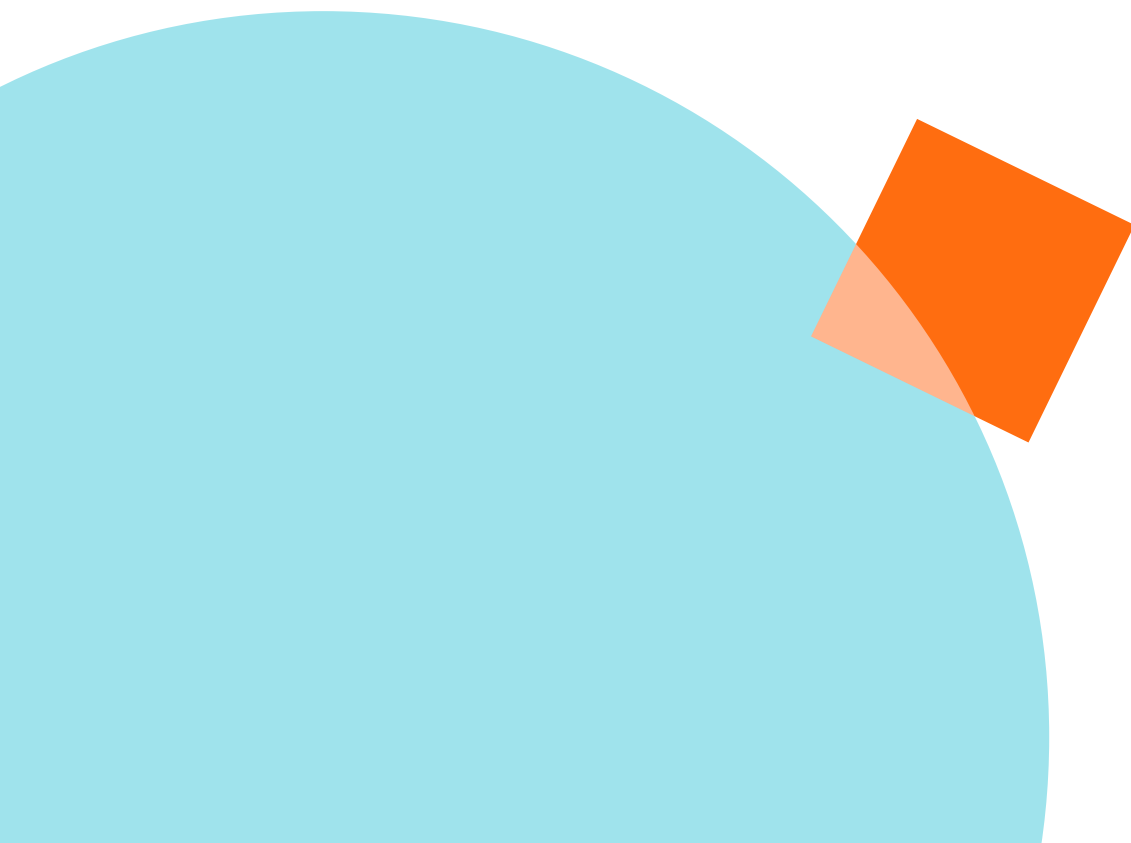
Performance against our asset-focused VFM metrics in 2025/26 was mixed, with a number of indicators exceeding target and others below plan. The overall position reflects improvements in asset utilisation and operational delivery, alongside the impact of investment phasing and cost pressures experienced within the year.

Return on Capital Employed (ROCE) exceeded target and improved on the prior year, indicating stronger returns generated from the asset base. This reflects both operating performance and the continued application of an active asset management approach, whereby investment is directed towards homes that delivers appropriate financial and social returns.

Performance in relation to empty homes management remained strong. Relet times exceeded target and continued the improvement trend observed in recent years. This reflects enhanced coordination across operational teams, alongside strengthened performance monitoring and management. The reduction in relet times has supported the timely reoccupation of homes and improved rental income performance.

Empty homes rent loss also exceeded target, driven by improved turnaround of empty homes and more proactive management of demand. This has reduced income loss and demonstrates improved operational control in this area.

Reinvestment in existing homes was below target in-year. This reflects the reprofiling of elements of the capital programme, informed by updated property condition data, compliance requirements and prioritisation across the asset base. This approach has ensured that investment decisions remain aligned to risk, need and strategic priorities. Reinvestment levels are expected to align with plan over the medium term.



Strategic report (continued)

Operating margin within Livv Maintenance was below target, with a loss reported for the year. This was primarily due to increased reliance on subcontracted labour, which carries a higher cost than directly employed resource. This position was influenced by reduced internal capacity during the year as a result of industrial action and continued inflationary pressures within the repairs and maintenance supply chain. The approach taken ensured continuity of service delivery, but adversely impacted cost performance.

Actions have been identified to improve performance within Livv Maintenance, including increasing internal delivery capacity, strengthening workforce planning and reducing reliance on subcontractors. A continued focus on productivity, scheduling and cost control is expected to support improved financial performance in future periods.

Delivery against Net Zero targets remained on track, reflecting continued progress in improving the energy efficiency and sustainability of the housing stock. This supports longer-term asset performance and compliance requirements.

Overall, the 2025/26 outturn reflects a position where improved asset utilisation and income performance have been partially offset by the timing of reinvestment and cost pressures within repairs and maintenance. The underlying approach to asset management remains focused on balancing investment, performance and risk over the medium term.

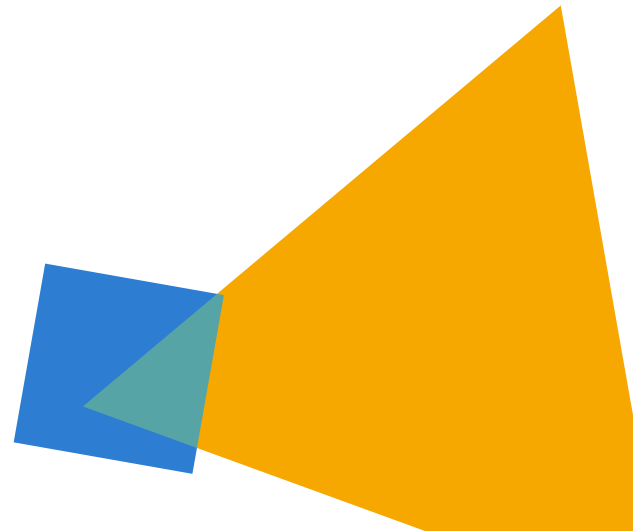
Looking ahead, we will seek to sustain improvements in voids performance and income recovery, while ensuring that reinvestment programmes are aligned to the long-term requirements of the asset base. Improving the financial performance of the maintenance function remains a priority, with actions in place to address the key cost drivers.

In summary, while some asset-focused metrics were below target in-year, the overall position reflects a managed approach to maintaining asset performance, supporting service delivery and ensuring that resources are directed in line with strategic priorities.



Mark Bradshaw

Executive Director – Finance, Risk & Performance



Strategic report (continued)

Governance

Livv Housing Group Structure

Livv Housing Group

The Group parent company and Registered Provider of social housing.

Livv Homes Limited

A wholly owned subsidiary of Livv Housing Group. Livv Homes Limited was set up as the development vehicle of the Group. The entity is not currently developing properties; the only recent activity relates to interest received.

Livv Maintenance Limited

A wholly owned subsidiary of Livv Housing Group. Livv Maintenance Limited provides a range of property repair and facilities management services to Livv Housing Group and selected external partners.

First Ark Social Investment Limited (FASI)

A wholly owned subsidiary of Livv Housing Group. FASI is a special purpose vehicle established in 2016 to deliver a single social investment fund known as 'Invest for Impact' with funding provided from Big Society Capital and the Big Lottery Fund.

The Board and Committees

The Group is governed by a Common Board of Directors, which brings together a broad range of skills, experience and sector expertise. The Board operates collectively and is responsible for ensuring the effective stewardship of the organisation and adherence to high standards of governance.

All Board Members are required to comply with the Group's Code of Conduct, which is aligned to the National Housing Federation (NHF) 2022 Code of Conduct. The Code of Conduct sets out the expected standards of behaviour, accountability and integrity for Board Members, both individually and collectively. This is further reflected in their Agreement for Services and forms part of the annual Board Member appraisal process. Compliance with the Code forms part of the Group's governance framework and supports the Board in maintaining appropriate standards of conduct, transparency and decision-making.

FASI is not part of the Common Board arrangements, as it is a special purpose vehicle to distribute Big Society Capital and the Big Lottery Fund funding, having specific governance requirements under its funding agreements. The FASI Board comprises two Executive Directors and one Non-Executive Director from the Common Board as Chair.

During the year, the Common Board delegated various matters to the following committees:

Audit and Risk Committee (ARC)

ARC is responsible to the parent Board for both internal and external audit, business assurance, risk management oversight and internal control. The Committee also receives the Group's Annual Report and Financial Statements and recommends them to the Board for approval, monitors the Group's long-term strategic financial health and supports the Board in overseeing regulatory, charitable and legal compliance. In accordance with governance best practice, its Terms of Reference were reviewed in 2025-26.

Strategic report (continued)

People and Governance Committee

The People and Governance Committee oversees succession planning and recruitment for the Chief Executive and Executive Team, the Board's succession plan and Board Member recruitment, together with the remuneration of Non-Executive Board Members. The Committee oversees compliance with the Code of Governance. In accordance with governance best practice, its Terms of Reference were reviewed in 2025-26.

Customer Committee

The Customer Committee monitors the ongoing quality of services provided to customers through the review of operational performance, customer feedback, complaints and customer service standards. It considers statutory compliance, regulatory compliance and risk management for delivery of the customer services, making recommendations to the Group Board where improvement is required.

In accordance with governance best practice, its Terms of Reference were reviewed in 2025-26. The review factored the requirements of the new Consumer Standards, and the Housing Ombudsman's Complaint Handling Code. To ensure the Customer voice is at the heart of decision making, the Committee has an Independent Member with Lived experience as part of its membership.

Homes Committee

The Homes Committee scrutinises and approves new development schemes and overall programme capacity, performance against the asset investment programme and asset management initiatives and monitoring of key statutory compliance performance. It also recommends to the Board where relevant business cases for proposed projects and programmes including the review of associated risks and returns. It has delegated authority from the Board to approve schemes up to the value of £5m and makes recommendations to the Board on schemes over £5m. In accordance with governance best practice, its Terms of Reference were reviewed in 2025-26.

Livv and Flourish Committee

The Livv and Flourish Committee ensures that Livv Housing Group meets its objects to distribute the Social Investment Fund under the obligations of the agreement entered into between Livv and Access – the Foundation for Social Investment. The Fund provides loans and grants to voluntary, community or social enterprise organisations in the areas where Livv operates. The Committee has delegated authority to approve all applications for funding. The Committee ensures that all activities align with Livv's Community Investment Strategy. In accordance with governance best practice, its Terms of Reference were reviewed in 2025-26.

Quality Improvement Panel (QulP)

The QulP provides an assurance, co-regulatory, scrutiny and service improvement oversight role that is customer led and representative of our communities. The QulP has a strong relationship with Board and presents its findings either directly or to one of the Committees. Membership reflects the demography and geography of our customer base and the terms of office mirror that of the Board Members. The knowledge and skills of the QulP's membership are regularly reviewed and training is provided to build capability.

Strategic report (continued)

Board Member Attendance

From the 1 April 2025 until the 31 March 2026, the following Executive and Non-Executive Directors have served on the Common Board, with their attendance during the year being as follows:

Director	Common Board <i>(including Livv Housing Group, Livv Maintenance Ltd and Livv Homes Ltd)</i>
Philip Raw	100%
Steve Agger	63%
Anthony Deakin	88%
John Ray	75%
Nicola Waterworth	100%
Léann Hearne <i>(resigned 31 August 2025)</i>	100%
Eleanor Bowden	100%
Christopher Howard Roberts <i>(resigned 28 February 2026)</i>	100%
Ann Gibbons	100%
Andy Gamble <i>(appointed 1 April 2025)</i>	88%
Jonathan Westhoff	100%
Claire Postlethwaite <i>(resigned 23 March 2026)</i>	63%
Sharon Marsh <i>(Appointed 1 September 2025)</i>	100%
Mark Bradshaw <i>(Appointed 1 April 2026)</i>	n/a

The Board and its Committees have scheduled meetings for regular business items and a bi-annual All Board Away Day to discuss strategy and direction of travel. Board Members also attend regular workshops and development sessions and keep training and development logs that form part of the appraisal process.

The Board may convene between meetings if urgent decisions are necessary. Our rules allow attendance by telephone, or video conference, or decision-making via written resolutions, which assists effective governance. Where necessary we hold virtual meetings to facilitate the timely consideration of individual matters between scheduled meetings.

Strategic report (continued)

Governance Compliance

The Group has adopted the NHF Code of Governance 2020 (the Code), both for Livv Housing Group as the regulated entity and for the other legal entities within the Group. The Board reviews compliance with the principles of the Code on an annual basis. The Board also receives an annual review of each of its Committees and their performance against their delegated Terms of Reference, to further ensure the Group is meeting its compliance requirements.

The annual reports of each Committee and the annual report on compliance with the Code for 2025-26 were received by the Board in July 2026. The Board has subsequently confirmed that the Group was fully compliant with the Code for the year.

Regulatory Compliance

Livv underwent a regulatory inspection during 2026 and achieved the highest possible consumer grading, C1, recognising the organisation's strong performance in keeping customers safe, maintaining quality homes, listening to customer feedback, and supporting sustainable communities. The inspection highlighted strengths in health and safety, asset management, customer engagement, neighbourhood services and tenancy support. Alongside this, Livv received compliant gradings of V2 for financial viability (reflecting the challenging financial environment facing the sector) and G2 for governance. The governance grading reflects specific improvements required in financial oversight and assurance, which the Board had self-referred to the Regulator ahead of the inspection process. The Board has agreed a detailed improvement plan with the Regulator, with implementation being overseen by the internal auditors and reported to the Audit and Risk Committee and the Regulator. Livv remains compliant with the regulatory requirements.

Self-assessment of compliance with the Regulatory standards, including the Governance & Financial Viability standard, was undertaken and approved by the Board in July 2026.





Strategic report (continued)

Risk Management Framework

The Board has established a proactive approach to risk management, with a clear focus on identifying, understanding and managing risks that may impact the Group. Risk exposures are reviewed and updated on a regular basis to reflect changes in the operating environment, with ongoing enhancements to controls and assurance activities to mitigate identified risks.

We operate a comprehensive risk management and assurance framework, which supports the systematic identification, assessment, management and monitoring of both strategic and operational risks. This framework is aligned to our governance arrangements and is designed to meet regulatory and compliance expectations.

Risk and assurance reporting forms an integral part of our governance structure and is embedded within decision-making processes. Regular reporting to the Board supports scrutiny of risk exposure, informs strategic planning, and ensures clarity of organisational direction.

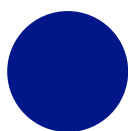
The Board formally considers risk appetite and tolerance on a regular basis, taking into account our current risk profile and external environment. This includes assessing both the likelihood and potential impact of risks, as well as the speed at which risks could materialise. This approach informs the design and effectiveness of controls, alongside the level of resilience and assurance required to manage risk within agreed parameters.

Measuring risk exposure

The Board, Audit and Risk Committee, Executive Team and Management undertake regular reviews of the Group's risk exposure, controls and assurance activity. These reviews consider alignment with the defined risk appetite and tolerance levels, ensuring that risks are managed within agreed parameters. Where risks are identified as operating outside of appetite, the Board approves and monitors appropriate mitigating actions.

We maintain a proactive approach to identifying and responding to emerging risks within its operating environment. This includes consideration of how future developments may increase existing risk exposures and whether additional controls or assurance activity are required. The Board, supported by the Audit and Risk Committee, provides oversight of actions designed to strengthen the control environment and mitigate emerging risks.

Group-wide strategic risk registers are maintained for both the Group and its subsidiaries, capturing key risk exposures across the organisation. These are regularly reviewed and reported through established governance structures. Strategic and operational risk registers support an ongoing cycle of risk identification, assessment and management, ensuring that risk considerations remain embedded within business processes and decision-making.



Strategic report (continued)

Our resilience framework

We undertake regular scenario analysis and stress testing to assess circumstances in which our financial viability could be adversely impacted. This enables the Board to understand potential threats to resilience and to identify appropriate mitigating actions.

This framework forms a core component of our approach to financial planning and risk management, providing a structured basis to assess both current and emerging risks. It supports informed decision-making and ensures that we maintain appropriate financial capacity and resilience under a range of adverse scenarios.

Principal risks and uncertainties

Strategic risk	Outline	Mitigation and assurance
Development delivery Fail to deliver sufficient planned new supply in accordance with development strategy targets and parameters.	Our affordable housing programme provides a range of housing options relevant to community need. Construction sector challenges including financial and operational risks remain impacting contractor financial resilience, inflation and supply chain volatility and access to skills. Changes to legislation and planning infrastructure are expected to accelerate development, improve sustainability, and increase housing supply. The Future Homes Standard changes building regulations from March 2027 (transition period to 2028) so that new homes should achieve 75–80% lower carbon emissions compared with 2013 standards.	Development strategy and targets. Delivery controls including quality, compliance and financial management. Governance scrutiny of pipeline, financial viability, scheme management and other related targets. Stress testing and counter party risk mitigation measures reflecting construction market challenges aligned to risk appetite. Mitigation planning is developed aligned to stress testing outputs. A pilot scheme has been completed in advance of anticipated changes to regulations. Action to achieve the Building Regulations 2027 changes are ongoing which will be reflected in an update to the new homes specifications included within employers requirements in line with dates for transition.

Strategic report (continued)

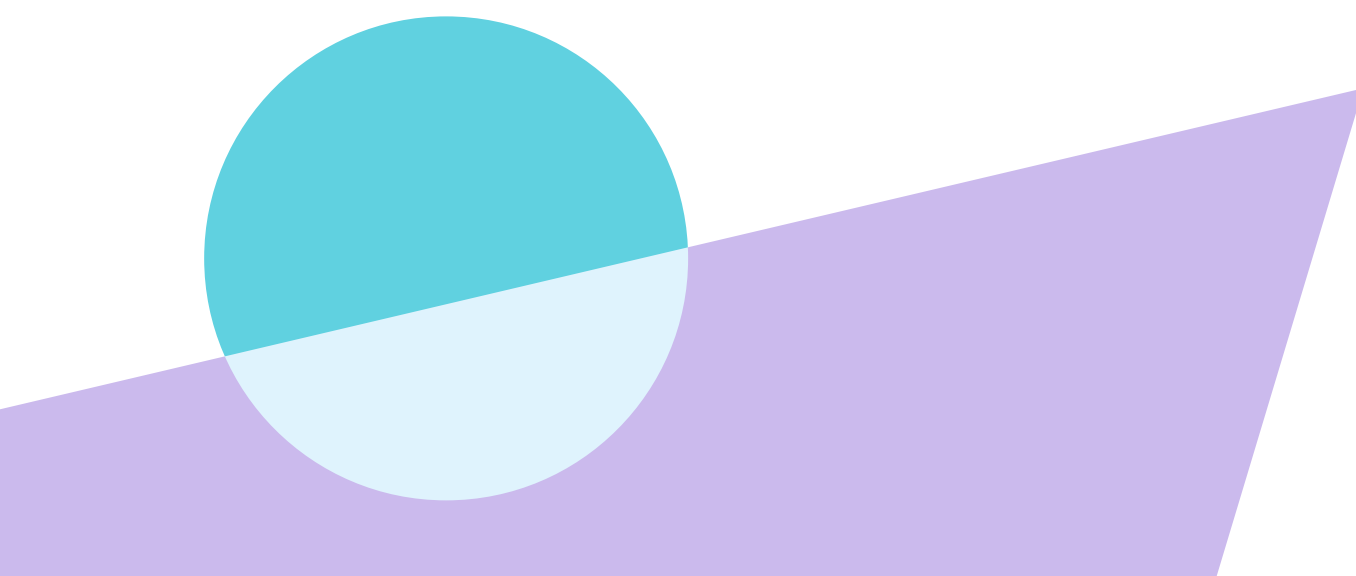
Strategic risk	Outline	Mitigation and assurance
Financing and viability adequacy Fail to maintain financial viability and/or adequately allocate sufficient resources to support delivery of our wider corporate plan objectives. This could include generating insufficient levels of surplus or having insufficient access to adequate levels of funding and liquidity which result in an inability to achieve financial performance in line with Golden Rules, non-adherence to Loan Covenant requirements, and/or an inability to adequately resource the key service and investment requirements of the Group.	Sound financial management allows for the timely and efficient achievement of corporate objectives, including medium and long-term financial viability, maintaining adequate liquidity, the ability to achieve loan covenants and responding to economic environment factors. The continuing challenges in the operating environment impacting our cost base from greater regulation and wider economic factors have continued to influence our budget planning and management position in the year.	Defined and monitored financial regulations and golden rules. Financial planning and embedded controls to support the integrity of financial information and reporting. Stress testing of the business plan that informs the resilience planning framework including mitigation and recovery planning should an event/series of events impact our key assumptions.
Workforce constraints Fail to maintain the planned workforce leading to significant restriction on our ability to achieve one or more strategic priorities due to capacity, capability and/or culture constraints.	Workforce planning, management, support and engagement to maintain our values and deliver our strategic priorities.	Our strategic approach is supported by comprehensive arrangements that align with our values. These include colleague engagement, wellbeing, support, investment, learning and development. Recruitment, retention and succession arrangements support comprehensive workforce planning.

Strategic report (continued)

Strategic risk	Outline	Mitigation and assurance
Counterparty failure Failure of a third party or multiple counter party failure which significantly restricts our ability to maintain service delivery standards and achieve one or more strategic priorities.	The Group has arrangements in place with a wide range of third parties that support the delivery of its activities and services.	We consider risk, value, type and reliance on contract deliverables to maintain services and deliver objectives. These factors define the contract grading so that contract management controls are relevant to the nature of the contract. The Group maintains responsibility for managing risk related to activity delivered by third parties. Compliance responsibilities are formally defined in any agreement with a third party, particularly where there is access to personal data.
Service to customers Fail to deliver services that align with customer needs and expectations, societal expectations and Regulatory Standard obligations	Defining and enabling the delivery of inclusive services aligned to customer service needs and expectations is central to the Group's activities. This is framed in the context of the Regulator of Social Housing Consumer Standards and Housing Ombudsman expectations.	A range of strategies and frameworks are embedded supporting the delivery of objectives including the Customer Engagement Strategy, Community Investment Strategy, Asset Management Strategy, Investment Plan and Compliance Framework. Data governance arrangements support the quality, management, storage and ultimately insight we have from customer data to help inform our services.
Cyber security attack Fail to maintain system security to protect against current threats, avoid an attack and be able identify and/or manage an incident.	Widespread cybercrime and cyber insecurity are recognised global threats. There continues to be an elevated cyber threat landscape driven by AI-powered attacks, ransomware, and supply chain compromises exploiting legacy infrastructure. Threats are widespread and ever developing, requiring consistent and relevant control, awareness and threat monitoring and management. Data loss prevention remains a key focus.	Diligent maintenance and testing of systems along with developing our arrangements and controls as threats emerge. This includes controls to protect our systems, data, IT availability and capacity. Policy arrangements define comprehensive vulnerability management and monitoring procedures, processes and tools. Our principles-based AI Framework supports an ethical and risk managed approach in the responsible and safe use of AI. Cyber-attack and data loss response readiness to mitigate the potential impact and extent of an attack remain a key focus.

Strategic report (continued)

Strategic risk	Outline	Mitigation and assurance
Stock quality and sustainability Fail to maximise financial, social and environmental return on investment in maintaining building safety, meeting the home standard and achieving net zero targets and commitments, aligned to Government expectations.	Accurate profiling and understanding stock condition informs us in delivering effective compliance, repairs and investment activity. We need to continue to proactively manage our homes to avoid deterioration in our assets, making sure that stock condition and quality do not decline over time. This includes priorities around building safety, quality and net zero. Awaab's Law - Hazards in Social Housing (Prescribed Requirements) (England) Regulations 2025 phase 1 came into effect in the year, with further phases due in 2026 and 2027.	Asset management systems are structured to support the maintenance of comprehensive and reliable stock information with quality review for data integrity. Robust data is fundamental to underpin strategic planning and operational activity in asset management. Reviews of policy, processes, systems, performance measures and resourcing was completed in readiness for Awaab's Law. Roll out was supported by organisation wide training activity and a robust programme of colleague and customer communication. A test and learn approach is informing continuous improvement and preparation for future phases.
Legal and regulatory compliance Fail to maintain strategic performance in alignment with relevant law, regulation and organisational obligations including maintaining relevant strategic stakeholder relationships.	There are a range of statutory, legislative and reporting obligations the Group must comply with. These also include maintaining relevant stakeholder relationships.	The statutory reporting framework and related review of reporting for the comprehensive identification of all relevant laws and regulations, along with the timely and accurate reporting of how the Group achieves its obligations. Regular horizon scanning and related control enhancement activity for updates to obligations and expectations.



Strategic report (continued)

Strategic risk	Outline	Mitigation and assurance
Statutory health and safety compliance Fail to maintain statutory compliance and health and safety legislation obligations.	We have a responsibility to maintain compliance with statutory health and safety requirements, not risking the safety of our customers, colleagues, stakeholders and the public at large. This includes in servicing and maintaining our current stock, developing new homes, providing services and working arrangements and activities.	Compliance Framework and associated systems across all areas of compliance responsibility. Detailed delivery and performance targets are aligned to statutory requirements and where relevant other measures, informed by performance dashboards and scrutiny across the group's governance structure. Quality review and validation arrangements support the integrity of data and provide assurance on the reliability of systems and data.

Data governance

Data quality risk is recognised as a cross-cutting exposure within the Group's principal risks and uncertainties. Reliable knowledge and information derived from customers and colleagues is critical to the effective design, targeting and delivery of services.

The Group has established a structured approach to knowledge and information management, underpinned by defined policies, standards and cultural expectations. This approach is designed to support accurate, timely and consistent data across the organisation and to ensure that data quality is actively managed and monitored.

Data is increasingly embedded within decision-making processes, supporting both operational and strategic insight. This includes using information to inform performance management, identify service improvements and target resources more effectively.

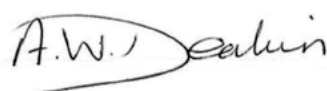
The Group's approach aims to strengthen the role of data in driving performance, enhancing service delivery and supporting continuous improvement. Ongoing development of data capability, governance and assurance arrangements is intended to mitigate data quality risks and ensure that information remains a reliable foundation for decision-making.

By order of the Board.



Philip Raw

Chair of the Board



Anthony Deakin

Chair - Audit & Risk Committee



David Shaw

Company Secretary

Board report

The Board presents its report and the Group's audited financial statements for the year ended 31 March 2026.

Principal Activities, Business Review and Future Developments

Details of the Group's principal activities, its performance during the year and factors likely to affect its future development are contained within the Strategic Report which precedes this report.

Board Members, Chief Executive and Executive Directors

The current Board members and Executive Directors, and those who served during the year, are set out on Pages 4 and 5. The Board members are drawn from a wide background bringing a range of professional, commercial and local experience.

The Group has insurance policies in place that indemnify its Board members and Executive Directors against liability when acting on behalf of the Group.

Remuneration Policy

A People and Governance Committee is responsible for recommending the Group's pay policy and terms and conditions of employment for the Chief Executive to the Board. In addition, the People and Governance Committee is responsible for setting the remuneration of Executive Directors and their terms and conditions.

Pensions

All Group employees, including the Chief Executive and the Executive Directors, are eligible to join a defined contribution scheme which the Group contributes towards on behalf of its employees.

Employees

The strength of the Group lies in the quality and commitment of its colleagues. The Group recognises the importance and contribution of the colleagues to the ongoing success of the business. We will recruit the best colleagues, board members and volunteers to reflect the profile of the communities where we work and will invest in their wellbeing and development through training and initiatives to promote healthy minds and bodies.

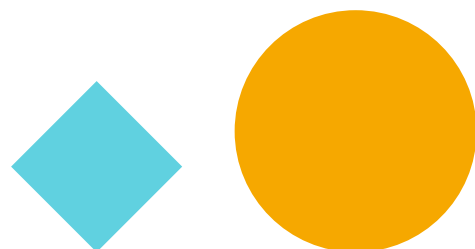
The Group is committed to equality of treatment and opportunity for all of its colleagues: we embrace and value diversity and we are committed to having a diverse workforce that reflects the communities within which we work.

The business consults with its colleagues on matters affecting the workforce through two representative groups:

- the Joint Consultative Committee, which includes representation of recognised Trade Unions; and
- the Employee Forum, which was created to support colleagues by giving everyone a voice and comprises representatives from each part of the Group.

Health & Safety

The Board is aware of its responsibilities on all matters relating to health and safety. The Group has prepared detailed health and safety policies, has a robust safety management system in place, and provides training and education to all of its staff on health and safety matters appropriate to their role.





Board report (continued)

Corporate Social Responsibility

We generate social value, using our resources wisely to achieve lasting, beneficial change and be an attractive organisation to work for and with. This means really knowing and understanding both customers and communities and directing our investment to the areas and groups that need it most.

Delivering Positive Social Impact by Investing in Communities sits at the heart of the Group's purpose and is a key theme in the Corporate Plan. Our ambition is to ensure that customers and communities have the opportunities and support they need to thrive, within flourishing connected communities.

We are more than just a great landlord, investing in communities and the people who live in them builds on and contributes to long-term financial strength and capacity and demonstrates commitment to customers. We look to make a difference every day and do this by investing in people and communities and by working alongside partners to deliver a programme of support.

Our Community Investment Strategy outlines how we work with customers, communities and partners to identify, develop and deliver programmes of support. We will combine in house services, commissioned projects and partnership working to deliver effective support that meets the needs of our customers and communities.

We report on our social impact annually through its Social Accounts.

Donations

£77k gift aid relating to financial year 2024-25 was received in the year (2025: £137k) by Livv Housing Group from Livv Maintenance Limited, £73k (2025: £133k), and Livv Homes, £4k (2025: £4k).

Livv Housing Group and its subsidiaries did not make any political donations.

Payment of Creditors

Our policy is to pay undisputed purchase invoices within 30 days of the invoice date or earlier if agreed with the supplier.

Group Internal Control Statement

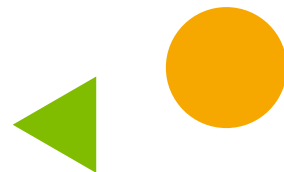
The Board has overall responsibility for the system of internal control and risk management across Livv Housing Group and for reviewing its effectiveness. This includes ensuring that the Group adheres to the Regulator of Social Housing Governance and Financial Viability Standard and its associated Code of Practice.

The Audit and Risk Committee is responsible for reporting to the Board on the adequacy of risk management arrangements and effectiveness of the internal control system through its oversight and scrutiny of the Risk Management and Assurance Framework which includes internal and external audit arrangements and outputs from other assurance activity.

The system of internal control is designed to manage risk and provide reasonable assurance that:

- Objectives are achieved
- Assets, including social housing assets are safeguarded
- Proper accounting records are maintained
- Financial information used in the business or for publication is reliable
- Performance information used in the business or for publication is reliable.





Board report (continued)

Key features of the Group's internal control environment include:

- Risk Management and Assurance Framework defines the Board's strategy, policy and approach to identifying, assessing and managing risks to the Group. The Risk Management and Assurance Policy defines the Board's risk appetite and tolerance measures.
- An established governance and management structure, with clearly defined levels of responsibility, scrutiny and approval including clear lines of delegated authority.
- Financial Regulations provide a framework of control and delegation over the Group's financial resources and guidance on how those resources must be managed to support the achievement of the Group's corporate plan objectives. In addition, the Regulations are designed to support the Group in meeting its legal and regulatory requirements relating to financial and viability matters, together with the safeguarding of Group assets, and management of financial risk.
- A programme of stress testing for Group and entity level financial plans aligned to key strategic risk exposures in the internal and external environment.
- A Policy and Strategy Framework which defines expectations for the development, review and approval of policy and strategy to meet the needs of the business, colleagues and customers, as well as regulatory and legislative requirements.

Key features of the Group's control assurance arrangements include:

- Corporate Performance Framework which defines key performance measures, owners and reporting frequencies relevant to the Group's activities.
- Golden Rules that define Board expectations of financial performance with early warning triggers which alert to the potential for financial risk escalation.
- Resilience Planning Framework which

supports proactive understanding and review of the Groups resilience and informs the maintenance of mitigation, contingency, response and recovery plans.

- Policy Watch scanning for changes to legislation, regulation and good practice that informs planning.
- Specialist advice and quality assurance to inform control and assurance activity including areas such as legal, financial planning, compliance and cyber security.
- Internal audit assurance, through a programme of regular independent reviews of the effectiveness and application of internal controls across the Group's activities.
- Annual certification process considering the effectiveness of the Group's systems of internal control and management of risk across all its activities throughout the year. The certification also requires consideration to incidents of non-compliance, fraud and breaches, regulatory and legislative compliance, recommendation completion (i.e. internal audit, external audit, regulators, inspectorates) and declarations of interest.
- Annual review of compliance against the Groups adopted code of governance and the Regulator of Social Housing regulatory framework.

Internal Audit

The system of internal control is subject to a regular programme of independent review. PwC LLP (PricewaterhouseCoopers Limited Liability Partnership), the internal auditors to the Group, provided a programme of reviews for the year 2025/26. The Audit and Risk Committee approved this programme and kept it under regular review throughout the year.

The Audit and Risk Committee has been presented with regular reporting of the outputs from internal audit reviews throughout the year, along with monitoring of the achievement of any recommendations made, in line with agreed timetables.



Board report (continued)

External Audit

The Group is committed to sound financial management in all aspects of its business and has robust business planning and budgeting frameworks in place. Financial and performance management reporting is provided to the Board to enable scrutiny of the achievement of objectives.

The External Auditors to the Group BDO LLP (Limited Liability Partnership), liaise with the Audit and Risk Committee on the nature and scope of the planned audit programme and provide feedback to the Committee on the operation of financial internal controls, reviewed as part of their annual audit activity, through their management letter.

Fraud

The Board has a Financial Crime Policy in place that includes fraud prevention and detection. A Fraud Register is maintained throughout the year and reported to the Audit and Risk Committee on a regular basis.

The Board has a responsibility to ensure material fraud is reported to the Regulator of Social Housing immediately. There have been no cases of fraud within the year.

The Board also has a Whistleblowing Policy in place that promotes openness, accountability and transparency by enabling serious concerns to be raised and investigated in a robust manner. A Whistleblowing Register is maintained throughout the year and reported to the Audit and Risk Committee on a regular basis.

Conclusion

The Board recognises that its responsibility extends across the full range of risks and controls associated with all Group activities. In fulfilling this duty, the Board has reviewed the effectiveness of the system of internal control for the year ended 31 March 2026. This review concluded that, while governance, risk management, and internal control

arrangements are generally operating effectively, further improvements are required to strengthen governance and control in relation to Treasury Management activities.

Going Concern

In response to continued economic volatility — including elevated interest rates, sustained cost inflation and supply chain uncertainty — the Board and Executive Team receive regular and detailed financial forecasts and scenario analysis as part of the Group's cyclical business planning process.

These analyses incorporate updated macroeconomic assumptions, including revised projections for rental income, increased cost pressures across operating expenditure and the financial impact of development underperformance and supply-side disruption. Assumptions are regularly reviewed to ensure that forecasts remain aligned with prevailing market conditions.

This approach enables the Group to undertake robust stress testing of its financial position under a range of adverse scenarios, both individually and in combination. The outputs from this process inform management actions and support assessment of the Group's capacity to withstand financial shocks while maintaining core operations.

The results of this analysis provide assurance to the Board regarding the Group's financial resilience and its ability to manage downside risk. Based on this assessment, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements.

Accordingly, the financial statements have been prepared on a going concern basis.

Board report (continued)

Statement of the responsibilities of the Board for the report and financial statements

The board members are responsible for preparing the report of the board and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

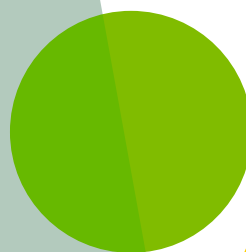
In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 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 Group and Association will continue in business.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Group and Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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





Board report (continued)

Board members' statement as to the Disclosure of Information to Auditors

In so far as each of the Board members is aware:

- there is no relevant audit information of which the Association's auditors are unaware; and
- the Board has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

The Report of the Board was approved by the Board on 30 July 2026, and signed on its behalf by:

Philip Raw

Chair of the Board

Anthony Deakin

Chair Audit & Risk Committee

David Shaw

Company Secretary

Independent Auditor's Report to the Members of Livv Housing Group

Opinion on the financial statements

In our opinion, the financial statements:

- the financial statements give a true and fair view of the state of the Group and of the Association's affairs as at 31 March 2026 and of the Group and the Association's surplus and the Group's cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

- the Group and Association statement of comprehensive income,
- the Group and Association statement of financial position,
- the Group and Association statement of changes in reserves,
- the Consolidated Statement of Cash Flows, and
- notes to the financial statements including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial

Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

Independent Auditor's Report to the Members of Livv Housing Group (continued)

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the Association has not kept proper books of account;

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

Responsibilities of the Board

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

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

Auditor's responsibilities for the audit of the financial statements

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



Independent Auditor's Report to the Members of Livv Housing Group (continued)

of users taken on the basis of these financial statements. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Association and management.

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

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

Non-compliance with laws and regulations

Based on;

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

We considered the significant laws and regulations to be the applicable accounting framework, FRS 102, the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We considered the extent to which non-compliance might have a direct impact and material effect on the Group's Financial Statements or their continued operation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, employment law, the Regulator of Social Housing's Regulatory Standards, fire safety legislation, tenancy legislation and data protection legislation.

Our procedures in respect of the above included:

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

Fraud

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

- Enquiry with management, internal audit and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;

Based on our risk assessment, we considered the area's most susceptible to fraud to be the ability of management to override controls, linked to

Independent Auditor's Report to the Members of Livv Housing Group (continued)

the posting of unexpected journals to revenue in the period and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias in areas such as indicators of impairment on tangible assets and recoverability of receivables outstanding at year-end; and
- Testing a sample of sales transactions recognised around year end to supporting documentation to ensure they are recorded in the correct period.

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

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

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

Use of our report

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

BDO LLP, Statutory Auditor
Manchester, UK

6 August 2026

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

Statement of comprehensive income

For year ended 31 March 2026

	Notes	Group		Association	
		31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Turnover	3	82,069	82,515	82,560	83,047
Cost of Sales	3	(3,062)	(7,815)	(3,062)	(7,815)
Operating expenditure	3	(62,415)	(63,779)	(62,637)	(64,202)
Gain on disposal of property, plant and equipment (fixed assets)	9	4,767	3,012	4,767	3,012
Operating surplus	6	21,359	13,933	21,628	14,042
Interest receivable	10	379	568	358	521
Interest and financing costs	11	(9,746)	(9,801)	(9,746)	(9,801)
Movement in fair value of financial instruments	27	(3,672)	1,564	(3,672)	1,564
Surplus before tax		8,320	6,264	8,568	6,326
Taxation	12	(105)	-	(104)	-
Surplus for the year after tax		8,215	6,264	8,464	6,326
Re-measurement in respect of pension scheme	28	266	105	266	105
Hedging movement	27	33	-	33	-
Total comprehensive income for the year		8,514	6,369	8,763	6,431

All activities relate to continuing operations.

The financial statements were approved and authorised for issue by the Board on 30 July 2026 and were signed on its behalf by:



Philip Raw

Chair of the Board



Anthony Deakin

Chair Audit & Risk Committee



David Shaw

Company Secretary

The notes on pages 51 to 91 form an integral part of these financial statements.

Statement of financial position

As at 31 March 2026

	Notes	Group		Association	
		31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Fixed Assets					
Tangible Fixed Assets					
Housing properties	13	383,051	357,319	383,247	357,633
Other property, plant & equipment	14	1,533	1,717	1,533	1,717
Social Investments	16	352	339	352	339
		384,936	359,375	385,132	359,689
Current assets					
Stock	17	125	108	-	-
Properties held for sale	18	3,974	5,155	3,974	5,155
Trade and other debtors	19	6,112	8,993	5,824	8,647
Investments	20	-	155	-	-
Cash and cash equivalents	21	15,109	12,152	13,016	10,378
		25,320	26,563	22,814	24,180
Creditors: amounts falling due within one year	22	(12,911)	(13,117)	(11,796)	(12,769)
Net current assets		12,409	13,446	11,018	11,411
Total assets less current liabilities		397,345	372,821	396,150	371,100



Statement of financial position (continued)

	Notes	Group		Association	
As at 31 March 2026		31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Creditors: amounts falling due after more than one year	23	270,494	254,177	270,494	253,900
Provisions for liabilities					
Pension provision	28	1,324	1,631	1,324	1,631
		271,818	255,808	271,818	255,531
Reserves					
Revenue reserves		125,494	117,013	124,299	115,569
Cashflow hedge reserves	33	-	-	33	-
Total reserves		125,527	117,013	124,332	115,569
		397,345	372,821	396,150	371,100

The financial statements were approved and authorised for issue by the Board on 30 July 2026 and were signed on its behalf by:



Philip Raw

Chair of the Board



Anthony Deakin

Chair Audit & Risk Committee



David Shaw

Company Secretary

Livv Housing Group, a charitable registered society under the Cooperative and Community Benefit Societies Act 2014, registered number 007773.

The notes on pages 51 to 91 form an integral part of these financial statements.

Statement of Changes in Reserves

For year ended 31 March 2026

	Group				Association			
	Non-Equity share capital £'000	Revenue Reserves £'000	Restricted Reserves £'000	Total £'000	Non-Equity share capital £'000	Revenue Reserves £'000	Restricted Reserves £'000	Total £'000
Balance as at 31 March 2025	-	117,013	-	117,013	-	115,569	-	115,569
Surplus for the year	-	8,215	-	8,215	-	8,464	-	8,464
Other Comprehensive Income:								
Re-measurement in respect of pension scheme (note 28)	-	266	-	266	-	266	-	266
Re-measurement in cashflow hedge	-	-	33	33	-	-	33	33
Balance at 31 March 2026	-	125,494	33	125,527	-	124,299	33	124,332

Balance as at 31 March 2024	-	110,644	-	110,644	-	109,138	-	109,138
Surplus for the year	-	6,264	-	6,264	-	6,326	-	6,326
Other Comprehensive (loss):								
Re-measurement in respect of pension scheme (note 28)	-	105	-	105	-	105	-	105
Balance at 31 March 2025	-	117,013	-	117,013	-	115,569	-	115,569

The notes on pages 51 to 91 form an integral part of these financial statements.

Consolidated statement of cash flows

For year ended 31 March 2026

	2026	2025
Group	£'000	£'000
Net cash inflow from operating activities (Note A)	29,220	27,149
Cash flow from investing activities		
Purchase of fixed asset housing properties	(37,266)	(52,115)
Grants received	3,957	5,612
Proceeds from sale of tangible fixed assets	6,246	3,818
Purchase of other fixed assets	(243)	(191)
Interest received	411	639
Social Investment income	205	106
	(26,690)	(42,131)
Cash flow from financing activities		
Interest paid	(9,534)	(9,277)
Increase in borrowings	9,961	24,606
	427	15,329
Net Change in cash and cash equivalents	2,957	347
Cash and cash equivalents at beginning of the year	12,152	11,805
Cash and cash equivalents at end of the year	15,109	12,152

Consolidated statement of cash flows (continued)

Note A - Cash flow from operating activities	2026	2025
	£'000	£'000
Surplus for the year after tax	8,215	6,264
Corporation Tax paid	(88)	-
Adjustments for non-cash items:		
Depreciation	9,985	9,194
Impairment	(483)	4,838
Decrease in stock/housing held for sale	1,164	1,763
Decrease/(Increase) in trade and other debtors	2,927	(536)
Increase in trade and other creditors	390	1,988
Interest received	(380)	(568)
Interest payable	9,505	9,468
Corporation Tax	105	-
Pension costs less contributions payable	(41)	(88)
Carrying value of disposal of fixed assets	1,214	755
Fair value adjustment to financial instruments	3,672	(1,564)
Adjustments for investing & financing activities		
Proceeds on disposal of fixed assets	(6,246)	(3,818)
Amortisation of loan arrangement fees	152	248
Government grants amortised in the year	(884)	(820)
RCGF Movement	13	25
Net cash inflow from operating activities	29,220	27,149

Notes to the Financial Statements

For year ended 31 March 2026

1. Legal Status

Livv Housing Group is registered under the Co-operative and Community Benefit Societies Act 2014 and is a registered provider of social housing.

The registered office is Lakeview, Kings Business Park, Prescot, Merseyside, L34 1PJ.

The Group has three subsidiaries; Livv Maintenance Limited, Livv Homes Limited and First Ark Social Investment Limited registered under the Companies Act 2006.

2. Principal Accounting Policies

Basis of Accounting

The financial statements of the Group and Association have been prepared in accordance with applicable UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The accounts are presented in £ sterling and rounded to the nearest £'000, unless stated otherwise.

They are prepared on the historical cost basis, other than as modified for the fair value of certain financial instruments as set out in the policies below.

Parent company disclosures

The Association has not presented a separate parent entity statement of cash flows. The consolidated statement of cash flows includes the results of the Association and its subsidiaries.

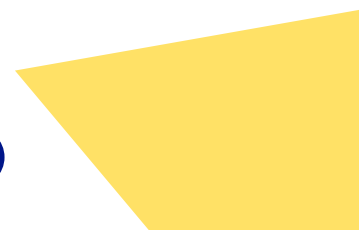
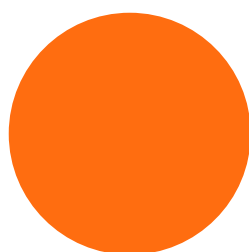
The Association's financial instrument disclosures are included within the Group financial instrument and financial risk management disclosures, reflecting the manner in which treasury activities and financial risks are managed across the Group.

Going Concern

In response to ongoing economic volatility - characterised by elevated interest rates, persistent cost inflation, and heightened supply chain uncertainty - the Executive Team and Board have increased the frequency and depth of financial forecasting and scenario planning activities.

These scenario analyses have incorporated revised macroeconomic assumptions, including revisions to rental income, heightened inflationary pressures on operating costs, and cash flow implications arising from underperforming development contractors and broader supply-side disruptions. Additionally, adjustments have been made to reflect evolving market dynamics, particularly in relation to sales programmes.

This enhanced level of scrutiny has yielded valuable insights, enabling the organisation to rigorously stress test its financial resilience. The outcomes have provided strong assurance regarding the Group's ongoing viability and its capacity to absorb a range of adverse financial scenarios, whether isolated or concurrent.



Notes to the Financial Statements (continued)

Accordingly, the Board has a reasonable expectation that the Group possesses sufficient resources to continue its operations for the foreseeable future - defined as a period of at least twelve months from the date of approval of the financial statements. Therefore, the financial statements have been prepared on a going concern basis.

Significant management judgements

The following are the significant management judgements made in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Capitalisation of property development costs

The Group capitalises development expenditure in accordance with the accounting policy on housing properties. Initial capitalisation of costs is based on management's judgement that a development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

Estimation uncertainty

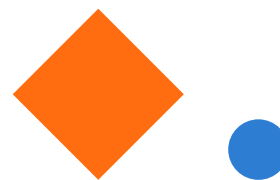
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

1) Impairment

Tangible fixed assets (mainly housing properties) are assessed for indicators of impairment at each reporting date in accordance with FRS 102 27.7. Indicators include changes in government policy, a reduction in the market value of properties where the occupant has the right to acquire, a reduction in the demand for a property, losses from operating that property, obsolescence of a property or contamination of a site. Indicators for properties under construction include any unforeseen additional costs that do not add value. Where no such indicators of impairment are identified to have occurred at the reporting date, it is assumed that there is no impairment.

Where there is an indicator of impairment, we have followed the process outlined below:

- determined the level at which the recoverable amount is to be assessed. This was determined to be at individual property level;
- estimated the recoverable amount of the property using the higher of EUV-SH valuations or depreciated replacement cost, using appropriate construction costs and land prices;
- calculated the carrying amount of the property; and
- compared the carrying amount to the recoverable amount to determine if an impairment loss has occurred.



Notes to the Financial Statements (continued)

2) Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3) Components of housing properties and useful lives

Major components of housing properties have significantly different patterns of consumption of economic benefits and estimates are made to allocate the initial cost of the property to its major components and to depreciate each component separately over its useful economic life. The Association considers whether there are any indications that the useful lives require revision at each reporting date to ensure that they remain appropriate.

4) Provisions

Provision is made for certain operating liabilities and for amounts owed to the business that are considered to be uncollectable, including former and current tenant rent arrears. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

5) Fair value measurement

Management obtains external expert valuations to determine the fair value of non-basic financial instruments (where active market quotes are not available). The valuation technique used involves developing estimates and assumptions consistent with how market participants would price the instrument, based on observable data or the best information available. More details are set out in note 27.

Basis of Consolidation

The consolidated financial statements present the results of Livv Housing Group and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Turnover and revenue recognition

Turnover comprises rental income receivable in the year, service charge income, income from shared ownership first tranche sales, sales of properties built for sale, support services and other services included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year and grants receivable in the year.

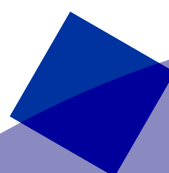
Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Service charge income is recognised in the period to which it relates net of losses from voids.

Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

Turnover in the consolidated group includes interest received on investments granted with First Ark Social Investment.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.



Notes to the Financial Statements (continued)

Loan finance issue costs

Loan finance issue costs are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income in the year in which the redemption took place.

Service charges

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges on a scheme by scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge.

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

Taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the subsidiaries operate and generate taxable income.

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

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where timing differences relate to interests in subsidiaries, associates and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

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

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Value Added Tax

The Group is partially exempt in relation to Value Added Tax (VAT) and accordingly is able to recover from HM Revenue & Customs part of the VAT incurred on expenditure. At the year-end VAT recoverable or payable is included in the statement of financial position. Irrecoverable VAT is accounted for in the statement of comprehensive income.

Notes to the Financial Statements (continued)

Tangible fixed assets and depreciation

Housing properties

Housing properties are properties held for the provision of social housing or otherwise provide social benefit. Properties are available for rent and are stated at cost, less accumulated depreciation less impairment.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Group depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

The Group considers whether there are any indications that the useful lives require revision at each reporting date to ensure that they remain appropriate.

The UELs for identified components are shown below, these reflect the updated component categories approved in the year:

Component	Useful economic life
Structure - including extensions, loft conversions and major structural repairs (reinforcement / underpinning)	85
Roofs	65
Windows	40
Mechanical Installations - including ventilation and heating systems (excluding Boilers)	40
Doors	30
Bathrooms	30
Showers	30
Electrical Systems - including fuseboards, detectors and alarm systems	30
Damp Proofing	30
Kitchens	25
Lifts - including stair lift adaptations	20
Boilers*	15-20
CCTV Systems	20
Door Entry Systems	10
Fire Safety Systems	
Fire Barriers - including cavity wall and loft insulation and compartmentation	40
Fire Doors ⁺	20-30
Sprinkler Systems	25
Environmental & Energy Efficiency Upgrades	
Triple glazed windows	40
Solar Panels	20
Heat Pumps	20

Notes to the Financial Statements (continued)

Component	Useful economic life
Smart meters	10
External Works	
Drainage systems - including associated excavation and groundworks	30
Boundary walls / fencing	20

* UEL changed to 15 years from 20 years from 1 April 2019

+ UEL changed to 20 years from 30 years from 1 April 2017

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

Other Tangible fixed assets

Depreciation on other tangible fixed assets is charged on a straight-line basis over their expected useful economic lives, as set out in the Group's approved schedule below:

Fixed asset type	Useful economic life
Office Premises	20
EV Chargers	10
Plant and Machinery	4
Furniture, Equipment and Vehicles	4
Computer Equipment	3

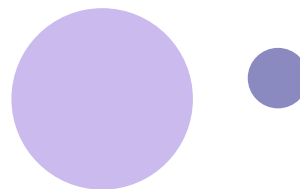
Shared ownership properties

The costs of low-cost home ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in Turnover.

The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets.

Donated land and other assets

Land and other assets donated by local authorities and other government sources is added to cost at the fair value of the land at the time of the donation. Where the land is not related to a specific development, and is donated by a public body an amount equivalent to the increase in value between fair value and consideration paid is treated as a non-monetary government grant and recognised on the statement of financial position as deferred income within liabilities. Where the donation is from a non-public source, the value of the donation is included as income.



Notes to the Financial Statements (continued)

Impairment

Housing properties are assessed for impairment indicators annually. Where indicators are identified an assessment for impairment is undertaken comparing the property's carrying amount to its recoverable amount. Where the carrying amount of a property is deemed to exceed its recoverable amount, the property is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where the property is currently deemed not to be providing service potential to the Association, its recoverable amount is its fair value less costs to sell.

Leasing and hire purchase

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

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

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

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

Stock and properties held for sale

Stocks of materials are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Properties developed for outright sale are included in current assets as they are intended to be sold, at the lower of cost or estimated selling price less costs to complete and sell.

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

Short-term debtors and creditors

Debtors and creditors with no stated interest rate, and receivable or payable within one year, are recorded at the transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Where deferral of payment terms has been agreed at below market rate, and where material, the balance is shown as the present value, discounted at a market rate.

Rent arrears

Where a repayment schedule is in place for rent arrears, a net present value adjustment is made to reflect the impact of the timing of future cash flows. Where arrears from former and current tenants are not expected to be recovered, and there is no repayment schedule in place, a provision is made for the full value of the debt.



Notes to the Financial Statements (continued)

Government grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors. If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in income and expenditure.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to income and expenditure.

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the Association is recognised only when these

conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as deferred income.

Reserves

It is the policy of the Group to hold reserves to accumulate income in order to set aside funds for special purposes or as reserves against future expenditure.

Holiday pay accrual

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

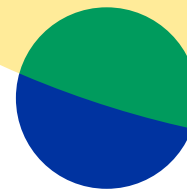
Pensions

Contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Livv Housing Group previously participated in a multi-employer funded defined benefit scheme, the Merseyside Pension Fund (MPF). Livv Housing Group exited the fund on 31 December 2015.

The Group retains liability for pensions that were being paid at that date. Scheme liabilities are measured on an actuarial basis. The liability is presented separately from other net assets on the statement of financial position.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.



Notes to the Financial Statements (continued)

Public benefit entity concessionary loans

Public benefit entity concessionary loans are initially recognised as a loan at the amount paid to the purchaser and are subsequently updated to reflect accrued interest. Any impairment loss is recognised in the statement of comprehensive income.

Cash and cash equivalents

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

Treasury policy

The Group ensures adequate liquidity is maintained at all times to meet unexpected expenditure requirements that may arise. A minimum of £5m is held in cash deposits available to withdraw immediately. The funds are kept in an interest-bearing deposit account in an attempt to maximise interest wherever possible in the event of the Association having surplus funds, consideration will be given firstly to supporting its capital investment programmes and the subsequently to repay its debt.

Financial Instruments

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

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

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction.

In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

Financial instruments held by the Group are classified as follows:

- financial assets such as cash, current asset investments and receivables are classified as loans and receivables, and are held at amortised cost using the effective interest method;
- financial liabilities such as bank loans are held at amortised cost using the effective interest method; and
- non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in surplus or deficit. At each year end, the instruments are revalued to fair value, with the movements posted to the statement of comprehensive income.

Impairment of Financial Assets

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

The following financial instruments are assessed individually for impairment:

- (a) all equity instruments regardless of significance; and
- (b) other financial assets that are individually significant.

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

Notes to the Financial Statements (continued)

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

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

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

Derivatives

Derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value.

Financial assets and financial liabilities at fair value are classified using the following fair value hierarchy:

- The best evidence of fair value is a quoted price in an active market.
- When quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted to reflect any circumstances specific to the sale, such as a distress sale, if appropriate.
- Where there is no active market or recent transactions then a valuation technique is used to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

Interest rate swaps relate to fixing variable rate interest and are therefore designated as cash flow hedges. A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable transaction, which could affect profit or loss. They are measured at fair value at each reporting date. Gains and losses on cash flow hedges which are highly effective are recognised in other comprehensive income. Any ineffective portion of a gain or loss on cash flow hedges is recognised in profit or loss. In order to apply hedge accounting, an economic relationship must exist between the hedged item and the hedging instrument. The Group must formally designate and document the hedging relationship at inception so that the risk being hedged, the hedged item and the hedging instrument are clearly identified and the risk management objective for undertaking the hedge. It is also required to determine and document the causes of hedge ineffectiveness. In a cash flow hedge, if the hedged future cash flows are no longer expected to occur, the amount that has been accumulated in the cash flow hedge reserve is reclassified from the cash flow hedge reserve to profit or loss immediately.

Notes to the Financial Statements (continued)

3a. Turnover, cost of sales, operating expenditure and operating surplus

2026					
Group	Turnover £'000	Other Income £'000	Cost of Sales £'000	Operating expenditure £'000	Operating surplus £'000
Social housing lettings (Note 4a)	77,675	-	-	(60,737)	16,938
Other social housing activities					
Supporting people contract income	92	-	-	(41)	51
Other supporting people income	156	-	-	(137)	19
First tranche shared ownership sales	3,209	-	(3,062)	-	147
Community investment	139	-	-	(712)	(573)
Management Services	-	-	-	-	-
Gain on disposal of housing properties	-	4,767	-	-	4,767
Total other social housing activities	3,596	4,767	(3,062)	(890)	4,411
Non-social housing activities					
Market rate lettings - Garages (Note 4c)	160	-	-	(160)	-
Facilities Management Services	638	-	-	(628)	10
Total Non-social housing activities	798	-	-	(788)	10
Total	82,069	4,767	(3,062)	(62,415)	21,359

2025					
Group	Turnover £'000	Other Income £'000	Cost of Sales £'000	Operating expenditure £'000	Operating surplus £'000
Social housing lettings (Note 4a)	73,398	-	-	(62,267)	11,131
Other social housing activities					
Supporting people contract income	95	-	-	(26)	69
Other supporting people income	156	-	-	(130)	26
First tranche shared ownership sales	7,765	-	(7,815)	-	(50)
Community investment	324	-	-	(589)	(265)
Management Services	-	-	-	-	-
Gain on disposal of housing properties	-	3,012	-	-	3,012
Total other social housing activities	8,340	3,012	(7,815)	(745)	2,792
Non-social housing activities					
Market rate lettings - Garages (Note 4c)	170	-	-	(170)	-
Facilities Management Services	607	-	-	(597)	10
Total Non-social housing activities	777	-	-	(767)	10
Total	82,515	3,012	(7,815)	(63,779)	13,933

Notes to the Financial Statements (continued)

3b. Turnover, cost of sales, operating expenditure and operating surplus

Association	2026				
	Turnover £'000	Other Income £'000	Cost of Sales £'000	Operating expenditure £'000	Operating surplus £'000
Social housing lettings (Note 4b)	77,752	-	-	(60,535)	17,217
Other social housing activities					
Supporting people contract income	92	-	-	(41)	51
Other supporting people income	156	-	-	(137)	19
First tranche shared ownership sales	3,209	-	(3,062)	-	147
Community investment	140	-	-	(713)	(573)
Management Services	-	-	-	-	-
Gain on disposal of housing properties	-	4,767	-	-	4,767
Total Other social housing activities	3,597	4,767	(3,062)	(891)	4,411
Non-social housing activities					
Market rate lettings - Garages (Note 4c)	160	-	-	(160)	-
Internal Management Services	1,051	-	-	(1,051)	-
Total non-social housing activities	1,211	-	-	(1,211)	-
Total	82,560	4,767	(3,062)	(62,637)	21,628

Notes to the Financial Statements (continued)

Association	2025				
	Turnover £'000	Other Income £'000	Cost of Sales £'000	Operating expenditure £'000	Operating surplus £'000
Social housing lettings (Note 4b)	73,535	-	-	(62,285)	11,250
Other social housing activities					
Supporting people contract income	95	-	-	(26)	69
Other supporting people income	156	-	-	(130)	26
First tranche shared ownership sales	7,765	-	(7,815)	-	(50)
Community investment	323	-	-	(588)	(265)
Management Services	-	-	-	-	-
Gain on disposal of housing properties	-	3,012	-	-	3,012
Total Other social housing activities	8,339	3,012	(7,815)	(744)	2,792
Non-social housing activities					
Market rate lettings - Garages (Note 4c)	170	-	-	(170)	-
Internal Management Services	1,003	-	-	(1,003)	-
Total non-social housing activities	1,173	-	-	(1,173)	-
Total	83,047	3,012	(7,815)	(64,202)	14,042

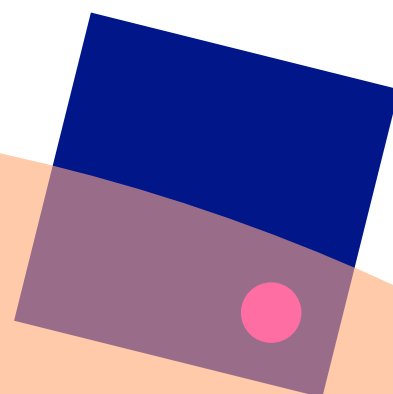


Notes to the Financial Statements (continued)



4a. Social housing & lettings

Group	General housing £'000	Supported housing & housing for older people £'000	Total 2026 £'000	Total 2025 £'000
Income				
Rent receivable net of empty homes	68,696	4,897	73,593	69,704
Services charges receivable net of empty homes	1,661	1,019	2,680	2,410
Amortised government grants	884	-	884	820
Other	518	-	518	464
Turnover from social housing lettings	71,759	5,916	77,675	73,398
Operating expenditure				
Management	(23,177)	(231)	(23,408)	(21,065)
Service charge costs	(2,194)	(1,300)	(3,494)	(3,358)
Routine maintenance	(20,408)	(615)	(21,023)	(19,042)
Major repairs expenditure	(3,000)	(90)	(3,090)	(4,872)
Bad debts	(692)	-	(692)	(496)
Depreciation of housing properties	(9,558)	-	(9,558)	(8,582)
Impairment of housing properties	420	-	420	(4,921)
Other costs	108	-	108	69
Operating expenditure on social housing lettings	(58,501)	(2,236)	(60,737)	(62,267)
Operating surplus on social housing lettings	13,258	3,680	16,938	11,131
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	1,359	89	1,448	1,774



Notes to the Financial Statements (continued)

4b. Social housing & lettings

Association	General housing £'000	Supported housing & housing for older people £'000	Total 2026 £'000	Total 2025 £'000
Income				
Rent receivable net of empty homes	68,696	4,897	73,593	69,704
Services charges receivable net of empty homes	1,661	1,019	2,680	2,410
Amortised government grants	884	-	884	820
Other	595	-	595	601
Turnover from social housing lettings	71,836	5,916	77,752	73,535
Operating expenditure				
Management	(22,975)	(231)	(23,206)	(21,083)
Service charge costs	(2,194)	(1,300)	(3,494)	(3,358)
Routine maintenance	(20,408)	(615)	(21,023)	(19,042)
Major repairs expenditure	(3,000)	(90)	(3,090)	(4,872)
Bad debts	(692)	-	(692)	(496)
Depreciation of housing properties	(9,558)	-	(9,558)	(8,582)
Impairment of housing properties	420	-	420	(4,921)
Other Costs	108	-	108	69
Operating expenditure on social housing lettings	(58,299)	(2,236)	(60,535)	(62,285)
Operating surplus on social housing lettings	13,537	3,680	17,217	11,250
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	1,359	89	1,448	1,774

4c. Market rate lettings

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Garages	160	170	160	170

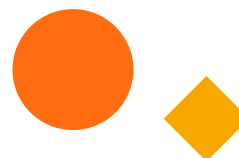
Notes to the Financial Statements (continued)

5. Accommodation owned, managed and in development

At the end of the year, accommodation in management for each class of accommodation was as follows:

	Group				
	31 March 2025 Units	Additions	Disposals	Reclassification	31 March 2026 Units
Social housing					
Owned General needs – social rent	10,735	36	(92)	(5)	10,674
Owned General needs – affordable rent	1,234	170	(1)	6	1,409
Owned General needs – intermediate rent	191	10	-	(5)	196
Owned – housing for older people	587	-	-	4	591
Shared Ownership	429	42	(8)	-	463
Total owned and managed	13,176	258	(101)	-	13,333
Units managed					
Leasehold	339	-	(3)	-	336
Leasehold – non-social	19	-	-	-	19
Total owned and managed	13,534	258	(104)	-	13,688





Notes to the Financial Statements (continued)

6. Operating surplus

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
The operating surplus is stated after (crediting)/charging:				
Auditors' remuneration (excluding VAT):	105	96	93	84
Audit of the Group financial statements				
Fees payable to the Group's auditor and its associates for other services to the Group:				
Taxation compliance services	9	9	7	8
Other	7	6	5	6
Operating lease rentals:				
Equipment	59	22	59	22
Vehicles	790	546	-	-
Impairment (gains)/losses of housing properties	(420)	4,921	(420)	4,921
Depreciation of housing properties	9,558	8,582	9,558	8,582
Depreciation of other assets	427	612	427	612



Notes to the Financial Statements (continued)

7. Employee information

The average number of colleagues (including Executives) employed during the year expressed in full time equivalents was:

	Group		Association	
	2026 No.	2025 No.	2026 No.	2025 No.
Development	16	15	16	15
Housing Maintenance	139	140	-	-
Business Services	184	180	121	116
Customer and communities	134	119	134	119
Asset management	40	37	40	37
Charitable Activities	11	8	11	8
	524	499	322	295

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Staff costs				
Wages and salaries	21,171	19,238	13,780	12,381
Social Security costs	2,722	1,976	1,801	1,301
Other pension costs – defined contribution or defined benefit	1,357	915	859	583
	25,250	22,129	16,440	14,265



The full-time equivalent number of staff who received remuneration exceeding £60,000 in the year:

	Group		Association	
	2026 No.	2025 No.	2026 No.	2025 No.
£60,000 - £70,000	12	16	9	10
£70,000 - £80,000	15	11	14	11
£80,000 - £90,000	5	2	5	2
£90,000 - £100,000	2	4	2	4
£100,000 - £110,000	2	4	2	4
£110,000 - £120,000	6	2	5	2
£120,000 - £130,000	1	1	1	1
£160,000 - £170,000	-	1	-	1
£180,000 - £190,000	3	-	3	-
£200,000 - £210,000	-	1	-	1
£220,000 - £230,000	-	1	-	1
£230,000 - £240,000	1	-	1	-
£260,000 - £270,000	-	1	-	1
£300,000 - £310,000	1	-	1	-
	48	44	43	38

8. Key management personnel and directors' remuneration

All of the Executives of Livv Housing Group and its subsidiaries, including the Chief Executive, are paid by Livv Housing Group, which is the ultimate parent undertaking.

The remuneration of the highest paid director for the year (the former Chief Executive) excluding pension contributions, was £302k (2025: £265k), including pay in lieu of notice of £186k (2025: £nil), and car allowance of £11k (2025: £24k).

The aggregate remuneration for key management personnel (executives) charged in the year was:

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Wages and salaries (incl. car allowance and bonus)	1,181	929	1,181	929
Benefits in Kind	1	1	1	1
Pension Contributions	77	50	77	50
NI Contributions	173	123	173	123
	1,432	1,103	1,432	1,103

Notes to the Financial Statements (continued)

The Chief Executive is paid by Livv Housing Group and is eligible to join the Livv Housing Group's defined contribution scheme on the same terms as all other employees. The Group does not make any further contribution to an individual pension arrangement for the Chief Executive.

The aggregate emoluments paid to or receivable by non-executive Board Members in the year was:

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Basic salary	139	122	139	122

	2026 £	2025 £
Chair	21,000	20,250
Vice Chair & Chair of Customer Service Committee	13,500	12,875
Board Member	-	8,425
Board Member & Chair of BDGI Committee	11,900	11,175
Board Member & FASI Chair	11,900	11,175
Board Member & Chair of Audit and Risk Committee	11,900	11,175
Board Member & Chair of Remuneration & Nominations Committee	11,900	11,175
Independent Member to Audit and Risk Committee	4,500	4,250
Independent Member of BDGI Committee	4,500	4,250
Board Member	11,900	11,175
Board Member	-	583
Board Member	-	583
Board Member – Livv and Flourish	4,500	4,250
Board Member	8,900	4,724
Board Member	8,900	4,724
Independent Member of Customer Service Committee	4,500	1,125
Board Member	8,900	-
	138,700	121,914

There were expenses paid to Board members in the year of £3k (2025: £2k).

Notes to the Financial Statements (continued)

9. Gain on disposal of fixed assets (Group and Association)

	RTB / RTA £'000	Staircasing £'000	Other £'000	Total 2026 £'000	Total 2025 £'000
Proceeds of sales	5,518	721	7	6,246	3,818
Carrying value	(1,073)	(140)	(1)	(1,214)	(755)
Surplus	4,445	581	6	5,032	3,063
Recycled capital grants fund (Note 25)	(41)	(224)	-	(265)	(51)
	4,404	357	6	4,767	3,012

10. Interest receivable and other income

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Interest receivable	379	568	358	521
	379	568	358	521

11. Interest and financing costs

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Loans and bank overdrafts	9,654	9,716	9,654	9,716
Pension interest cost	89	85	89	85
Interest on tax liabilities	3	-	3	-
	9,746	9,801	9,746	9,801

Notes to the Financial Statements (continued)



12. Tax on surplus on ordinary activities

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Current tax				
UK corporation tax on surplus for the year	16	-	16	-
Adjustments in respect of prior years	88	-	88	-
	104	-	104	-
Deferred tax				
Origination and reversal of timing differences	1	-	-	-
	1	-	-	-
Total tax charge	105	-	104	-

The tax assessed in the year is lower than the standard rate of Corporation tax in the United Kingdom at 25% (2025: 25%).

The differences are explained as follows:

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Surplus on ordinary activities before tax	8,320	6,264	8,568	6,326
Theoretical tax at UK corporation tax rate 25% (2025: 25%)	2,080	1,566	2,142	1,581
Income not taxable for tax purposes	(22,185)	(21,994)	(22,184)	(21,974)
Expenses not deductible for tax purposes	20,048	20,404	20,058	20,369
Adjustment to brought forward values	73	-	73	-
Group relief surrendered/(claimed)	-	-	(73)	-
Adjustments to tax charge in respect of previous periods	88	-	88	-
Movement in deferred tax not recognised	-	24	-	24
	104	-	104	-

Notes to the Financial Statements (continued)

13. Housing properties

Group	Social housing properties completed £'000	Social housing properties under construction £'000	Shared ownership completed £'000	Shared ownership under construction £'000	Total housing properties £'000
Cost					
At start of the year	416,077	27,227	34,760	1,952	480,016
Works to existing properties	12,454	-	-	-	12,454
Additions	11,094	9,552	1,394	1,799	23,839
Schemes completed	22,247	(22,247)	2,800	(2,800)	-
Disposals - properties	(1,940)	-	(379)	-	(2,319)
- components	(317)	-	-	-	(317)
At the end of the year	459,615	14,532	38,575	951	513,673
Depreciation					
At start of the year	(121,429)	-	(1,268)	-	(122,697)
Charge for the year	(9,250)	-	(308)	-	(9,558)
Impairment	420	-	-	-	420
Disposals - properties	899	-	18	-	917
- components	296	-	-	-	296
At the end of the year	(129,064)	-	(1,558)	-	(130,622)
Net book value at the end of the year	330,551	14,532	37,017	951	383,051
Net book value at the start of the year	294,648	27,227	33,492	1,952	357,319

Notes to the Financial Statements (continued)

Association	Social housing properties completed £'000	Social housing properties under construction £'000	Shared ownership completed £'000	Shared ownership under construction £'000	Total housing properties £'000
Cost					
At start of the year	416,391	27,227	34,760	1,952	480,330
Works to existing properties	12,336	-	-	-	12,336
Additions	11,094	9,552	1,394	1,799	23,839
Schemes completed	22,247	(22,247)	2,800	(2,800)	-
Disposals - properties	(1,940)	-	(379)	-	(2,319)
- components	(317)	-	-	-	(317)
At the end of the year	459,811	14,532	38,575	951	513,869
Depreciation					
At start of the year	(121,429)	-	(1,268)	-	(122,697)
Charge for the year	(9,250)	-	(308)	-	(9,558)
Impairment	420	-	-	-	420
Disposals - properties	899	-	18	-	917
- components	296	-	-	-	296
At the end of the year	(129,064)	-	(1,558)	-	(130,622)
Net book value at the end of the year	330,747	14,532	37,017	951	383,247
Net book value at the start of the year	294,962	27,227	33,492	1,952	357,633

The impairment provision as at 31 March 2026 was £4,926k (2025: £5,346k), of which £4,857k (2025: £4,857k) relates to properties at Knowsley Heights that are scheduled for demolition in FY2027. The £420k decrease in the provision during the year reflects the reversal of impairment losses following updated property valuations (£380k) and a reduction in the number of long-term void properties (£40k).

Notes to the Financial Statements (continued)

Expenditure on major works to existing properties:

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Amounts capitalised	12,454	10,705	12,336	10,711
Amounts charged to income and expenditure account	3,090	4,872	3,090	4,872
	15,544	15,577	15,426	15,583



Notes to the Financial Statements (continued)

14. Other property, plant & equipment – Group and Association

Group	Offices £'000	Furniture fixings and fittings £'000	Computers and office equipment £'000	Plant and machinery £'000	EV Chargers £'000	Total other property, plant & equipment £'000
Cost						
At start of the year	4,749	933	5,532	127	-	11,341
Additions	-	-	200	-	43	243
At the end of the year	4,749	933	5,732	127	43	11,584
Depreciation						
At start of the year	(3,534)	(740)	(5,223)	(127)	-	(9,624)
Charge for the year	(93)	(123)	(209)	-	(2)	(427)
At the end of the year	(3,627)	(863)	(5,432)	(127)	(2)	(10,051)
Net book value at the end of the year	1,122	70	300	-	41	1,533
Net book value at the start of the year	1,215	193	309	-	-	1,717

Association	Offices £'000	Furniture fixings and fittings £'000	Computers and office equipment £'000	Plant and machinery £'000	EV Chargers £'000	Total other property, plant & equipment £'000
Cost						
At start of the year	4,749	933	5,525	113	-	11,320
Additions	-	-	200	-	43	243
At the end of the year	4,749	933	5,725	113	43	11,563
Depreciation						
At start of the year	(3,534)	(740)	(5,216)	(113)	-	(9,603)
Charge for the year	(93)	(123)	(209)	-	(2)	(427)
At the end of the year	(3,627)	(863)	(5,425)	(113)	(2)	(10,030)
Net book value at the end of the year	1,122	70	300	-	41	1,533
Net book value at the start of the year	1,215	193	309	-	-	1,717

Notes to the Financial Statements (continued)

15. Fixed asset investments

As at 31 March 2026, the Group comprises the following entities, all registered in England:

Name	Incorporation and Ownership	Regulated/ Non-regulated	Nature of Business
Livv Housing Group	Co-operative and Community Benefit Society – 100%	Regulated	Housing association
Livv Maintenance Limited	Company – 100%	Non-regulated	Property repairs and facilities management services
First Ark Social Investment Limited	Company – 100%	Non-regulated	Social investment
Livv Homes Limited (non-trading)	Company – 100%	Non-regulated	Combined facilities support activities

The authorised Share Capital of Livv Maintenance Limited of 1 Ordinary £1 share is allotted, called up and fully paid and owned by Livv Housing Group, who is the ultimate parent undertaking.

The authorised Share Capital of First Ark Social Investment Limited of 1 Ordinary £1 share is allotted, called up and fully paid and owned by Livv Housing Group, who is the ultimate parent undertaking.

The authorised Share Capital of Livv Homes Limited of 1 Ordinary £1 share is allotted, called up and fully paid and owned by Livv Housing Group, who is the ultimate parent undertaking.

The registered office of all subsidiaries listed above is Lakeview, Kings Business Park, Prescott, Merseyside, L34 1PJ.

16. Social investments

Group and Association	Mixed Motive Investments £'000	Livv and Flourish £,000	Total £'000
Cost			
At 1 April 2025	9	339	348
Repayments received	-	185	185
Investment written off	(9)	(113)	(122)
At 31 March 2026	-	411	411
Impairment provision			
At 1 April 2025	(9)	-	(9)
Movement in the year	9	(59)	(50)
At 31 March 2026	-	(59)	(59)
Net book value 31 March 2026	-	352	352
31 March 2025	-	339	339

Notes to the Financial Statements (continued)

17. Stock

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Raw materials and consumables	125	108	-	-

18. Properties held for sale

Group and Association	2026 £'000	2025 £'000
Shared ownership first tranche property:		
Work in progress	632	1,301
Completed properties	3,342	3,854
	3,974	5,155

19. Trade and other debtors

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Rent and service charges receivable	5,701	5,388	5,701	5,388
Less: Provision for bad and doubtful debts	(4,462)	(4,461)	(4,462)	(4,461)
Net rent arrears	1,239	927	1,239	927
Grant debtor	45	2,282	45	2,282
Prepayment and accrued income	3,359	4,043	3,225	3,867
Other debtors	956	1,260	804	1,093
Fair value of derivative	12		12	
Deferred tax (note 29)	2	3	-	-
Debtors due within one year	5,613	8,515	5,325	8,169
Debtors due more than one year:				
Low Cost Homeownership loans	478	478	478	478
Fair Value of Derivatives	21	-	21	-
	6,112	8,993	5,824	8,647

Low cost homeownership loans relate to public benefit entity concessionary loans issued to customers by way of a deposit for a new home following a compulsory buy-out arrangement. The loans are secured against the new properties purchased and are therefore only recoverable once title is exchanged.

Notes to the Financial Statements (continued)

20. Current asset investments

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Investments	-	268	-	-
Impairment Provision	-	(113)	-	-
	-	155	-	-

As at 31 March 2026 49 investments (2025: 49) had been made by FASI totalling £3,895k (2025: £3,895k). These investments are funded by loan, grant, and recycled cash. The investments are repayable over a maximum period of 5 years with interest and capital repayments totalling £163k (2025: £353k) being received during the year to 31 March 2026. All investments were repaid in year by 31 March 2026.

A provision is made if an organisation is 3 months in arrears on repayment or when they are subject to any legal action.

These investments include £0k, (2025: £162k) which is repayable within 1 year.

21. Cash and cash equivalents

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Cash at bank	15,109	12,152	13,016	10,378

22. Creditors: amounts falling due within one year

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Trade creditors	2,498	1,791	1,114	548
Rents and service charges received in advance	3,203	3,213	3,203	3,213
Other creditors	355	272	353	196
Loans due for repayment in less than one year (note 26)	238	-	-	-
Loans fees due in less than one year (note 26)	(168)	(144)	(168)	(144)
Accruals and deferred income	5,856	7,116	3,804	4,779
Deferred capital grant (note 24)	913	869	913	869
Amounts owed to group undertakings	-	-	2,561	3,308
Corporation Tax	16	-	16	-
	12,911	13,117	11,796	12,769

Notes to the Financial Statements (continued)

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

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Loans (note 26)	204,240	190,846	204,240	190,569
Finance costs	(850)	(911)	(850)	(911)
Deferred capital grant (note 24)	66,541	63,731	66,541	63,731
Recycled capital grant fund (note 25)	272	252	272	252
Leaseholder Sinking Funds	62	53	62	53
Reserve Funds	229	206	229	206
	270,494	254,177	270,494	253,900

24. Deferred capital grant

Group and Association	2026 £'000	2025 £'000
At start of the year	64,600	57,576
Grant received in the year	4,003	7,895
Disposals	(265)	(51)
Released to income in the year	(884)	(820)
	67,454	64,600

	2026 £'000	2025 £'000
Amount due to be released < 1 year	913	869
Amount due to be released > 1 year	66,541	63,731
	67,454	64,600

Grant and Financial Assistance

The total accumulated government grant and financial assistance received or receivable at 31 March:

	2026 £'000	2025 £'000
Government funding received	73,198	69,460
Grants amortised to date	(5,744)	(4,860)
	67,454	64,600

Notes to the Financial Statements (continued)

25. Recycled capital grant fund

Group and Association	2026 £'000	2025 £'000
At start of the year	252	219
Grant received in the year	265	51
Grant withdrawn in the year	(252)	(26)
Interest Accrued	7	8
	272	252

Withdrawals from the capital grants fund are used for the purchase and development of new housing schemes for letting and for approved works to existing properties under the terms and conditions of the grants.



Notes to the Financial Statements (continued)

26. Debt analysis

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Loans repayable:				
Within one year	238	-	-	-
In one year or more but less than two years	-	-	-	-
In two years or more and less than five years	60,000	60,407	60,000	60,000
In five years or more	144,240	130,569	144,240	130,569
Less: loan issue costs	(1,018)	(1,055)	(1,018)	(1,055)
Total loans	<u>203,460</u>	<u>189,921</u>	<u>203,222</u>	<u>189,514</u>

The bank loans are secured by a floating charge on allocated housing properties.

The £90m Private Placement Bond is revalued annually, with the fair value of the Bond £84.2m at 31 March 2026 (2025: £80.6m). We use the service of third party treasury advisors to independently assist in the valuation and calculation of the bond.

The long-term loans totalling £210m are at fixed and variable rates of interest ranging from 3.57% to Sonia +1.1% and fall to be repaid between 2030 and 2042.

The facility is made up of £90m from the issue of a Private Placement Bond and £50m in bank funding.

Livv Housing Group has £115m available in the form of a revolving credit facility, of which a total of £70m was drawn at 31 March 2026 (2025: £60m).

The interest rate profile of Livv Housing Group (excluding FASI) at 31 March 2026 was:

	Total £'000	Variable Rate £'000	Fixed rate £'000	Average rate of interest %
Loans	204,240	60,000	144,240	4.54

At 31 March 2026, the Group has the following borrowing facilities:

	£'000
Undrawn facilities	45,000
	<u>45,000</u>

Notes to the Financial Statements (continued)

The total gross loans of £210m, exclude the mark to market valuation movement of Livv Housing Group's private placement loan (£5.8m) and finance costs payable (£1.0m).

It is a theoretical revaluation that reflects the movement in market value of this debt to the lenders, when compared with the interest rates that could currently be achieved when issuing this level of debt over the long term. This adjustment does not impact the total amount repayable by the Group if the loan runs to the original term.

This adjustment has been made in accordance with FRS 102 accounting requirements and is required because in the unlikely event of early redemption of the private placement loan the Association would be exposed to cross currency settlement penalties, this breaches the conditions of FRS 102.11.9 and is therefore treated as a non-basic financial instrument and held at fair value.

27. Financial instruments (Group)

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

	2026 £'000	2025 £'000
Financial assets that are debt instruments measured at amortised cost (Group)	16,044	13,412
Financial liabilities measured at amortised cost (Group)	127,929	118,401
Financial liabilities measured at fair value through profit or loss (Group and Association)	84,240	80,568
Derivatives – Assets	33	-

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors, and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, accruals and other creditors.

Notes to the Financial Statements (continued)

Financial liabilities measured at fair value through profit and loss

Financial liabilities measured at fair value through profit and loss comprise a bond under private placement within Livv Housing Group, the Association. The financial liability has been accounted for as a non-basic financial instrument in accordance with the requirements of Section 12 of FRS 102. The fair value of the financial liability as at 31 March 2026 has been based on an equivalent instrument using gilt rates at the balance sheet date plus an appropriate premium.

Movements in the carrying amount of the financial liability are presented below:

	2026 £'000	2025 £'000
Carrying amount brought forward	80,568	82,132
Change in fair values:		
Other market factors (Group and Association)	3,672	(1,564)
Carrying amount carried forward	84,240	80,568

The cumulative changes since inception of the instrument due to changes in credit risk are £Nil (2025: £Nil).

The total undiscounted amount repayable at maturity in respect of the loan is £90m.

Other market factors include the underlying movement in treasury gilt rates used in the fair value calculation.

Derivatives

Where financial instruments are measured in the balance sheet at fair value, disclosure of fair value measurements by level is required, in accordance with the following fair value measurement hierarchy:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (from prices) or indirectly (that is derived from prices).
- Level 3 – Inputs from the asset or liability that are not based on observable market data (that is, unobservable inputs).

Derivative financial instruments are interest rate swaps designed to hedge the interest rate risk associated with the variability of cashflows on variable rate loans.

Livv Housing Group's derivatives are carried at fair value. Fair value measurement is provided by the Group's external advisors and is categorised as Level 2.

The valuation techniques include discounted cash flow pricing models with observable inputs. The most significant inputs into those models are interest rate yield curves, developed from publicly quoted rates and market available information. All valuations have been compared to similar market transactions or alternative third-party pricing services to ensure current market conditions are properly represented.

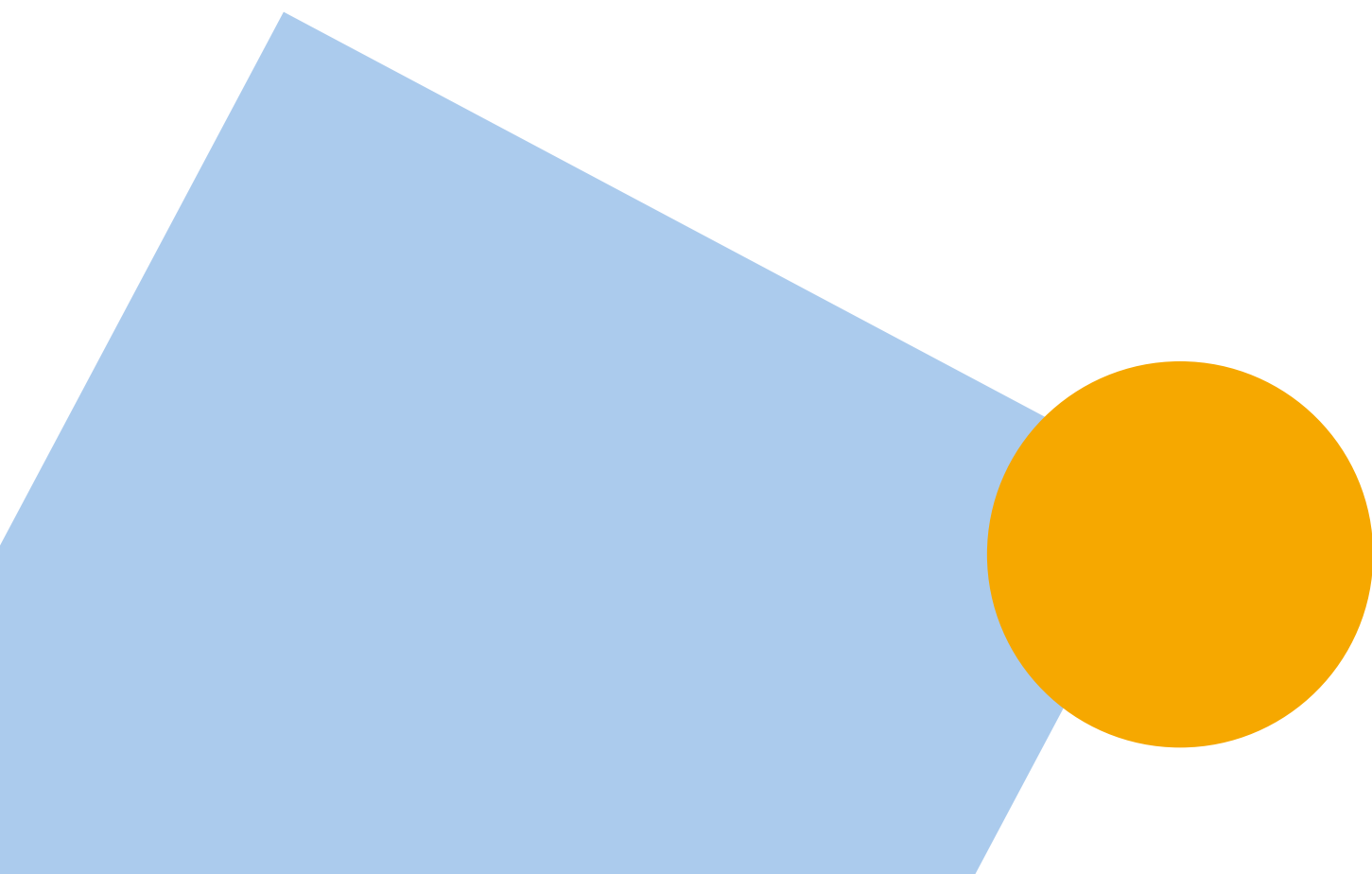
Notes to the Financial Statements (continued)

Periods in which the cash flows associate with hedge accounting are expected to occur:

	2026 £'000	2026 £'000	2026 £'000
	Assets	Liabilities	Total
Interest rate swap			
In one year or less	406	(394)	12
Between one and two years	396	(378)	18
Between two and five years	554	(551)	3
Total	1,356	(1,323)	33

	2026 £'000	2025 £'000
Nominal value of cashflow hedge	10,000	-
Total	10,000	-

The interest rate swaps were initiated in the 2025/26 financial year and, as such, there are no comparative amounts for the 2024/25 financial year.



Notes to the Financial Statements (continued)

28. Pension obligations

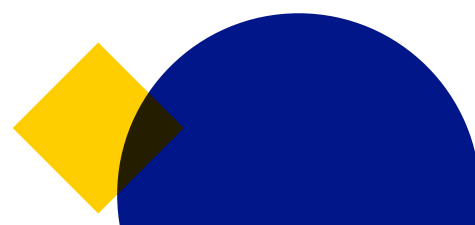
The Merseyside Pension Fund (Group and Association)

The Merseyside Pension Fund (MPF) is a multi-employer scheme with more than one participating employer, which is administered by Wirral Metropolitan Borough Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme.

Livv Housing Group terminated its participation in the Fund on the 31 December 2015, and the result of the termination is final assets and funded benefit obligations of zero.

There is still a liability in respect of unfunded benefits, and this is included in the Pension liability figures, although this will now be dealt with directly by Livv Housing Group independently of the Fund. There is a provision under Section 21 of FRS102 for the unfunded benefit to certain employees.

	2026 £'000	2025 £'000
Analysis of pension finance (costs)		
Interest on pension scheme liabilities	(89)	(85)
Amounts charged to financing costs	(89)	(85)
Amount of gains and losses recognised in the Statement of Comprehensive Income:		
Actuarial gain on pension scheme	266	105
Actuarial gain recognised	266	105
	2026 £'000	2025 £'000
Reconciliation of liabilities		
Liabilities at start of year	(1,631)	(1,824)
Interest cost	(89)	(85)
Actuarial gain	266	105
Benefits paid	130	173
Liabilities at end of year	(1,324)	(1,631)
	2026 £'000	2025 £'000
Reconciliation of assets		
Assets at start of year	-	-
Administration expenses	-	-
Employer contributions	130	173
Employee contributions	-	-
Benefits paid	(130)	(173)
Assets at end of year	-	-



Notes to the Financial Statements (continued)

Pension assumptions

Duration information as at the end of the accounting period.

Macaulay duration of liabilities at latest valuation (or date of admission if later): 9 years retired.

Duration profile used to determine assumptions: Maure Retired

Financial Assumptions	Beginning of period (p.a.)	End of period (p.a.)
CPI / CARE revaluation	2.7%	2.9%
Increase in salaries	4.2%	4.4%
Increase in pensions in payment / deferment	2.8%	3.0%
Discount Rate	5.7%	6.0%

Post retirement mortality assumptions (normal health)

Financial Assumptions	Beginning of period (p.a.)	End of period (p.a.)
Non-retired members M / F		
Mortality table	SAPS 4 / SAPS 4 middle	SAPS 4 / SAPS 4 middle
Improvements	CMI 23 1.5% / CMI 23 1.5%	CMI 24 1.5% / CMI 24 1.5%
Weightings	114% / 103%	125% / 111%
Additional parameters	S=7, A=0, W20=W21=0, W22=W23=15%	Core Underlying
Life Expectancy at 65*	22.1 / 25.2	21.8 / 24.8

*currently aged 45

Financial Assumptions	Beginning of period (p.a.)	End of period (p.a.)
Retired members M / F		
Mortality table	SAPS 4 / SAPS 4 middle	SAPS 4 / SAPS 4 middle
Improvements	CMI 23 1.5% / CMI 23 1.5%	CMI 24 1.5% / CMI 24 1.5%
Weightings	109% / 103%	117% / 106%
Additional parameters	S=7, A=0, W20=W21=0, W22=W23=15%	Core Underlying
Life Expectancy at 65*	20.8 / 23.5	20.6 / 23.3



Notes to the Financial Statements (continued)

29. Deferred tax (Group)

	Deferred taxation £'000
At 1 April 2025	3
Movement in the year	(1)
At 31 March 2026	2

The deferred tax asset is calculated using a tax rate of 25% (2025: 25%) and is set out below.

	2026 £'000	2025 £'000
Deferred tax asset	2	3
	2	3

30. Contingent liability

In December 2023 Livv Housing commenced negotiations with their recognised unions UNITE, UNISON and GMB, through the Joint Consultative Committee with regards to the pay award for April 2024 (FY25 pay award).

In March 2025 Livv Housing received a tribunal claim from UNISON and UNITE for inducement relating to union membership, activities or collective bargaining.

Negotiations concluded in June 2025 and have incorporated a review of some terms and conditions of the April 2025 pay award (FY26 pay award).

The claim remains ongoing at the date of approving these financial statements, but both the number of claimants and quantification of potential damages are unknown, and still subject to judgement and confirmation. External legal advisers have been involved in current year assessments of potential liability, and this does not pass the threshold for recognising a provision within the financial statements given the inherent uncertainty. Therefore, Livv Housing has disclosed this as a contingent liability to be transparent for its' stakeholders given the case is ongoing and potential damages, if any, are still to be determined.

In the current financial year Livv Housing have conducted fire risk assessments on all high rises in line with the requirements of the Fire Safety Act 2021. These assessments concluded there were works to be carried out to each building and we have entered into an obligation to ensure the works are performed within the next year. The works are being assessed through the procurement team and a value of the works are yet to be determined.

The identified works are driven by evolving regulatory requirements rather than as a result of identified immediate safety issues. Management has assessed that there is no present risk to residents, and all buildings remain safe for occupation. The works are intended to ensure ongoing compliance and to enhance existing fire safety measures in line with current legislation.



Notes to the Financial Statements (continued)

31. Capital commitments

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Expenditure contracted for but not provided in the accounts	19,933	18,593	19,933	18,593
Expenditure authorised by the Board but not contracted for	56,018	63,114	56,018	63,114
	75,951	81,707	75,951	81,707

These commitments will be financed from cash reserves, future retained surpluses and borrowings available for drawdown from existing loan facilities. The development programme will also receive grant support, and will generate sales proceeds income.

32. Operating Leases

During the year, the Group and the Association had minimum lease payments outstanding under non-cancellable operating leases as follows:

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Others:				
In one year or less	902	555	53	11
Between one and five years	2,815	19	72	19
	3,717	574	125	30





Notes to the Financial Statements (continued)

33. Related parties

The Association maintains a register of interests of Board members. This register is available for inspection at the Association's Head Office.

During the year, the Association transacted with fellow wholly owned group undertakings consolidated in the accounts of the Livv Housing Group at arms length in the normal course of business, as set out below. There are no guarantees given over and above the normal trading terms set out in the intra-group service agreements. There is no provision required for uncollectible balances and no bad debt expense is required.

	Association	
	2026 £'000	2025 £'000
Recharge by subsidiary		
Livv Maintenance Limited - non-regulated	1,124	1,136
First Ark Financial Investments Limited (FASI) - non-regulated	8	26
Livv Homes Limited	4	4
	1,136	1,166
Recharge by service		
Management services	1,059	1,029
Gift Aid	77	137
	1,136	1,166

Management services are corporate recharges which include Finance, Human Resources, Finance, IT, Marketing and Communications costs, using an agreed methodology including time, headcount and service usage. Gift Aid relates to Livv Maintenance Limited and Livv Homes Limited's results in financial year 2024-25 but was received by the Association in financial year 2025-26.

	Association	
	2026 £'000	2025 £'000
The Association received charges from:		
Livv Maintenance Limited - non-regulated	37,050	33,802

This charge relates to the provision of property repair and facilities management services based on an agreed fee structure set out in the service agreement between Livv Housing Group and Livv Maintenance Limited.

	Association	
	2026 £'000	2025 £'000
Creditors: amounts falling due within one year (note 22)		
Livv Maintenance Limited - non-regulated	2,561	3,308

Notes to the Financial Statements (continued)

34. Analysis of net debt

	Group				Association			
	At 1 April 2025	Cash flows	Non-Cash Movement	At 31 March 2026	At 1 April 2025	Cash flows	Non-Cash Movement	At 31 March 2026
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash and Investments	12,152	2,957	-	15,109	10,378	2,638	-	13,016
Debt due within one year	-	-	-	-	-	-	-	-
Debt due within two to five years	(60,407)	-	169	(60,238)	(60,000)	-	-	(60,000)
Debt due after five years	(129,514)	-	(13,708)	(143,222)	(129,514)	-	(13,708)	(143,222)
Net movement	<u>(177,769)</u>	<u>2,957</u>	<u>(13,539)</u>	<u>(188,351)</u>	<u>(179,136)</u>	<u>2,638</u>	<u>(13,708)</u>	<u>(190,206)</u>

35. Post balance sheet events

On 30 June 2026 £92k was paid to Big Society Capital in accordance with the Growth Fund contract terms. This has resulted in First Ark Social Investment Limited to cease trading for the foreseeable future.



