

Financial Conduct Authority registration number IP16677R
Registered Provider number L0438

LACE HOUSING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

LACE HOUSING LIMITED

INFORMATION

Board members

Mr R Livermore (Chairman)
Mrs E Devlin
Mrs C Liggins
Mrs D Krochmal
Mrs J Trevithick
Mr N J Chambers (Co-opted Member)
Mr J Wilson
Mr I Penn
Mrs S Gibbs

Chief Executive & Secretary Mr N J Chambers

FCA registration number IP16677R

Registered Provider number L0438

Registered office

Lace House
2 Olsen Rise
Lincoln
LN2 4UZ

Accountant

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

Auditor

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

Bankers

Handelsbanken PLC
22A The Ropewalk
Nottingham
NG1 5DT

Santander Corporate
Commercial and Business Banking
301 St Vincent Street
Glasgow
G2 5HN

LACE HOUSING LIMITED

INFORMATION

Nationwide Building Society
Kings Park Road
Moulton Park
Northampton
NN3 6NW

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

The Charity Bank Limited
Fosse House
182 High Street
Tonbridge
TN9 1 BE

Solicitors

Wilkin Chapman Rollits
26 Chantry Lane
Grimsby
DN31 2LJ

LACE HOUSING LIMITED

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LACE HOUSING LIMITED

REPORT OF THE BOARD INCLUDING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2026

The board presents its annual report and financial statements for the year ended 31 March 2026.

Principal activities

The principal activity of the Association continued to be the provision of social housing and support to older and vulnerable people in Lincolnshire and the surrounding areas. The Association is registered under the Co-operative and Community Benefit Societies Act 2014, (Register number 16677R), and under the Housing Act 1974, (Register number L0438).

Board members

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

Mr R Livermore (Chairman)

Mrs E Devlin

Mrs C Liggins

Mrs D Krochmal

Mrs J Trevithick

Mr N J Chambers (Co-opted Member)

Mr J Wilson

Mr I Penn

Mrs S Gibbs

Mr J Ridley

(Resigned 23 September 2025)

Each Board member holds one fully paid share of £1 in the Association.

Political and charitable donations

During the year, the Association made no political contributions, and any charitable contributions were made within the Association's normal activities.

Results for the year

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

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

Review of the business

The turnover of the Association was £5,136,346 in the year, an increase of £1,737,661 (51.1%) in 2025.

Operating costs were greater at £3,393,110, an increase of £720,511 (27.0%) in 2025.

The operating surplus for the year, including gains and losses on disposal of property plant & equipment was £891,877 (2025 - £726,086).

Interest costs increased from £402,291 (2025) to £624,367 (2026) due to the Association drawing down more of its loan facilities to fund its development programme. A total of £nil (2025 - £174,046) interest was capitalised to development during the 12 months.

The total comprehensive income for the year was £256,117 (2025 - £333,366).

The Association holds recycled grant money of £92,392 (2025 - £90,940).

The Association underwent a loan tender exercise to access long-term funding to underpin its long-term development programme. In January and March 2023, the Association completed two new loan facilities, using the new facility to repay its existing borrowing, at the end of the year £10.6m of the £12m (2025 - £10.6m) loan facilities has been drawn down of which £0.5m was repaid in February 2026.

LACE HOUSING LIMITED

REPORT OF THE BOARD INCLUDING THE STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

Statement of the Association's system of internal control

Identification and evaluation of key risk

The Board has overall responsibility for ensuring the Association maintains an effective system of risk management, internal control and assurance, and for determining the principal risks facing the Association.

The Risk Management Strategy (CP21), including the Board's risk appetite, is reviewed at least annually to ensure risks are managed in line with the Association's strategic objectives. Significant treasury risks are addressed through the Treasury Management Strategy, prepared by the Association's outsourced finance specialists and approved annually by the Board.

During 2025/26, the Board approved the Risk Assurance Framework Policy (CP32), establishing the Association's Board Assurance Framework. The Association also completed the transition to a trigger-based approach to risk reporting, replacing reliance on residual risk scores as the primary measure of changes in risk exposure. The Board now receives exception reporting using quantitative, risk-specific Green, Amber and Red (RAG) triggers, providing earlier warning of changes in risk position and strengthening the Board's assurance over control effectiveness.

The Audit and Compliance Sub-committee (A&C) oversees the Association's risk management and internal control arrangements on behalf of the Board. It reviews the principal risk register at each meeting, considers quarterly exception reporting based on trigger status, direction of travel, control effectiveness and key assurance findings, and annually benchmarks the Association's principal risks against the Regulator of Social Housing's Sector Risk Profile.

The Board's principal risks include compliance with statutory and regulatory requirements, financial resilience, development, landlord health and safety, information security and organisational capability.

Internal control

The Board has overall responsibility for the system of internal control and for reviewing its effectiveness. The system is designed to manage rather than eliminate risk and to provide reasonable, but not absolute, assurance against material misstatement, loss or failure.

Working with BG Audit & Consultancy, the Association has continued to strengthen its assurance framework through quarterly Internal Control Self-Assessments across governance, finance, landlord health and safety and other key operational activities. Quarterly Internal Control Statements, supported by Internal Control Self-Assessments, provide structured assurance over control effectiveness and complement the trigger-based risk reporting received by the Board and the Audit and Compliance Sub-committee.

The Association's system of internal control is further supported by:

- Clearly defined governance arrangements and delegated authorities.
- Annual self-assessments against the Regulator of Social Housing's Economic and Consumer Standards, the NHF Code of Governance and the Housing Ombudsman Complaint Handling Code.
- Board-approved Financial Regulations, the Risk Management Strategy and the Treasury Management Strategy.
- Quarterly exception reporting using quantitative risk triggers, supported by Internal Control Statements and assurance over control effectiveness.
- Regular reporting on financial performance, value for money, landlord health and safety, safeguarding, fraud, whistleblowing and regulatory compliance.

Independent assurance

The Association adopts a proportionate approach to independent assurance, reflecting its size and risk profile.

Independent assurance is obtained through the annual external audit, BG Audit & Consultancy's independent review of the effectiveness of key risk controls, outsourced finance and treasury advisers (including long-term financial planning and stress testing), statutory landlord safety inspections and regulatory oversight. Where heightened risks are identified, the Board or Audit and Compliance Sub-committee may commission additional independent reviews appropriate to the Association's risk profile.

LACE HOUSING LIMITED

REPORT OF THE BOARD INCLUDING THE STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

Monitoring and corrective action

The Audit and Compliance Sub-committee monitors the effectiveness of internal control throughout the year and reports its findings to the Board. The Executive Management Team ensures agreed improvements arising from internal reviews, independent assurance and regulatory change are implemented and monitored to completion.

The Board confirms that there has been an ongoing process throughout the year, and up to the date of approval of these financial statements, for identifying, evaluating and managing the significant risks facing the Association. This process is regularly reviewed by the Board, which is satisfied that the Association's system of internal control and assurance remained effective and proportionate to the Association's size, complexity and risk profile throughout the year.

Information and financial reporting systems

Financial planning and reporting procedures include an annual budget, a 30-year business plan, monthly management accounts, quarterly financial forecasts, treasury management reporting, covenant compliance monitoring and stress testing. These arrangements provide the Board with reasonable assurance over the Association's financial performance, financial resilience and compliance with loan covenant requirements, supporting the long-term viability of the Association.

Auditor

In accordance with the Co-operative and Community Benefit Societies Act 2014, a resolution proposing that Sumer Audit be reappointed as auditor of the Association will be put at a Annual General Meeting.

Statement of disclosure to auditor

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

Governance and financial viability

The Association complies with the NHF Code of Governance 2020. The Board has reviewed its compliance with the Governance and Viability Standard and confirm that, it complies with the requirements of the Standard for the year.

Statement of compliance

The Board confirm that this report has been prepared in accordance with the principles set out in paragraph 4.7 of the 2018 SORP for Registered Social Housing Providers.

LACE HOUSING LIMITED

REPORT OF THE BOARD INCLUDING THE STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

Strategic Plan 2025–2028 – Progress

During the year, the Board approved and commenced implementation of the Association's Strategic Plan 2025–2028, together with a Strategic Plan Dashboard, providing a clear framework for monitoring delivery confidence across the Association's five strategic objectives.

a) Providing excellent services, focusing on people, places and partnerships

Resident satisfaction remained exceptionally strong. The independent Tenant Satisfaction Measures (TSM) survey undertaken in January 2026 reported 95% overall satisfaction, with performance exceeding the Acuity peer median across all Tenant Satisfaction Measures. Standout results included 99% satisfaction that residents' homes are safe, 97% satisfaction with the most recent repair, and a Net Promoter Score of +78, demonstrating very high levels of resident trust and confidence.

During the year, the Board received its first annual Equity and Access Report, strengthening oversight of equality, accessibility and fairness in service delivery. Work also continued on the Association's new website to improve resident communication, transparency and engagement.

b) Providing well-designed, safe, secure, good-quality and energy-efficient homes

The Association maintained full compliance with its statutory landlord safety responsibilities and continued to invest in the quality and sustainability of its homes. Resident satisfaction remained exceptionally high, with 99% of residents reporting that their home is safe and 96% satisfied that their home is well maintained. During the year, the Association implemented its Phase 1 Awaab's Law compliance arrangements, alongside continued preparations for the Heat Network Regulations, delivery of the Association's objective of achieving EPC C by 2030, and future Decent Homes requirements.

c) Exercising good governance and maintaining strong finances

Governance and assurance arrangements continued to strengthen through implementation of the Board Assurance Framework, Strategic Plan Dashboard and enhanced risk and assurance reporting. During the year, the Association completed the transition to trigger-based risk and assurance reporting, strengthening Board oversight of principal risks and internal controls. The Association maintained strong financial performance, covenant compliance and liquidity, whilst continuing to develop its cyber resilience, procurement arrangements and long-term financial planning.

d) Delivering sustainable growth to meet the needs of older people

Development activity remained focused on delivering sustainable growth. Whilst progress on the Market Rasen scheme was slower than anticipated, the Association continued working with partners to progress the Market Rasen scheme and explore opportunities for future development. Diamond Place received national recognition as runner-up in the LABC National Building Excellence Awards, following its East Midlands regional success, reinforcing the Association's reputation as a trusted development partner delivering high-quality homes for older people.

e) Being a great place to work

The Association continued to promote a positive and supportive workplace through investment in staff wellbeing and by embedding its Bring to Life culture and Values Decision-Making Framework throughout the organisation. During the year, the newly established Remuneration Sub-committee completed a comprehensive remuneration review, supported by external benchmarking, to help ensure pay arrangements remain fair, transparent and aligned with the Association's values.

Looking ahead

The Strategic Plan 2025–2028 provides a clear roadmap for the next three years. Priorities include strengthening cyber security and digital resilience; improving Knowledge & Information Management to enhance data quality, support evidence-based decision-making and provide a single, trusted source of information across the Association; progressing the development programme; preparing for emerging regulatory requirements; enhancing environmental sustainability; and continuing to place residents at the heart of service improvement.

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REPORT OF THE BOARD INCLUDING THE STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

The Strategic Plan Dashboard, introduced during the year, will continue to provide the Board with a structured framework for monitoring delivery confidence across each strategic objective.

The Board is satisfied that the Association remains well placed to deliver its strategic objectives while maintaining strong governance, financial resilience and high levels of resident satisfaction.

Delivering Value for Money

The Board considers value for money to be achieved through making the best use of the Association's people, places, partnerships and financial resources to provide excellent services, remain financially strong and continue supporting older people to live independently.

Value for money is embedded throughout the Association's Strategic Plan 2025–2028 and is monitored through the Strategic Plan Dashboard, Board Assurance Framework and quarterly performance reporting. Together these provide the Board with assurance over resident outcomes, service quality, financial performance, treasury management, risk, governance and long-term sustainability.

Performance is benchmarked against a carefully selected peer group of comparable housing associations and reviewed alongside financial performance, strategic risks and treasury management to ensure resources continue to be deployed effectively in delivering the Association's social purpose.

Value for Money Framework

The Association assesses value for money through five complementary perspectives:

- Resident outcomes and satisfaction.
- Quality, safety and sustainability of homes.
- Governance, financial resilience and treasury management.
- Delivery of sustainable growth.
- Organisational capability and workforce effectiveness.

Performance is measured using a combination of the Association's own internal performance measures and the Regulator of Social Housing's published value for money metrics, enabling the Board to assess both operational performance and long-term financial resilience.

Performance against each strategic objective is monitored through the Strategic Plan Dashboard and benchmarked against comparable organisations to support continuous improvement.

Benchmarking

The number of peer submissions varies by measure. Some Tenant Satisfaction Measures and operational indicators are based on a small number of comparators returns and should therefore be interpreted alongside wider sector information, and year-on-year performance. Quartile positions are used as an indicator of relative performance and not as the sole measure of value for money.

During 2025/26 the Association reviewed its benchmarking methodology and refined the comparator group to include smaller housing associations with a similar size, specialist purpose and development profile. This provides more meaningful comparisons than wider sector benchmarking and supports more effective strategic decision-making.

The Board's ambition is to achieve performance at or above the peer median (Quartile 2) wherever meaningful benchmarking is available. Where performance falls below this ambition, the Board seeks assurance that there is a clear strategic rationale or improvement plan.

The Board's comparator group comprises:

- Agamemnon Housing Association.
- Leeds Jewish Housing Association.
- Muircroft Housing Association.

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REPORT OF THE BOARD INCLUDING THE STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

- Norwich Housing Society.
- Sussex Housing & Care.
- Sutton Housing Society.
- Thame & District Housing Association.
- Thorngate Churcher Trust.

The Board reviews value for money as part of its wider assurance framework, considering performance alongside strategic risk, treasury management, business planning, resident outcomes and regulatory compliance rather than as a standalone exercise.

Objective A – Providing excellent services, focusing on people, places and partnerships

Resident satisfaction improved overall during the year. Performance at 31 March 2026 was above the refined peer median across every reported Tenant Satisfaction Measure, although some measures are based on a relatively small number of peer returns and should therefore be interpreted alongside wider sector evidence and year-on-year performance.

Measure	31 Mar 2025	31 Mar 2026	Movement	2025/26 Peer Median	Quartile
TP01: Overall satisfaction	93%	95%	↑	90.6%	Q1
TP02: Satisfaction with repairs	94%	97%	↑	94.5%	Q1
TP03: Satisfaction with time taken to complete the most recent repair	91%	97%	↑	90.5%	Q1
TP04: Satisfaction that the home is well maintained	96%	96%	→	91.5%	Q1
TP05: Satisfaction that the home is safe	95%	99%	↑	93.5%	Q1
TP06: Satisfaction that the landlord listens and acts	86%	82%	↓	73.0%	Q1
TP07: Satisfaction that the landlord keeps residents informed	96%	95%	↓	86.0%	Q1
TP08: Agreement that the landlord treats residents fairly and with respect	95%	97%	↑	94.5%	Q1
TP09: Satisfaction with complaint handling	44%	55%	↑	52.5%	Q1
TP10: Satisfaction that communal areas are clean and well maintained	96%	99%	↑	89.0%	Q1
TP11: Satisfaction with the landlord's contribution to neighbourhoods	92%	94%	↑	79.5%	Q1
TP12: Satisfaction with the landlord's handling of anti-social behaviour	87%	93%	↑	76.5%	Q1
Net Promoter Score	70	72	↑	—	—

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REPORT OF THE BOARD INCLUDING THE STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

Commentary

Overall satisfaction increased from 93% to 95%, and the Association performed above the refined peer median across every reported Tenant Satisfaction Measure. Particularly strong results were achieved for safety, repairs, communal areas, fairness and neighbourhood contribution. Satisfaction with complaint handling improved from 44% to 55%, although it remains the Association's lowest perception measure. Satisfaction that the Association listens and acts and keeps residents informed reduced slightly but remained above the peer median and within the upper quartile.

The Association also strengthened Board assurance through the introduction of the annual Equity and Access Report and continued investment in digital communication through the new website.

These results reflect the Association's continued focus on listening to residents, investing in colleagues and working collaboratively with partners to improve services.

Objective B – Providing well-designed, safe, secure, good-quality and energy-efficient homes

The Association continued investing in safe, compliant and well-maintained homes while implementing new regulatory requirements and improving the long-term quality and sustainability of its assets.

Measure	31 March 2025 Actual	31 March 2026 Target	31 March 2026 Actual	Movement	31 March 2027 Target	31 March 2028 Target	2025/26 Peer Median	Quartile
BS01: Homes with all required gas safety checks completed	100%	100%	100%	→	100%	100%	100%	Q1
BS02: Homes with all required fire risk assessments completed	100%	100%	100%	→	100%	100%	100%	Q1
BS03: Homes with all required asbestos surveys or re-inspections completed	100%	100%	100%	→	100%	100%	100%	Q1
BS04: Homes with all required legionella risk assessments completed	100%	100%	100%	→	100%	100%	100%	Q1
BS05: Homes with all required lift safety checks completed	100%	100%	100%	→	100%	100%	100%	Q1
RP01: Homes failing the Decent Homes Standard	0%	0%	0%	→	0%	0%	0%	Q1
RP02: Emergency repairs completed within target	100%	100%	100%	→	100%	100%	100%	Q1
RP02: Non-emergency repairs completed within target	99.64%	98%	99.05%	↓	98%	98%	98.53%	Q2

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REPORT OF THE BOARD INCLUDING THE STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

SWBM201: Average number of responsive repairs per property	2.28	—	2.67	↑	3.25	3.5	4.10	Q1
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Movement shows the change in actual performance compared with the previous financial year and does not indicate whether the movement is favourable or unfavourable. Performance should be considered alongside targets, benchmarking and the accompanying narrative.

Commentary

The Association maintained 100% compliance across all statutory landlord safety measures and continued to meet the Decent Homes Standard whilst successfully implementing Phase 1 Awaab's Law arrangements. Repairs performance remained strong, exceeding the peer median for both emergency and non-emergency repairs, whilst maintaining 100% compliance with statutory landlord safety requirements.

Objective C – Exercising good governance and maintaining strong finances

The Board's ambition is to achieve performance at or above the peer median wherever meaningful comparison is available. Financial performance is considered alongside liquidity, covenant compliance, treasury management and the Association's development cycle.

Financial Performance

Measure	31 March 2025 Actual	31 March 2026 Target	31 March 2026 Actual	Movement	31 March 2027 Target	31 March 2028 Target	2025/26 Peer Median	Quartile
Metric 3: Gearing	18.86%	16.13%	15.60%	↓	15.73%	17.05%	11.10%	Q4
Metric 4: EBITDA MRI interest cover	196.67%	115.25%	211.13%	↑	187.82%	186.47%	171.50%	Q1
Metric 5: Headline social housing cost per unit	£4,436	£6,642	£5,163	↑	£7,121	£6,512	£7,654	Q1
Metric 6(a): Operating margin – social housing lettings	21.14%	15.26%	16.99%	↓	19.22%	20.30%	9.77%	Q1
Metric 6(b): Operating margin – overall	21.30%	11.57%	14.03%	↓	19.22%	20.30%	8.42%	Q1
Metric 7: Return on capital employed	1.41%	1.24%	1.59%	↑	1.78%	1.77%	1.53%	Q2
Rent loss through vacant dwellings	0.54%	0.96%	0.84%	↑	1.10%	1.10%	1.05%	Q2

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REPORT OF THE BOARD INCLUDING THE STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

Average re-let time – all HfOP re-lets	13.38 days	16 days	17 days	↑	18 days	16 days	26.40 days	Q1
Current tenant arrears as a percentage of annual rent debit	0.27%	0.30%	0.30%	↑	0.45%	0.45%	0.90%	Q1
Former tenant arrears as a percentage of annual rent debit	0.08%	0.07%	0.09%	↑	0.07%	0.07%	0.09%	Q2

Movement shows the change in actual performance compared with the previous financial year and does not indicate whether the movement is favourable or unfavourable. Performance should be considered alongside targets, benchmarking and the accompanying narrative.

Treasury performance

Treasury management outcome	2025/26 result
Bank facility retained undrawn	£1.4 million available for future development, saving £63,700 in interest costs during 2025/26.
Bank borrowing repaid	£500,000
Interest saving from loan repayment	£4,104
Interest recognised from fixed-term deposits	£29,337
Borrowing strategy	Higher-cost fixed-rate borrowing offers were not accepted; position retained under active review
Additional borrowing capacity created through MV-T valuations	£3.45 million

Commentary

The Association remained financially resilient throughout the year and continued to outperform the peer median across its operating margins, headline social housing cost per unit and EBITDA MRI interest cover. Operating margins reduced from the previous year following completion and occupation of Diamond Place but exceeded budgeted targets. Headline social housing cost per unit remained substantially below the peer median.

Value for money was further strengthened through active treasury management. Careful cash flow forecasting enabled the Association to retain £1.4 million of committed borrowing facilities undrawn, avoiding unnecessary borrowing costs of £63,700 while preserving committed borrowing capacity for future development opportunities. During the year the Association also repaid £500,000 of borrowing, reducing annualised interest costs by approximately £26,750. Surplus cash was invested in short-term fixed deposits, generating additional investment income of £29,337 whilst maintaining strong liquidity and financial resilience. At 31 March 2026 cash balances remained approximately £2.85 million and all lender covenants remained compliant.

Completion of title regularisation and Market Value Subject to Tenancies (MV-T) valuations increased the value of the Association's security portfolio and strengthened future borrowing capacity. The Board continues to monitor interest rate movements and treasury risk through quarterly treasury reporting.

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REPORT OF THE BOARD INCLUDING THE STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

Objective D – Delivering sustainable growth

Development performance reflects the Association's development cycle. Diamond Place was completed in 2024/25, while the Market Rasen scheme progressed more slowly than anticipated during 2025/26.

Measure	31 March 2025 Actual	31 March 2026 Target	31 March 2026 Actual	Movement	31 March 2027 Target	31 March 2028 Target	2025/26 Peer Median	Quartile
Metric 1: Reinvestment	18.22%	1.03%	0.34%	↓	1.04%	9.85%	4.09%	Q4
Metric 2(a): New supply delivered – social housing	16.22%	0.00%	0.00%	↓	0.00%	0.00%	0.00%	Q1
Metric 2(b): New supply delivered – non-social housing	0.00%	N/A	0.00%	→	N/A	N/A	0.00%	Q1
Number of properties completed	72	0	0	↓	0	0	—	—
Number of units in the approved programme	0	33	0	→	75	75	—	—
Number of starts on site	0	0	0	→	0	75	—	—

The reduction in reinvestment and new supply metrics reflects the completion of the Diamond Place development programme in the previous year and the delay to the Market Rasen scheme. The Association continues to work with partners to progress Market Rasen and explore future development opportunities consistent with its strategic objectives.

Commentary

Development activity reflected the Association's planned development cycle. Following completion of Diamond Place in the previous year, the Association's focus during 2025/26 was on successfully embedding the scheme whilst continuing to progress the Market Rasen scheme. As a result, reinvestment levels reduced during the year. This reflects the planned timing of development activity rather than any reduction in the Association's long-term commitment to sustainable growth.

Objective E – Being a great place to work

The Association continued investing in staff wellbeing, organisational culture and workforce capability. A fuller set of workforce measures will be introduced during 2026/27 as part of the Strategic Plan Dashboard.

Measure	31 March 2025 Actual	31 March 2026 Target	31 March 2026 Actual	Movement	31 March 2027 Target	31 March 2028 Target	2025/26 Peer Median	Quartile
Average working days lost to sickness per FTE	3.14 days	—	3.47 days	↑	5%	5%	5.97 days	Q2

LACE HOUSING LIMITED

REPORT OF THE BOARD INCLUDING THE STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

Commentary

The Association continued investing in colleague wellbeing, organisational capability and workforce development. Sickness absence remained below the peer median. During the year the newly established Remuneration Sub-committee completed a comprehensive externally benchmarked remuneration review and the Bring to Life culture and Values Decision-Making Framework continued to be embedded across the organisation. A broader suite of workforce performance measures will be introduced through the Strategic Plan Dashboard during 2026/27.

Delivering Value for Money through Continuous Improvement

During 2025/26, the Association continued to strengthen the way it delivers value for money by investing in its people, homes, partnerships and governance. Alongside continued investment in service quality and financial resilience, the Association enhanced the way value for money is measured, monitored and evidenced through improvements to governance, assurance and performance reporting. Although these developments are not directly reflected within the published value for money metrics, they strengthen decision-making, improve oversight of risk and performance, and support the effective use of resources over the longer term.

Governance – strengthening assurance

Key improvements during the year:

- implemented the Board Assurance Framework;
- introduced the Strategic Plan Dashboard;
- strengthened trigger-based risk and assurance reporting; and
- embedded quarterly Internal Control Self-Assessments.

People – investing in our colleagues

Value for money depends upon a skilled, well-supported workforce capable of delivering high-quality services efficiently and sustainably. During the year the Association continued to invest in its colleagues and:

- Completed an externally benchmarked remuneration review to support fair pay, workforce sustainability and the attraction and retention of skilled colleagues.
- Began implementation of the Knowledge and Information Management Programme to improve data quality, support evidence-based decision-making and reduce duplication.
- Continued investment in cyber resilience to protect residents, colleagues and organisational information.

Places – improving homes and services

Investing in safe, well-maintained homes and good-quality information supports better long-term asset management, reduces future costs and improves resident outcomes. During the year the Association:

- Introduced the annual Equity and Access Report to help ensure services remain fair, accessible and inclusive and that resources are targeted where they have the greatest impact.
- Implemented Phase 1 of Awaab's Law and continued preparations for future regulatory requirements.
- Continued improving understanding of homes and asset information to support future investment decisions.

Partnerships – achieving more together

Working effectively with partners helps the Association secure expertise, improve procurement, benchmark performance and identify opportunities that would be more difficult to achieve independently. During the year the Association:

- Reviewed its peer benchmarking methodology to ensure comparisons remain meaningful and support better decision-making.
- Strengthened procurement arrangements to achieve quality, value and long-term sustainability.

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REPORT OF THE BOARD INCLUDING THE STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

- Continued working with partners to progress future development opportunities and secure additional social value for residents.

Board Assurance

The Board's ambition is to achieve performance at or above the peer median (Quartile 2) across both the Association's internal value for money measures and the Regulator of Social Housing's published value for money metrics.

During 2025/26 the Association achieved or exceeded the Board's performance ambition across the majority of resident, operational and financial measures. Top-quartile performance was achieved across resident satisfaction, financial performance, operational efficiency and landlord compliance, whilst governance, treasury management and organisational resilience also continued to strengthen.

Against the Board's ambition to achieve performance at or above the peer median (Quartile 2):

- Resident satisfaction measures were predominantly **Quartile 1**.
- Property compliance measures achieved **100% compliance** and met or exceeded peer performance.
- Financial and operational value for money measures were predominantly **Quartile 1 or Quartile 2**.
- Performance below the Board's ambition was limited to measures reflecting the planned timing of development activity and the Association's prudent borrowing strategy.

Where performance fell below the Board's benchmarking ambition, this reflected deliberate strategic decisions rather than operational underperformance. During the year the Association prioritised embedding Diamond Place, maintaining financial resilience and preparing future development opportunities. These decisions temporarily reduced reinvestment activity while strengthening the Association's long-term capacity to deliver sustainable growth.

The Board remains satisfied that the Association continues to make the best use of its resources, provide excellent services and maintain strong financial resilience. By continuing to invest in its people, places and partnerships, the Association is well placed to deliver sustainable value for current and future residents while maintaining strong financial resilience.

Equality, Diversity and Inclusion

The Association recognises that equality, diversity and inclusion are fundamental to delivering its social purpose as both a landlord and an employer. The Association is committed to providing fair, accessible and inclusive services and fostering a working environment that is free from discrimination, prejudice and harassment.

The Association's Equality, Diversity and Inclusion Policy, together with supporting policies covering recruitment, staff wellbeing, menopause and the Service Inclusivity Policy introduced during the year, underpin this commitment. The NHF Code of Governance, together with the Board's recruitment and succession arrangements, further supports inclusive leadership and effective governance.

During 2025/26, the Association strengthened Board oversight by introducing an annual Equity and Access Report. Drawing on Tenant Satisfaction Measures, complaints, Equality Impact Assessments and resident demographic information, the report provides evidence-based assurance that there is no evidence of systemic inequity in service delivery. The Board has also approved a programme to improve equality data quality, strengthen Equality Impact Assessments and introduce voluntary staff equality monitoring during 2026/27.

During the year, the Association also completed a comprehensive remuneration review, supported by external benchmarking, to help ensure pay arrangements remain fair, transparent and aligned with equality principles. Publication of the annual Gender Pay Gap Report was deferred until completion of this review and will resume following implementation of the revised remuneration framework.

Governance compliance statement

The Association has adopted the National Housing Federation (NHF) Code of Governance 2020 and has assessed compliance with the Code during the year.

LACE HOUSING LIMITED

REPORT OF THE BOARD INCLUDING THE STRATEGIC REPORT (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2026*

The Board has completed annual self-assessments to confirm compliance with the Regulator of Social Housing's Economic Standards and Consumer Standards. These assessments drew upon the Board Assurance Framework, oversight provided by the Audit and Compliance Sub-committee, long-term business planning, financial and treasury reporting, stress testing, strategic risk management, internal control assurance, Tenant Satisfaction Measures (TSMs) and other resident performance and assurance information.

The Board is satisfied that governance, financial management and assurance arrangements remain effective and proportionate to the size, complexity and specialist nature of the Association. The Board has concluded that there were no material issues of non-compliance during the year and that the Association continues to maintain appropriate financial resilience, demonstrate value for money, comply with the Rent Standard and deliver services that meet the outcomes required by the Consumer Standards.

Accordingly, the Board confirms that, throughout the year ended 31 March 2026, the Association complied with the Regulator of Social Housing's Economic Standards and Consumer Standards together with the principles of the NHF Code of Governance 2020.

On behalf of the board



[Bob Livermore \(Sep 16, 2026, 16:37:54 GMT+1\)...](#)

Mr R Livermore (Chairman)

Board member

LACE HOUSING LIMITED

BOARD MEMBERS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

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

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

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

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

The board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities, by establishing and maintaining a satisfactory system of control over the Association's accounting records, cash holdings and all its receipts and remittances.

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

LACE HOUSING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LACE HOUSING LIMITED

Opinion

We have audited the financial statements of Lace Housing Limited (the 'Association') for the year ended 31 March 2026 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in reserves, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2026 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The board members are responsible for the other information contained within the annual report. 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.

LACE HOUSING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LACE HOUSING LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of the board members

As explained more fully in the board members' responsibilities statement, the board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

LACE HOUSING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LACE HOUSING LIMITED

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

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

Use of our report

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

Sumer Audit

**Sumer Audit
Statutory Auditor
Piper House, 4 Dukes Court
Bognor Road, Chichester
West Sussex
PO19 8FX**

21/09/2026

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Sumer Audit is the trading name of Sumer Auditco Limited

LACE HOUSING LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	2025 £
Turnover	3	5,136,346	3,398,685
Cost of sales		(939,171)	-
Gross surplus		4,197,175	3,398,685
Operating expenditure		(3,393,110)	(2,672,599)
Operating surplus	4	804,065	726,086
Interest receivable and similar income	7	36,061	9,571
Interest payable and similar expenses	8	(624,367)	(402,291)
Surplus before taxation		215,759	333,366
Tax on surplus	9	-	-
Surplus for the financial year		215,759	333,366
Other comprehensive income			
Revaluation of tangible fixed assets		40,358	-
Total comprehensive income for the year		256,117	333,366

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 22 to 39 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 10 September 2026 and are signed on its behalf by:


[Bob Livermore \(Sep 16, 2026 16:37:54 GMT+1\)](#)
Mr R Livermore (Chairman)
Board member


[Carol Liggins \(Sep 17, 2026 09:47:53 GMT+1\)](#)
Mrs C Liggins
Board member


[Nick Chambers \(Sep 21, 2026 07:32:12 GMT+1\)](#)
Mr N J Chambers (Co-opted Member)
Secretary

LACE HOUSING LIMITED

STATEMENT OF FINANCIAL POSITION

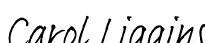
AS AT 31 MARCH 2026

	Notes	2026 £	2025 £
Fixed assets			
Tangible assets	10	47,985,713	48,852,094
Investment property	13	550,000	370,000
		<u>48,535,713</u>	<u>49,222,094</u>
Current assets			
Shared equity properties for resale	12	296,550	1,196,085
Stocks	14	13,400	13,830
Debtors	15	146,229	119,454
Cash at bank and in hand		2,850,810	1,688,469
		<u>3,306,989</u>	<u>3,017,838</u>
Creditors: amounts falling due within one year	16	(1,271,836)	(1,207,644)
Net current assets		<u>2,035,153</u>	<u>1,810,194</u>
Total assets less current liabilities		<u>50,570,866</u>	<u>51,032,288</u>
Creditors: amounts falling due after more than one year	17	(40,117,428)	(40,834,966)
Net assets		<u><u>10,453,438</u></u>	<u><u>10,197,322</u></u>
Capital and reserves			
Called up share capital	21	19	20
Revaluation reserve		123,789	83,431
Restricted reserve	22	121,570	16,570
Income and expenditure reserve		10,208,060	10,097,301
Total reserves		<u><u>10,453,438</u></u>	<u><u>10,197,322</u></u>

The notes on pages 22 to 39 form part of these financial statements.

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 Board member


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 Mrs C Liggins
 Board member


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 Mr N J Chambers (Co-opted Member)
 Secretary

LACE HOUSING LIMITED

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Share capital £	Revaluation reserve £	Restricted reserve £	Income and expenditure reserve £	Total £
Balance at 1 April 2024		17	83,431	16,570	9,763,935	9,863,953
Year ended 31 March 2025:						
Surplus for the year		-	-	-	333,366	333,366
Issue of share capital	21	3	-	-	-	3
Balance at 31 March 2025		20	83,431	16,570	10,097,301	10,197,322
Year ended 31 March 2026:						
Surplus for the year		-	-	105,000	110,759	215,759
Other comprehensive income:						
Revaluation of tangible fixed assets		-	40,358	-	-	40,358
Total comprehensive income for the year		-	40,358	105,000	110,759	256,117
Shares forfeited		(1)	-	-	-	(1)
Balance at 31 March 2026		19	123,789	121,570	10,208,060	10,453,438

LACE HOUSING LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	£	2025 £	£
Cash flows from operating activities					
Cash generated from operations	26	2,466,522		876,740	
Interest paid		(618,115)		(569,641)	
Net cash inflow from operating activities		<u>1,848,407</u>		<u>307,099</u>	
Investing activities					
Purchase of tangible fixed assets		(249,772)		(8,773,950)	
Proceeds from disposal of tangible fixed assets		30,303		-	
Social housing grant recieved		-		4,806,452	
Interest received		36,061		9,571	
Net cash used in investing activities		<u>(183,408)</u>		<u>(3,957,927)</u>	
Financing activities					
Proceeds from issue of shares		-		3	
Repayment of bank loans		(502,658)		(2,239)	
Proceeds from new bank loans		-		4,213,173	
Net cash (used in)/generated from financing activities		<u>(502,658)</u>		<u>4,210,937</u>	
Net increase in cash and cash equivalents		<u>1,162,341</u>		<u>560,109</u>	
Cash and cash equivalents at beginning of year		<u>1,688,469</u>		<u>1,128,360</u>	
Cash and cash equivalents at end of year		<u><u>2,850,810</u></u>		<u><u>1,688,469</u></u>	

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

Information

Lace Housing Limited is a Co-operative and Community Benefit Society and a private registered provider of social housing in the United Kingdom. The registered office is Lace House, 2 Olsen Rise, Lincoln, LN2 4UZ. The nature of the Association's operations and principal activities are the development, rental and management of social housing accommodation.

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

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the association. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on the going concern basis. The directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

Based on these assessments and having regard to the resources available to the entity, the directors have concluded that there is no material uncertainty in relation to the appropriateness of continuing to adopt the going concern basis in preparing the annual report and accounts.

1.3 Turnover

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

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

The disposal proceeds from the first tranche sale of shared ownership properties are included in turnover at the point of legal completion. The second and subsequent tranches are accounted for as a gain or loss on disposal of tangible fixed assets in the period in which the disposal occurs being the difference between the net sale proceeds and the net carrying value.

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

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Social housing properties	10 to 125 years (see below)
Office building	100 years
Scheme equipment	10 years
Office equipment	10 years
Fixtures and Fittings	10 years
Computer Equipment	5 years
Motor vehicles	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Major components of housing properties are depreciated as follows: Structure (75 - 125 years), lifts (20 years), doors and windows (30 years), bathrooms (30 years), roof structure and covering (70 years), boilers (15 years), electrical wiring and installations (40 years), kitchens (20 years), water tanks and pipework (25 years), fixtures and fittings (10 years), sprinkler systems (20 years), mechanical systems (30 years) and PV Cells and Inverter (15 years).

Freehold land is not depreciated

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

Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into its intended use.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

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

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

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

1.7 Stocks

Stocks 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. For properties developed for shared equity sales this is based on the best estimate of the intended first tranche sale proportion.

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

Financial instruments are recognised in the association's statement of financial position when the association becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

Other financial assets

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

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the association transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the association's contractual obligations expire or are discharged or cancelled.

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

1.10 Taxation

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

The Association is registered for VAT but a large proportion of its income, rents and service charges are exempt for VAT purposes therefore giving rise to a partial exemption calculation. Expenditure is stated inclusive of VAT with any amounts of input VAT recovered are included in turnover.

1.11 Employee benefits

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

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

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

1.12 Retirement benefits

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

1.13 Government grants

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

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

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

Recycled capital grants fund

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

1.14 Restricted reserves

The Association maintains restricted reserves in relation to legacies and donations for which monies have been bequeathed or donated for restricted activities.

Funds are utilised in line with the restrictions and specifications which are in place in relation to each reserve.

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

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

Estimated useful lives

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

Investment property

The directors believe that the fair value of the investment property in the financial statements is £550,000. With a professional valuation being performed in 2025, they believe that the fair value represents an accurate reflection of property values in the local area.

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

3 Social housing turnover and costs

	Supported Housing 2026 £	Shared Ownership 2026 £	Total 2026 £	Total 2025 £
Rents receivable excluding service charges	2,159,188	74,626	2,233,814	1,901,476
Service charges receivable	1,020,890	180,666	1,201,556	1,055,820
Support charges receivable	36,249	5,293	41,542	32,108
Other sundry income	234,117	18,296	252,413	192,276
Amortisation of government grants	238,435	15,041	253,476	176,114
First tranche shared ownership sales	-	978,250	978,250	-
	3,688,879	1,272,172	4,961,051	3,357,794
Social housing activity expenditure	(3,110,007)	(283,103)	(3,393,110)	(2,672,599)
Cost of first tranche low cost home ownership sales	-	(939,171)	(939,171)	-
	578,872	49,898	628,770	685,195
Operating surplus/(deficit) from social housing activities				
Void losses	(17,294)	(12,272)	(29,566)	(16,185)

Recconciliation of total turnover to income and expenditure account:

	2026 £	2025 £
Social housing turnover	4,961,051	3,357,794
Management income	25,838	6,941
Other rental income	44,457	33,950
Legacy income - restricted	105,000	-
Total	5,136,346	3,398,685

4 Operating surplus

	2026 £	2025 £
Operating surplus for the year is stated after charging:		
Remuneration, exclusive of VAT, payable to the external auditors:		
Auditing of the accounts	18,275	17,000
Accountancy services	1,971	2,200
Depreciation of owned tangible fixed assets	861,093	631,134
Deficit/(surplus) on disposal of fixed assets	85,114	4,046
Operating lease charges	5,976	5,904

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

5 Employees

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

	2026 Number	2025 Number
Central services	15	14
Managers/wardens	2	2
Catering	11	9
Domestic and other establishment	6	4
Total	34	29

Their aggregate remuneration comprised:

	2026 £	2025 £
Wages and salaries	1,042,711	904,781
Social security costs	111,016	71,939
Pension costs	41,648	37,820
	1,195,375	1,014,540

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2026 Number	2025 Number
£60,000 to £70,000	-	1
£70,001 to £80,000	1	-
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-

6 Directors' remuneration

	2026 £	2025 £
Remuneration for qualifying services	170,886	165,907
Association pension contributions to defined contribution schemes	9,649	9,367
	180,535	175,274

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

6 Directors' remuneration

(Continued)

No remuneration was receivable by board members. Board members were reimbursed a total of £479 (2025 - £609) in travel expenses.

The highest paid director, also the Chief Executive, received £99,413 (2025 - £96,620) remuneration (excluding pension contributions). The Chief Executive is an ordinary member of the pension scheme on the same terms as other employees. The pension scheme is a money purchase scheme funded by annual contributions by the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements. A contribution of £5,427 (2025 - £5,268) was made by the Association in addition to the personal contributions of the Chief Executive.

During the year the Association made payments of £35,976 (2025 - £46,710) for services for the outsourced role of a Director.

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

7 Interest receivable and similar income

	2026 £	2025 £
Interest income		
Interest on bank deposits	36,061	9,571

8 Interest payable and similar expenses

	2026 £	2025 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank loans wholly or partly in more than 5 years by instalments	608,342	540,263
Amortisation of issue costs	4,800	4,800
Non-utilisation fees	11,225	31,274
Interest capitalised	-	(174,046)
	624,367	402,291

Interest on loans financing development was capitalised at a rate between 6.1 to 6.85% in the prior year.

9 Taxation

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

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

10 Tangible fixed assets

Housing properties

	Housing properties for letting	Housing properties under construction	Shared ownership properties	Shared ownership properties under construction	Total
	£	£	£	£	£
Cost					
At 1 April 2025	49,072,045	439,396	3,471,702	-	52,983,143
Additions: Replacements of Components	12,222	-	-	-	12,222
Additions: works to existing properties	32,209	-	-	-	32,209
Additions: other	25,210	90,266	-	-	115,476
Disposals	(3,664)	(114,825)	-	-	(118,489)
At 31 March 2026	49,138,022	414,837	3,471,702	-	53,024,561
Depreciation and impairment					
At 1 April 2025	4,956,617	-	160,976	-	5,117,593
Depreciation charged in the year	709,272	-	18,659	-	727,931
Eliminated in respect of disposals	(3,664)	-	-	-	(3,664)
At 31 March 2026	5,662,225	-	179,635	-	5,841,860
Carrying amount					
At 31 March 2026	43,475,797	414,837	3,292,067	-	47,182,701
At 31 March 2025	44,115,428	439,396	3,310,726	-	47,865,550

Tangible fixed assets with a net book value of £18,279,963 (2025 - £18,571,868) are pledged as security for the Housing Loans detailed within note 18. All properties for lettings and shared ownership are freehold. The office building in the table below is leasehold.

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

10 Tangible fixed assets

(Continued)

	Office building	Fixtures and Fittings	Computer Equipment	Motor vehicles	Scheme equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2025	209,525	20,087	137,337	148,166	1,236,624	1,751,739
Additions	-	2,720	8,238	27,922	50,985	89,865
Disposals	-	-	(8,321)	(30,911)	(4,099)	(43,331)
Transfer to investment property	(209,525)	-	-	-	-	(209,525)
At 31 March 2026	-	22,807	137,254	145,177	1,283,510	1,588,748
Depreciation and impairment						
At 1 April 2025	69,261	19,363	90,949	108,848	476,774	765,195
Depreciation charged in the year	621	543	14,196	16,352	101,450	133,162
Eliminated in respect of disposals	-	-	(8,321)	(30,911)	(3,507)	(42,739)
Transfer to investment property	(69,882)	-	-	-	-	(69,882)
At 31 March 2026	-	19,906	96,824	94,289	574,717	785,736
Carrying amount						
At 31 March 2026	-	2,901	40,430	50,888	708,793	803,012
At 31 March 2025	140,264	725	46,388	39,319	759,850	986,546

11 Accommodation in management

	Number of units at 31 March 2026	Number of units at 31 March 2025
Completed units:		
General needs	21	21
Housing for older people	121	121
Affordable rent	215	215
Low cost home ownership	87	87
Market rent	1	1
	445	445

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

12 Shared ownership properties held for sale

	2026 £	2025 £
Properties held for sale:		
Completed	296,550	1,196,085
	<u>296,550</u>	<u>1,196,085</u>

13 Investment property

	2026 £
Fair value	
At 1 April 2025	370,000
Transfers from owner-occupied property	180,000
	<u>550,000</u>
At 31 March 2026	<u>550,000</u>

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 16 September 2025 by Mundys Chartered Surveyors, who are not connected with the Association. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

14 Stocks

	2026 £	2025 £
Materials and goods for resale	13,400	13,830
	<u>13,400</u>	<u>13,830</u>

15 Debtors

	2026 £	2025 £
Amounts falling due within one year:		
Social housing rent arrears	34,394	27,408
Sales ledger	1,205	8,133
Other debtors	24,207	12,268
Prepayments and accrued income	86,423	71,645
	<u>146,229</u>	<u>119,454</u>

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

16 Creditors: amounts falling due within one year

	Notes	2026 £	2025 £
Bank loans	18	2,787	2,430
Unamortised loan fees	18	(4,800)	(4,800)
Rents paid in advance		170,516	125,035
Trade creditors		128,618	83,888
Taxation and social security		36,227	28,989
Deferred income	19	505,333	250,188
Accruals and deferred income		433,155	721,914
		<u>1,271,836</u>	<u>1,207,644</u>

17 Creditors: amounts falling due after more than one year

	Notes	2026 £	2025 £
Bank loans and overdrafts	18	10,109,802	10,608,017
Deferred income	19	29,296,146	29,552,910
Recycled capital grants		92,392	90,940
Sinking fund		619,088	583,099
		<u>40,117,428</u>	<u>40,834,966</u>

Sinking fund is held on behalf of the leasehold scheme for the elderly.

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>9,343,028</u>	<u>10,144,127</u>
------------------------	------------------	-------------------

Recycled capital grants fund

	2026 £	2025 £
At 1 April 2025	90,940	89,044
Interest accrued	1,452	1,896
At 31 March 2026	<u>92,392</u>	<u>90,940</u>

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

18 Loans and overdrafts

	2026 £	2025 £
Bank loans	10,107,789	10,605,647
Payable within one year	2,787	2,430
Payable after one year	10,209,798	10,712,813
	10,212,585	10,715,243
Unamortised loan fees:		
Payable within one year	(4,800)	(4,800)
Payable after one year	(99,996)	(104,796)
	10,107,789	10,605,647

Housing loans from Homes England, local authority and banks and building societies are secured by specific charges on the Association's housing properties, office development and development land and properties.

The Association has two bank loans subject to interest charges at a rate of 1.6% over the Bank of England base rate per annum, repayable over 300 months. The Association has another loan subject to interest charges at a rate of 11.25% per annum, repayable over 324 months.

The Association has undrawn loan facilities amounting to £1,400,000 (2025 - £1,400,000) at the end of the year.

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

19 Deferred income

	2026 £	2025 £
Arising from social housing government grants	29,549,622	29,803,098
Arising from cyclical work	251,857	-
	<u>29,801,479</u>	<u>29,803,098</u>
Current liabilities	505,333	250,188
Non-current liabilities	29,296,146	29,552,910
	<u>29,801,479</u>	<u>29,803,098</u>
Social housing government grants		
At 1 April 2025	31,616,847	26,810,395
Received in the year	-	4,806,452
	<u>31,616,847</u>	<u>31,616,847</u>
At 31 March 2026	<u>31,616,847</u>	<u>31,616,847</u>
Amortisation		
At 1 April 2025	1,813,749	1,637,635
Amortised during the year	253,476	176,114
	<u>2,067,225</u>	<u>1,813,749</u>
At 31 March 2026	<u>2,067,225</u>	<u>1,813,749</u>
Carrying amount		
At 31 March 2026	<u>29,549,622</u>	<u>29,803,098</u>

Deferred income is comprised of social housing government grants which are amortised over the useful economic of the assets which they finance. Included above are amounts which fall due to be amortised after five years totalling £28,282,241 (2025 - £28,552,157).

	£	£
Cyclical work		
At 1 April 2025	-	-
Transferred from accruals	237,689	-
Released in the year	(10,676)	-
Deferred in the year	24,844	-
	<u>251,857</u>	<u>-</u>
At 31 March 2026	<u>251,857</u>	<u>-</u>

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

20 Retirement benefit schemes

	2026 £	2025 £
Defined contribution schemes		
Charge to surplus in respect of defined contribution schemes	41,648	37,820

The association operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the association in an independently administered fund.

21 Share capital

	2026 Number	2025 Number	2026 £	2025 £
Ordinary share capital				
Issued and fully paid				
At the beginning of the year	20	17	20	17
Issued during the year	-	3	-	3
Surrendered during the year	1	-	1	-
At the end of the year	19	20	19	20

The shares do not have a right to any dividend or distribution in a winding up, and are not redeemable. Each share has full voting rights.

22 Restricted reserve

	2026 £	2025 £
Legacies:		
At the beginning of the year	16,570	16,570
Additions	105,000	-
At the end of the year	121,570	16,570

The opening balance comprises legacy funds bequeathed to Lace Housing Limited by former service users or their relatives, to be used for future improvements to communal areas.

The legacy received during the year was left to the Association and is to be spent on improvements to specific properties, in accordance with the donor's wishes.

23 Operating lease commitments

Lessee

At the reporting end date the association had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2026 £	2025 £
Within one year	6,624	5,025
Between two and five years	12,613	-
	19,237	5,025

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

23 Operating lease commitments

(Continued)

Payments under operating leases during the year totalled £5,976 (2025 - £5,904).

24 Capital commitments

Capital expenditure that has not been provided in the financial statements, that has been:

	2026 £	2025 £
Authorised by the board but not yet contracted for	6,206,964	5,415,230

The commitments are expected to be funded by housing grants of £3,274,425 (2025 - £1,641,750), other grants of £nil (2025 - £3,776,000), loan finance of £1,400,000 (2025 - £2,500,000) and cash reserves of £1,532,539 (2025 - £118,840).

25 Related party transactions

There were no disclosable related party transactions during the current or comparative period, other than those included within the directors' remuneration note 6.

26 Cash generated from operations

	2026 £	2025 £
Profit for the year after tax	215,759	333,366
Adjustments for:		
Finance costs	624,367	402,291
Investment income	(36,061)	(9,571)
Loss on disposal of tangible fixed assets	85,114	4,046
Depreciation and impairment of tangible fixed assets	861,093	631,134
Amortisation of government grants	(253,476)	(176,114)
Transfer from shared ownership properties for resale to tangible fixed assets	-	(416,415)
Movements in working capital:		
Decrease/(increase) in stocks	430	(1,600)
Decrease/(increase) in shared ownership properties for resale	899,535	416,415
(Increase)/decrease in debtors	(26,775)	31,231
Increase/(decrease) in creditors	60,547	(377,009)
Increase in sinking fund	35,989	38,966
Cash generated from operations	2,466,522	876,740

LACE HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

27 Analysis of changes in net debt

	1 April 2025 £	Cash flows £	31 March 2026 £
Cash at bank and in hand	1,688,469	1,162,341	2,850,810
Borrowings excluding overdrafts	(10,605,647)	497,858	(10,107,789)
	<u>(8,917,178)</u>	<u>1,660,199</u>	<u>(7,256,979)</u>

LACE HOUSING LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 MARCH 2026

LACE HOUSING LIMITED

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

	2026 £	2026 £	2025 £	2025 £
Turnover				
Rents receivable excluding service charges		2,251,108		1,907,386
Other rents		44,457		33,950
Service charges receivable		1,213,828		1,066,095
Social housing support charges		41,542		28,045
Shared ownership support		-		4,063
Void losses		(29,566)		(16,185)
Other social housing income		252,413		192,276
Amortisation of capital grants		253,476		164,739
Shared ownership revenue grants		-		11,375
First tranche low cost home ownership sales		978,250		-
Management income		25,838		6,941
Legacy income		105,000		-
		<u>5,136,346</u>		<u>3,398,685</u>
Cost of sales				
Cost of first tranche low cost home ownership sales	939,171		-	
	<u></u>		<u></u>	
Total cost of sales		(939,171)		-
Gross profit	81.72%	4,197,175	100.00%	3,398,685
Administrative expenses		(3,393,110)		(2,672,599)
Operating profit		804,065		726,086
Interest receivable and similar income				
Bank interest received	36,061		9,571	
	<u></u>		<u></u>	
		36,061		9,571
Interest payable and similar expenses				
Bank interest on loans and overdrafts	608,342		540,263	
Capitalised interest	-		(174,046)	
Amortisation of issue costs	4,800		4,800	
Non-utilisation fees	11,225		31,274	
	<u></u>		<u></u>	
		(624,367)		(402,291)
Surplus before taxation	4.20%	<u>215,759</u>	9.81%	<u>333,366</u>

LACE HOUSING LIMITED

SCHEDULES TO THE INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

	2026	2025
	£	£
Administrative expenses		
Wages and salaries	871,825	738,874
Social security costs	111,016	71,939
Staff recruitment costs	9,767	7,236
Staff training	3,869	8,716
Staff pension costs defined contribution	31,999	28,453
Directors' remuneration	170,886	165,907
Directors' pension costs - defined contribution scheme	9,649	9,367
Sublease payments re operating leases	5,976	5,904
Council tax, sewage and water	77,795	22,352
Cleaning	134,677	117,471
Laundry equipment	1,501	910
Waste disposal	12,932	10,935
Power, light and heat	182,840	135,259
Building repairs	281,246	237,013
Cyclical repairs and maintenance	(53,758)	(50,613)
Garden maintenance	18,502	10,874
Premises insurance	64,138	51,998
Computer running costs	93,677	79,753
Motor running expenses	29,615	26,434
Travelling expenses	14,302	13,308
Postage, courier and delivery charges	4,936	6,200
Professional subscriptions	27,529	50,322
Legal and professional fees	85,745	54,608
Accountancy	4,368	-
Non audit remuneration paid to auditors	2,365	2,640
Audit fees	18,275	20,400
Bank charges	13,956	10,578
Bad and doubtful debts	3,073	204
Insurances (not premises)	13,836	16,732
Printing and stationery	8,389	9,325
Telecommunications	19,665	19,776
Sundry expenses	9,667	16,737
Restaurant costs	162,645	137,807
Depreciation	861,093	631,134
(Profit)/loss on disposal of tangible assets	85,114	4,046
	3,393,110	2,672,599
