

Registration number: 08385555

Homes England number: 4756

Charity Number: 1197888

TCUK HOMES LIMITED

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2026

TCUK Homes Limited

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TCUK Homes Limited

Company Information

Directors	A T M Shiel S Bell M Smith G Kay A Pearce M A Strain A May
Registered office	H26 The Avenues Eleventh Avenue North Team Valley Trading Estate Gateshead Tyne and Wear NE11 0NJ
Solicitors	Sintons LLP The Cube Barrack Road Newcastle NE4 6DB
Bankers	Barclays Bank plc Grey Street 71 Grey Street Newcastle upon Tyne NE99 1JP
Auditor	Azets Audit Services Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

TCUK Homes Limited

Report of the Board (including Strategic Report) for the Year Ended 31 March 2026

The Board of TCUK Homes Limited present their report, including the strategic report and the audited financial statements for the year ended 31 March 2026.

Principal activity

The principal activity of the company is the provision of affordable rented accommodation for people in housing need.

Members of the Board of Management

The Members of the Board of Management during the year ended 31 March 2026 were as follows:

Stephen Bell	CEO, Changing Lives.
Anne-Marie Pearce	Managing Director, Keelman Homes
Alex Shiel	Chair of Board, Partner, retired Head of IP/IT, Ward Hadaway
Mel Smith	National Housing Manager, SJOG Hospitaller Services
Geraldine Kay	Former CEO of Derwentside Homes & former Changing Lives Board Member
Matthew Strain	Lawyer, Founder of Silva Lex Limited - Appointed 22nd April 2026
Anthony May	Solicitor, Sintons LLP & Changing Lives Board Member - Appointed 19th February 2026

Review of the business / business model

TCUK Homes is established for the following charitable purposes:

To provide for the benefit of the community the business of providing and managing social housing and any associated facilities, amenities, or services for persons in necessitous circumstances upon terms appropriate to their means.

TCUK is a wholly owned subsidiary of Changing Lives and a registered provider of social housing, operating under registration number 4756 with the Regulator of Social Housing.

TCUK aims to achieve its charitable purposes by:

1. Leasing and managing residential properties to social tenants in line with the Regulator of Social Housing's regulatory framework, working in partnership with Changing Lives to deliver on the Group's growth ambitions.
2. Using its status as a Homes England Investment Partner to access Affordable Housing Programme Grant funds to procure new properties and upgrade existing homes for use by vulnerable and homeless people.
3. Providing its housing management, asset management and repairs services in line with all relevant regulatory standards.

As of 31 March 2026, TCUK Homes has 53 affordable rented homes in management: 10 non-social rental housing on behalf of Changing Lives and three hundred 749 supported housing units.

TCUK Homes Limited

Report of the Board (including Strategic Report) for the Year Ended 31 March 2026 (continued)

TCUK Homes operates in twelve local authority areas continuing to operate in the North-East and Yorkshire: Northumberland, Newcastle, Gateshead, North Tyneside, South Tyneside, Sunderland, Durham, Middlesbrough, York & Dagenham. During the year TCUK Homes began operating in one new area delivering a 59-bed supported accommodation project in Dudley.

TCUK Homes is a registered housing provider and an investment partner with Homes England. Its strategy is to consolidate and expand the portfolio subject to the availability of funding to support investment.

Performance in the year, main influences and potential risks

The 2025/26 reports a significant increase in turnover, this is due to the transfer of our Newcastle supported accommodation portfolio from Changing Lives to TCUK Homes Limited. Over 200 units have transferred from April 2026.

The number of units has increased, with significant growth in supported accommodation services within TCUK Homes including delivering a 59 bed supported accommodation project in Dudley. Our supported accommodation service in Dudley offers safe, high-quality housing alongside 24-hour staffed support for adults aged 18+ who are facing homelessness provide a structured and supportive environment where people can rebuild confidence, develop essential life skills, and move towards greater independence.

Governance Reporting Improvement Plan (GRIP)

A key focus for the year has been compliance and regulatory standards. During 2025/26 TCUK continued to report on the GRIP Plan which TCUK Homes board HAD commissioned in the prior year which also included an assessment of compliance with the Regulator for Social Housings Economic Standards as well as the Charity Code of Governance.

This review provided an initial set of recommendations and clarifications which has been revised and split into the following categories;

- Compliance
- Asset Management
- Finance and Rents
- Policy and Operations

Some of the key actions as a result of the review in 2025/26 include;

- Developing a Value for Money Strategy through training which will be embedded during 2026/27 through training and being part of the new TCUK Strategy.
- Implementation of regulations for Awaabs Law & Asbestos
- Mandatory training implemented and timetabled for future years
- TCUK Homes continues to be a member of Supported Housing in Partnership (SHIP), benefiting from industry focussed training.

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Report of the Board (including Strategic Report) for the Year Ended 31 March 2026 (continued)

- Updated and enhanced internal policies relating to arrears and void management as well as developing and publishing a TCUK Tenancy Policy to outline rationale for the type of occupancy.

The review ensured any remedial actions could be carried out to ensure continued compliance with the standards.

TCUK Homes is satisfied that as a result of the work within the GRIP plan, the trustees can make continued assurances that it complies for both the standards set by the Regulator for Social Housing as well as the Charity Commission.

Operations

During the year TCUK Homes completed on the purchase of two properties following a business case for recycled grant being successfully applied for, this transaction is representative of the commitment to invest in owned stock to provide stable tenancies in good quality homes.

TCUK is continuing with its strategy of core business relating to supported housing schemes. In April 2026 the Newcastle accommodation services which has in excess of 200 transferred into TCUK. During the year further development work has taken place relating to arrears with additional training and software development to improve the visibility and accuracy of reporting.

TCUK Homes published its Tenant Satisfaction Measures (TSM) for 2025-26, results were positive with the majority of tenants responding that they are 'very satisfied' with the overall service provided by TCUK Homes. Also, it was pleasing to note that the majority of tenants felt satisfied that their home was safe and they were respected and informed by TCUK.

Overall, the average satisfaction score was 4.5/5. This indicates high levels of trust in staff and that the majority of tenants and residents feel heard. Changing Lives Homes will continue to maintain a high safety compliance, continue investing in repair services and improvements and importantly, work to increase our tenant engagement opportunities.

We remain committed to improving services and using tenant feedback to drive change. A two-year strategy and action plan has been produced which the board are due to approve 2026/27 which focuses on sustainable and strategic growth through asset investment and achieving regulatory excellence.

TCUK Homes continues to provide homes to people who might otherwise struggle to access private rented or social housing tenancies due to a lack of availability or affordability. Because of our key lettings criteria TCUK Homes is often the first port of call for referral agencies working with clients with specific needs and vulnerabilities.

In allocating tenancies, the following groups of people are prioritised:

- People who have been homeless or are at risk of being made homeless.
- People who are in recovery from drug and alcohol addiction and those who have been abstinent for over 6 months and are at risk of homelessness.
- Men and women fleeing domestic violence.

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Report of the Board (including Strategic Report) for the Year Ended 31 March 2026 (continued)

- Veterans who are homeless

At this time the strategic review of Homelife properties is considered complete, locally based management have supported the tenants and been able to provide and enhanced support service to general needs tenants whilst also providing guidance from a supported housing perspective. Although all properties will be taken on a case-by-case basis at this moment there are no plans to dispose of any further units.

During 2025/26 we completed on the acquisition of two properties that had previously been leased recognising the commitment to investing in our assets long term supported by Homes England capital funding.

We continue to provide out Homelife properties with local based management supporting tenants. The strategic review is complete and there being no plans to dispose of any further units. Asset management remains a key strategic priority within the group and looking ahead to 2026/27 the priority is to ensure implementation of a framework to ensure that all assets property and equipment are used effectively to support the charity's mission and long-term sustainability.

Our long term Asset Management strategy includes focussing on technology adoption leveraging digital tools (internal and external) for predictive maintenance, compliance, and real-time property data. AI will be adopted in Asset Management, and across the organisation as a whole.

Throughout 2026/27 there are plans to continue investing in stock condition surveys commissioned on owned assets and the outcome of those surveys will be incorporated into the longer-term asset management plan including an updated planned maintenance program. In 2025/26 full condition surveys were received on our two largest sites Alex's Place & The Fells and this has provided a 5 year investment plan alongside a detailed schedule of works.

TCUK Homes is also prioritising environmental impact and sustainability as a priority with a framework being developed to embed sustainability into operations reducing carbon emissions, waste and energy consumption.

Rebranding to CL Homes

As of 1st April 2026, TCUK Homes is now operating as Changing Lives Homes.

While the name is changing, there will be no disruption to services, tenancies, or support for current residents. The renaming has brought a clearer identity to our work under the Changing Lives name.

Expected Effects of Known Trends & Significant Future Risks

The Board conducts regular reviews of risks and controls within a comprehensive register. Significant risks include the following:

- Governance and Regulation; Following the new consumer standards being issued in 24/25 TCUK developed a Governance and Regulatory Improvement Plan (GRIP) to ensure compliance New Consumer Standards through four workstreams; Governance, Asset Management, Finance & Rents and Policy and Operations, TCUK is able to ensure latest regulations and changes are effectively managed and implemented

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Report of the Board (including Strategic Report) for the Year Ended 31 March 2026 (continued)

- Impact of the renter's right bill including section 21 no fault evictions as well as the changes to rent control mechanisms and how this could set precedents for future regulation of social housing tenancies.
- Ineffective management of rent arrears case work; failure to manage the impact of Universal Credit; and poor management of void properties results in poor income management and increasing levels of bad debt.
- The re-commissioning of the contract at The Fells and 1-4 Bentinck Terrace results in a potential reduction in Housing Benefit levels and brings into question the viability of the projects.
- Failure to effectively manage the organisation's assets & liabilities resulting in loss of value, loss in revenue, a deterioration in the condition of assets, fines & prosecutions for non-compliance with statutory obligations. Asset management remains a key organisational priority 2025/26, and work has commenced with external surveys on owned assets to develop the longer term maintenance plan.
- The rising cost of living impacts on customers, staff and strategic partners resulting in increasing labour, material and utility costs, cuts in local services and a budget deficit.

The Board has undertaken stress tests of the business. The Board discussed some scenarios relevant to the size and complexity of the business and assessed the robustness of the controls in place.

Risk of non-compliance with Health & Safety legislation is also a key risk to TCUK Homes Limited. The health and safety of our tenants, staff and partner organisations is extremely important to the organisation. There are complex legal requirements that TCUK Homes must always comply with, and our staff undertake regular checks to ensure full compliance. Datix is a reporting tool, which is used to record and analyse incidents within schemes. Annual gas servicing and boiler repairs in our general needs properties are undertaken by Karbon Solutions with gas servicing visits programmed for completion over an 11-month cycle and any delays caused by residents not allowing access results in prompt action by the Homelife Tenancy Management Team to enforce access. Changing Lives employs a full-time Gas Safe Engineer to carry out gas servicing and boiler repairs in supported housing schemes.

Financial Review and Position at the year end

In the 2025/26 fiscal year, TCUK Homes Limited generated a surplus of £492,824. The balance sheet reserves position was £1,034,832 surplus with total fixed assets of £7,893,470 offset with corresponding Homes England housing grants of £4,532,021 and a further £234,000 currently held as recycled Social Housing Grant. Following the year end TCUK has engaged with Homes England to discuss potential business cases to recycle within the next financial year.

The board recognises the increased operating surplus which is in line with the increase in portfolio units.

The board has opted to recognise a designated reserve and has made an allocation to this reserve at the end of the 25/26 period recognising the level of planned future investment in assets as well as dilapidation costs relating to its current leased portfolio.

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Report of the Board (including Strategic Report) for the Year Ended 31 March 2026 (continued)

Financial and Non-Financial measures used by the Board

The Board monitors a performance dashboard for both general needs and supported housing. It provides an overview of the number of properties in management; arrears and voids performance; Health & Safety incidents (including a summary of any outstanding CP12s) and an update of business development and future funding opportunities.

Capital Structure and Treasury Policy

TCUK Homes Board would manage any long-term investment plans through Changing Lives with appropriate scrutiny under the company's standard financial policies.

Value for Money

TCUK Homes is committed to delivering value for money to its residents and service users through the provision of good quality affordable homes and services.

An annual report is produced and issued to all residents. The report provides an overview of performance, finances, value for money and compliance against the regulatory standards.

Value for money means making the best use of resources and includes the following:

- Managing finances well, optimising costs to support business viability
- Efficiently managing performance through lean processes & systems
- Effectively delivering services to the satisfaction of our residents and service users
- Providing good quality affordable homes aligned to the needs of residents, service users and local communities in which we work
- Robust asset management processes to strengthen the value of our assets
- Contributing to the Changing Lives social return.

The focus of TCUK Homes value for money activities in 2025/26 was to ensure that performance continued from previous years following the completion of strategic review.

There has been higher than expected void losses for supported housing particularly in our dispersed accommodation projects due to delays in receiving nominations and letting of properties. This has triggered a strategic review by Changing Lives of its growth strategy.

Following the publication of the Regulator of Social Housing's Decision Instrument Number 16 'Decision to revise the Value for Money Standard and issue an associated Code of Practice', metrics are produced for the consideration of TCUK Homes Board.

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Report of the Board (including Strategic Report) for the Year Ended 31 March 2026 (continued)

The metrics applied to TCUK Homes for the year are set out in the table below, which provides a comparison to the previous two fiscal years:

Metric No	Metric Title	TCUK Homes 2023/24	TCUK Homes 2024/25	TCUK Homes 2025/26
1	Reinvestment %	0%	0%	1%
2A	New supply delivered % Social Housing Units	-4%	33%	76.9%
2B	New supply delivered % Non-Social Housing Units	-73%	-29%	0%
3	Gearing %	28%	23%	15%
4	Earnings pre interest, tax, depreciation, amortisation: major repairs included interest cover	377%	273%	508%
5	Headline Social Housing Cost per Unit	£12,355	£12,592	£13,325
6A	Operating Margin (social housing lettings) %	6%	4%	6%
6B	Operating Margin (overall) %	12%	4%	6%
7	Return on Capital Employed	7%	3%	7%
8	Management costs per unit	£638	£1,556	£1,759
9	Rent arrears expressed as a % of rent debit.	377%	122%	166%
10a	Void loss rent (£) %	12.3%	11.4%	11.5%
10b	Out of management voids	1.7%	2.6%	2.1%
12	Bad debt	11.5%	4.2%	5.7%

TCUK Homes Limited

Report of the Board (including Strategic Report) for the Year Ended 31 March 2026 (continued)

Please see additional commentary below in relation to the above metrics:

1. This metric looks at our investment in properties, both existing stock and new supply. In 2026 purchase of two previously leased units.

2. This metric sets out the number of new units in each category that have been acquired during the year as a proportion of the total social housing units and non-social housing units at the end of the fiscal year, overall numbers increased due to the Newcastle supported accommodation transfer.

3. This metric indicates how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. The continued small reduction in ratio value from prior year is a result of increased cash held at period end.

4. This interest cover test acts as an indicator for liquidity and investment capacity. The measure increased because the reduced operating surplus was more than offset by increased depreciation and reduced interest costs.

5. Increase in the cost per unit has been driven by the increase in the costs of employment, rents, repair costs, bad debts, rates, and utilities.

6. The increase in margin is attributable to an increased surplus due to increase in size of portfolio.

7. The metric assesses efficient investment of capital resources. The increase is due to the operating surplus performance improvement.

8. This metric looks at the average cost of management activity per housing property to deliver social housing activity, defined by management expenditure per the social housing unit, small increase in line with inflationary impact of wages etc.

9. This measure assesses the level of arrears in total vs the weekly gross rent debit for all charges, increase due to greater % of portfolio being supported housing with higher rents due for collection post year end.

10. A) This assesses the percentage of potential rental income that is lost due to a property being void - social housing properties, including shared ownership & shared equity.

10. B) This is the total count of units that are removed from management and unavailable for letting. Properties are taken out of management when void and awaiting a disposal decision or similar.

12. This gives the total value of bad debt as charged in the year vs gross rent in the year.

TCUK Homes Limited

Report of the Board (including Strategic Report) for the Year Ended 31 March 2026 (continued)

Corporate Governance

TCUK Homes Board of Management consider that the company is compliant with the Regulator of Social Housing Governance and Viability standards.

The Board has previously approved an Asset Management Strategy which includes an Asset & Liabilities Register and 30 Year Planned Maintenance Plan. An Asset & Liabilities Register is regularly updated and refreshed throughout the year to facilitate compliance with the regulatory requirements.

A Governance Handbook identifies the Changing Lives Group structure; defines TCUK Homes' terms of reference, powers and limits of authority, membership, chair, attendees, term of office, quorum, meetings & agenda, and attendance at meetings. A copy of the Regulator of Social Housing's Governance and Financial Viability Standard Code of Practice are included as an addendum to the Governance Handbook.

A new intergroup agreement was approved by the Board in November 2022 which clarifies its role and responsibilities. Annual Business Plans for TCUK Homes will be produced and presented to the Board for approval.

TCUK Homes is committed to working with and listening to its residents and at each of its meetings, the Board reviews any complaints or compliments received to consider any lessons learned.

Properties in management are dispersed over an exceptionally large geographical area and due to the sparsity of properties throughout these areas; there is little opportunity for social events or get-togethers. Instead, there are opportunities for residents to focus upon the work of the project.

Statement of Responsibilities of the Board

The Regulator of Social Housing requires the Board of Management to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Association and the surplus or deficit of the Association for that period. In preparing those financial statements, the Board of Management are 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;
- prepare the financial statements on the going concern basis where it is appropriate to do so.

The Board of Management are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with Schedule 1 to the Housing and Regeneration Act 2008 and the Accounting Directions for Private Registered Providers of Social Housing in England 2022.

The Board of Management acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

TCUK Homes Limited

Report of the Board (including Strategic Report) for the Year Ended 31 March 2026 (continued)

- the reliability of financial information used within the company or for publication;
- the maintenance of proper accounting records, and
- the safeguarding of assets against unauthorised use or disposition and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is the responsibility of the Board of Management to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements include:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Board of Management to monitor the key business and financial objectives and risks and the progress towards financial objectives set for the year and the medium term; regular management accounts are prepared promptly providing relevant, reliable and up-to-date financial and other information; significant variances from budget are investigated as appropriate;
- all investment projects are subject to formal authorisation procedures by the Board of Management;
- the Board of Management reviews reports from the managing agents and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association.
- Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Board of Management has reviewed the effectiveness of the system of internal financial control in existence in the company for the year ended 31 March 2026. No weaknesses in internal financial control resulted in material losses, contingencies, or uncertainties, which require disclosure in the financial statements or the auditors' report on the financial statements.

Registration

TCUK Homes Limited is registered with the Regulator of Social Housing as a Registered Social Housing Provider.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

TCUK Homes Limited

Report of the Board (including Strategic Report) for the Year Ended 31 March 2026 (continued)

Statement of compliance

The Board confirms that this Report of the Board (including Strategic Report) has been prepared in accordance with the principles set out in Para 4.7 of the Housing SORP 2018 Update for Registered Social Housing Providers 2022.

Approved by the Board on 30 September 2026 and signed on its behalf by:

Signed by:

B0622E94162441D.....
S Bell
Director

TCUK Homes Limited

Independent Auditor's Report to the Members of TCUK Homes Limited

Qualified Opinion

We have audited the financial statements of TCUK Homes Limited (the 'company') for the year ended 31 March 2026, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves and Equity, 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), the Housing and Regeneration Act 2008, the Statement of Recommended Practice (SORP) accounting by Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company'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 prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008, the Statement of Recommended Practice (SORP) accounting by Registered Social Housing Providers 2018, and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for qualified opinion on financial statements

As described in accounting policies: housing properties recognised in the financial statements as being held under leases have been recognised as an asset and the corresponding liability to the lessor has been recognised as a finance lease obligation. A significant proportion of the cost of these housing properties relates to land which will have an unlimited useful life. Therefore the lease term is not for the major part of the economic life which would indicate that all the risks and rewards incidental to the ownership have not transferred to TCUK Homes Limited. In our opinion, the lease should therefore be classified as an operating lease and rentals charged to the statement of comprehensive income on a straight line basis over the lease term.

As a result, the company's records indicate that had the members recognised the lease as an operating lease, then fixed assets would reduce by £5,570,178 (2025: £5,699,231) and consequently the depreciation expense would reduce by £189,053 (2025: £188,384); the finance lease creditor would reduce by £3,817,987 (2025: £3,844,689); the finance interest charge would reduce by £151,957 (2025: £151,957) which would then not be reflected as an interest charge in the Statement of Cash Flows; and the company would have had an operating lease charge increase of £201,363 (2025: £201,363).

Accordingly, the impact on the reported result would be an improvement of £139,647 to the reported surplus on the Statement of Comprehensive Income (2025: improvement of £138,978) and a worsening of the reported Statement of Financial Position by £1,752,191 (2025: worsening of £1,854,542). The Strategic Report would also need to be amended.

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Independent Auditor's Report to the Members of TCUK Homes Limited (continued)

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 company 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 qualified opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

As described in the basis for qualified opinion section of our report, housing properties have been recognised as an asset and corresponding liability rather than as an operating lease at 31 March 2026 and 31 March 2025. We have concluded that where other information refers to the statement of financial position related balances and the results and amounts in the statement of comprehensive income, it may be materially misstated for the same reason.

Opinion on other matter prescribed by the Companies Act 2006

Except for the effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the report of the board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the board has been prepared in accordance with applicable legal requirements.

TCUK Homes Limited

Independent Auditor's Report to the Members of TCUK Homes Limited (continued)

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the board .

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of Board of Directors

As explained more fully in the Statement of Responsibilities of the Board (set out on page 10 and 11), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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Independent Auditor's Report to the Members of TCUK Homes Limited (continued)

Extent to which the audit was considered 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.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: compliance with the UK Companies Act, the Charities Act and the Housing and Regeneration Act 2008.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Discussed with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Board minutes reviewed;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to stock provisions;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Owing 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

TCUK Homes Limited

Independent Auditor's Report to the Members of TCUK Homes Limited (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

Simon Brown

.....A0:19E10F4B2841D.....

Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of

Azets Audit Services

Chartered Accountants

Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

30 September 2026
Date:.....

Azets Audit Services is a trading name of Azets Audit Services Limited

TCUK Homes Limited

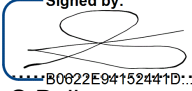
Statement of Comprehensive Income for the Year Ended 31 March 2026

	Note	2026 £	2025 £
Turnover	3	11,593,620	6,311,585
Operating expenses	4	(11,104,496)	(6,127,738)
Other operating income	5	<u>155,657</u>	<u>76,691</u>
Operating surplus	6	644,781	260,538
Interest payable and similar expenses	7	<u>(151,957)</u>	<u>(151,957)</u>
Surplus before tax		<u>492,824</u>	<u>108,581</u>
Surplus for the financial year		<u><u>492,824</u></u>	<u><u>108,581</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Approved and authorised by the Board on 30 September 2026 and signed on its behalf by:

Signed by:

 B0622E94152441D.....
 S Bell
 Director

The notes on pages 22 to 35 form an integral part of these financial statements.

TCUK Homes Limited

(Registration number: 08385555)

Statement of Financial Position as at 31 March 2026

	Note	2026 £	2025 £
Fixed assets			
Tangible assets	10	7,893,470	7,952,655
Current assets			
Debtors	11	838,008	273,618
Cash at bank and in hand		<u>1,985,777</u>	<u>1,441,960</u>
		2,823,785	1,715,578
Creditors: Amounts falling due within one year	13	<u>(1,363,611)</u>	<u>(662,546)</u>
Net current assets		<u>1,460,174</u>	<u>1,053,032</u>
Total assets less current liabilities		9,353,644	9,005,687
Creditors: Amounts falling due after more than one year	13	<u>(8,318,812)</u>	<u>(8,463,679)</u>
Net assets		<u>1,034,832</u>	<u>542,008</u>
Capital and reserves	17		
Profit and loss account		<u>1,034,832</u>	<u>542,008</u>
Total equity		<u>1,034,832</u>	<u>542,008</u>

Approved and authorised by the Board on 30 September 2026 and signed on its behalf by:

Signed by:

 B0622E94152441D.....
 S Bell
 Director

The notes on pages 22 to 35 form an integral part of these financial statements.

TCUK Homes Limited

Statement of Changes in Reserves and Equity for the Year Ended 31 March 2026

	Profit and loss account £	Total £
At 1 April 2024	433,427	433,427
Total comprehensive income	<u>108,581</u>	<u>108,581</u>
At 31 March 2025	<u><u>542,008</u></u>	<u><u>542,008</u></u>

	Profit and loss account £	Total £
At 1 April 2025	542,008	542,008
Total comprehensive income	<u>492,824</u>	<u>492,824</u>
At 31 March 2026	<u><u>1,034,832</u></u>	<u><u>1,034,832</u></u>

The notes on pages 22 to 35 form an integral part of these financial statements.

TCUK Homes Limited

Statement of Cash Flows for the Year Ended 31 March 2026

	Note	2026 £	2025 £
Cash flows from operating activities			
Surplus for the year		492,824	108,581
Adjustments to cash flows from non-cash items			
Social housing grant recognised in income		(117,260)	(117,229)
Depreciation and amortisation	6	244,945	272,263
Finance costs	7	151,957	151,957
		<u>772,466</u>	<u>415,572</u>
Working capital adjustments			
(Increase)/decrease in debtors	11	(564,390)	121,168
Increase/(decrease) in creditors	13	700,160	(318,019)
Net cash flow from operating activities		<u>908,236</u>	<u>218,721</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(185,760)	(29,252)
Cash flows from financing activities			
Interest paid	7	(151,957)	(151,957)
Payments to finance lease creditors		<u>(26,702)</u>	<u>(26,702)</u>
Net cash flows from financing activities		<u>(178,659)</u>	<u>(178,659)</u>
Net increase in cash and cash equivalents		543,817	10,810
Cash and cash equivalents at 1 April		<u>1,441,960</u>	<u>1,431,150</u>
Cash and cash equivalents at 31 March		<u><u>1,985,777</u></u>	<u><u>1,441,960</u></u>

The notes on pages 22 to 35 form an integral part of these financial statements.

TCUK Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2026

1 General information

The company is a company limited by guarantee, incorporated in England and Wales and registered with Homes England, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

The address of its registered office is H26 The Avenues Eleventh Avenue North, Team Valley Trading Estate, Gateshead, Tyne and Wear, NE11 0NJ.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland,' the Accounting Directions for Private Registered Providers of Social Housing 2022 and the Statement of Recommended Practice Accounting by Registered Social Landlords, Update 2018 ('SORP2018'). The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008, the Companies Act 2006 and the Charities Act 2011.

In accordance with FRS102 PBE3.3A the directors confirm that this Registered Social Housing Provider is a Public Benefit Entity.

On the 11 February 2022, the entity obtained charitable status, with charity number 1197888. The accounts continue to be prepared under the Housing SORP, which takes priority over the Charity SORP.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are prepared in sterling which is the functional currency of the entity.

TCUK Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis.

The company meets its day to day working capital requirements through cash generated from operations. At the year end the company had net current assets of £1,460,174 including cash of £1,985,777 and made a surplus of £492,824. The company had no external borrowings and limited financial commitments.

The company's forecasts and projections for the next twelve months show that the company should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. The entity also continues to receive support from Changing Lives as its parent company.

Based on the factors set out above the directors believe that there is no material uncertainty in relation to going concern and that the company has adequate financial resources to continue in operational existence for at least twelve months from the date of signing the financial statements and therefore the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability.

Assessing nature of lease - Determine whether leases entered into by TCUK Homes Limited either as a lessor or a lessee and are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis. Housing properties held under leases have been recognised as an asset however they include a significant proportion relating to land which has an unlimited useful life. As the lease term is not for the major part of the economic life of the asset, FRS102 would indicate that the lease should be classified as an operating lease however the directors consider it more appropriate to classify housing property leases as finance leases and recognise an asset and corresponding finance lease obligation.

TCUK Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

2 Accounting policies (continued)

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Useful economic lives of tangible assets - The annual depreciation charge is sensitive to changes in the estimated useful lives of the assets. The useful economic lives are re-assessed annually. They are amended when necessary to reflect current estimates, future investments and economic utilisation.

Impairment of debtors - The company makes an estimate of the recoverable value of the trade and other debtors. When assessing impairment of trade and other debtor, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Revenue recognition

Turnover represents rental income and service charges receivable net of rent and service charge losses from voids as well as social housing grants released. Turnover is recognised as the period of rent is due.

Tax

On the 11 February 2022 the entity obtained charitable status. From this point, the entity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible assets

Tangible assets (including social housing properties) are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. 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.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

TCUK Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

2 Accounting policies (continued)

Asset class	Depreciation method and rate
Leasehold land	60 years
Structure	50 years
Roofing	30 years
Kitchen, bathroom and other	15 years
Furniture, Fittings and Equipment	3-4 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Rent arrears and advances

In accordance with the Accounting Direction for Private Registered Providers of Social Housing, rent arrears and advances are not netted-off and are presented as part of debtors and creditors respectively. Where a payment plan has been entered into for rent arrears, which is considered to be material, then the rent arrears debtor is adjusted to its net present value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the statement of comprehensive income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

TCUK Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

2 Accounting policies (continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to TCUK Homes Limited. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using effective interest method so as to achieve a constant rate of interest on the remaining liability. Finance charges are deducted in the statement of comprehensive income. Assets held under finance leases are included in other tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Lease payments are apportioned between finance costs in the Statement of Comprehensive Income and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Social housing grant

Social Housing Grant received as a capital contribution, in line with SORP2018 and the 'accruals method', is held separately as a creditor due more than one year, unless part of the Social Housing Grant relates to a disposal of property and becomes recycled or repayable, in which case it is apportioned to creditors due less than one year accordingly. The 'accruals method' is applied as the RSHP holds all social housing properties at their historic cost.

The Social Housing Grant is then amortised in line with the depreciation of the relevant component of the housing properties and released over the same term. The amortisation released in respect of the Social Housing Grant is recognised in the Statement of Comprehensive Income as 'income'.

Social Housing Grant received towards revenue expenditure is matched against that expenditure by being included in turnover in the income and expenditure account. The related expenditure is included under operating costs. Social Housing Grant is recognised in the same period as the related expenditure provided the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received.

Social Housing Grant received and not matched by development expenditure or relevant expenditure in the income and expenditure account is included in liabilities. The amount of Social Housing Grant in advance is calculated by reference to the aggregate of all schemes in the Social Housing Grant funded development programme.

TCUK Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

2 Accounting policies (continued)

Recycled capital grant

Capital grants can be recycled under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the grant can be used for projects approved by the Homes England. Grant to be recycled is credited to the Recycled Capital Grant Fund/Disposal Proceeds Fund within creditors. When any grant is to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable and, in that event, is subordinated to the repayment of other loans by agreement with the Homes England. It is accounted for as soon as the liability arises within creditors: amounts falling due within one year.

Group status

The Registered Social Housing Provider is the subsidiary to Changing Lives (The Cyrenians Limited), a charity registered in England and Wales (company no. 08095264, charity no 500640).

3 Turnover, operating costs and operating surplus for the year

	Turnover £	Operating costs £	Operating surplus 2026 £
Social housing lettings	11,593,620	(11,104,496)	489,124
Other	155,657	-	155,657
	<u>11,749,277</u>	<u>(11,104,496)</u>	<u>644,781</u>

	Turnover £	Operating costs £	Operating surplus 2025 £
Social housing lettings	6,311,585	(6,127,738)	183,847
Other	76,691	-	76,691
	<u>6,388,276</u>	<u>(6,127,738)</u>	<u>260,538</u>

TCUK Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

4 Analysis of Turnover, Operating Costs and Operating Surplus for the year

	General needs and supported housing £	2026 £	2025 £
Turnover			
Rent receivable net of identifiable service charges	11,476,360	11,476,360	6,194,356
Amortised government grants	117,260	117,260	117,229
Total turnover	11,593,620	11,593,620	6,311,585
Voids	(1,319,203)	(1,319,203)	(800,887)
	General needs and supported housing £	2026 £	2025 £
Operating Expenditure			
Management charges payable	1,416,000	1,416,000	708,068
Routine maintenance	988,183	988,183	614,864
Bad debts	659,327	659,327	264,080
Depreciation of housing properties and equipment	244,945	244,945	272,263
Staff costs	3,628,384	3,628,384	1,875,149
Motor expenses	17,823	17,823	16,141
Travelling and subsistence	5,035	5,035	7,167
Rent and rates	3,098,496	3,098,496	1,718,742
Light, heat and power	584,948	584,948	501,691
Insurance	19,099	19,099	9,872
Telephone and fax	8,429	8,429	9,485
Office expenses	16,347	16,347	12,170
Other costs	40,912	40,912	11,765
Legal and professional fees	216,377	216,377	33,740
Computer software and maintenance costs	4,736	4,736	2,727
Cleaning	70,923	70,923	23,511
Auditor's remuneration	20,988	20,988	19,800
Food and welfare	63,544	63,544	26,503
Total operating expenditure	11,104,496	11,104,496	6,127,738

TCUK Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

4 Analysis of Turnover, Operating Costs and Operating Surplus for the year (continued)

	General needs and supported housing £	2026 £	2025 £
Operating surplus from social housing lettings	<u>489,124</u>	<u>489,124</u>	<u>183,847</u>

5 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2026 £	2025 £
Other operating income	<u>155,657</u>	<u>76,691</u>

Other operating income includes donations, management charges receivable, as well as other miscellaneous income.

TCUK Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

6 Operating surplus

Arrived at after charging/(crediting)

	2026 £	2025 £
Amortised government grants	(117,260)	(117,229)
Depreciation expense	<u>244,945</u>	<u>272,263</u>

7 Interest payable and similar expenses

	2026 £	2025 £
Interest on obligations under finance leases and hire purchase contracts	<u>151,957</u>	<u>151,957</u>

8 Staff costs

Total staff costs incurred in the year amounted to £3,628,384 (2025: £1,875,149).

Whilst the above charge relates to the employment costs of individuals engaged in activities in relation to the TCUK Homes Limited, all individuals are employed directly by Changing Lives, the parent charity, and recharged to TCUK Homes Limited. TCUK Homes Limited does not directly employ any staff. Agency costs are also included in the above total.

Particulars of employees:

No employee earned more than £60,000. Key management personnel neither received nor waived any remuneration during the year. The Directors are defined as the Board of Management and therefore could be classed as Key Management Personnel. None of the Board of Management received any emoluments during 2026 (2025: £nil). The RSHP has no other paid Executive Officers.

The total expenses reimbursed to the Board of Management not chargeable for UK income tax during 2026 was £Nil (2025: £Nil).

9 Auditor's remuneration

	2026 £	2025 £
Audit of the financial statements	<u>18,444</u>	<u>17,400</u>
Other fees to auditors		
Financial statement preparation	<u>2,544</u>	<u>2,400</u>

TCUK Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

10 Tangible assets

	Housing properties for let £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2025	9,872,395	256,923	10,129,318
Additions	150,001	35,759	185,760
At 31 March 2026	10,022,396	292,682	10,315,078
Depreciation			
At 1 April 2025	1,943,400	233,263	2,176,663
Charge for the year	233,099	11,846	244,945
At 31 March 2026	2,176,499	245,109	2,421,608
Carrying amount			
At 31 March 2026	7,845,897	47,573	7,893,470
At 31 March 2025	7,928,995	23,660	7,952,655

Included within the net book value of Housing Properties for let above is £7,612,788 (2025 - £7,778,977) in respect of long leasehold land and buildings.

11 Debtors

	2026 £	2025 £
Trade debtors (gross rent arrears)	1,007,896	1,133,562
Bad debt provision	(526,709)	(955,187)
Net rent arrears	481,187	178,375
Amounts owed by group undertakings	255,145	64,123
Prepayments and accrued income	101,676	31,120
	838,008	273,618

TCUK Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

12 Cash and cash equivalents

	2026 £	2025 £
Cash at bank	<u>1,985,777</u>	<u>1,441,960</u>

13 Creditors

	Note	2026 £	2025 £
Due within one year			
Loans and borrowings	14	31,196	30,291
Trade creditors		129,225	43,856
Other creditors		125,653	5,765
Accrued expenses		843,537	348,634
Deferred income - Recycled social housing grant		<u>234,000</u>	<u>234,000</u>
		<u>1,363,611</u>	<u>662,546</u>
Due after one year			
Loans and borrowings	14	3,786,791	3,814,398
Deferred income - Social housing grant	15	<u>4,532,021</u>	<u>4,649,281</u>
		<u>8,318,812</u>	<u>8,463,679</u>

Finance leases (included in loans and borrowings) are secured upon the assets to which they relate.

The deferred income balance in amounts due less than one year is in relation to the disposal of properties in prior years in which Social Housing monies had been receipted.

14 Loans and borrowings

	2026 £	2025 £
Current loans and borrowings		
Finance lease liabilities	<u>31,196</u>	<u>30,291</u>
Non-current loans and borrowings		
Finance lease liabilities	<u>3,786,791</u>	<u>3,814,398</u>

Amounts due more than 5 years is £3,636,241 (2025: £3,662,943)

TCUK Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

15 Social housing grant

	Social housing grant £	Total £
Gross grant creditor		
At 1 April 2025	5,618,769	5,618,769
At 31 March 2026	5,618,769	5,618,769
Amortisation		
At 1 April 2025	969,488	969,488
Grant release	117,260	117,260
At 31 March 2026	1,086,748	1,086,748
Carrying amount		
At 31 March 2026	4,532,021	4,532,021
At 31 March 2025	4,649,281	4,649,281

The RSHP considers that its financial instruments include the Social Housing Grant which is included as a liability within the financial statements. Where the RSHP has no intention to dispose of its housing properties, the Social Housing Grant will not become repayable and is classified as a long term liability.

16 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2026 £	2025 £
Not later than one year	1,267,875	516,413
Later than one year and not later than five years	307,984	533,575
Later than five years	201,298	174,754
	<u>1,777,157</u>	<u>1,224,742</u>

TCUK Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

17 Profit and loss account

The profit and loss funds of the charitable company include the following unrestricted funds, including designated funds which have been set aside out of unrestricted funds by the Directors for a specific purpose:

	At 1 April 2025 £	Surplus / (deficit)	Transfers	At 31 March 2026 £
General profit and loss	542,008	492,824	(345,000)	689,832
Designated fund: dilapidation fund	-	-	345,000	345,000
	<u>542,008</u>	<u>492,824</u>	<u>-</u>	<u>1,034,832</u>

Designated funds relate to a provision against future dilapidation costs.

18 Related party transactions

Summary of transactions with entities with joint control or significant interest

The company is related to The Cyrenians Limited (operating as Changing Lives) as a result of the entity being the holding company. During the year the following transactions were undertaken:

TCUK Homes Limited incurred management fees, recharge of staff costs and support costs from Changing Lives amounting to £1,567,957 (2025: £860,025). An amount was received from Changing Lives of £105,465 (2025: £70,476) for the management of the Homelife properties.

Included in debtors - amounts owed by group undertakings at the year end, is an amount owed from Changing Lives of £255,145 (2025: £64,123).

19 Accommodation in management

	2026 No.	2025 No.
General needs	66	71
Supported accommodation	<u>739</u>	<u>384</u>
	<u>805</u>	<u>455</u>

TCUK Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

20 Parent and ultimate parent undertaking

The company's immediate parent and controlling party is The Cyrenians Limited, a charity and company limited by guarantee, trading as Changing Lives, incorporated in England and Wales.

These financial statements are available upon request from H26 The Avenues Eleventh Avenue North, Team Valley Trading Estate, Gateshead, NE11 0NJ.