

Report of the Directors and
Financial Statements for the Year Ended 31 March 2025
for
EMPOWER HOUSING ASSOCIATION LIMITED

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Association Information

DIRECTORS:	Mark Ian Dunford (Chair) Marcus David Evans (Vice Chair) John Clark Stephanie Murphy Robert Paul Wakefield
SECRETARY:	Sara Sharrock
SENIOR MANAGEMENT:	CEO – Sara Sharrock New Business & Lease Director – Michelle Lee Director of Housing & Operations – Dawn Astin (from 2 September 2024 to 31 July 2025)
REGISTERED OFFICE:	33-35 Hollinshead Street Chorley Lancashire PR7 1EP
REGISTRATION NUMBERS:	4663 - Regulator of Social Housing 9097 - Co-Operative and Community Benefit Society
SENIOR STATUTORY AUDITOR:	Adam Page ACA
EXTERNAL AUDITORS:	BK Plus Audit Limited (formerly Abrams Ashton) Statutory Auditor Chartered Certified Accountants 41 St Thomas's Road Chorley Lancashire PR7 1JE
INTERNAL AUDITORS:	TIAA Ltd Artillery House Fort Fareham Newgate Lane Fareham PO14 1AH
PRINCIPAL BANKERS:	HSBC 49A Fishergate Preston Lancashire PR1 8BH

EMPOWER HOUSING ASSOCIATION LIMITED – YEAR ENDED 31 MARCH 2025

Report of the Directors

The directors present their report with the financial statements of the company for the year ended 31 March 2025.

The company is classed as a Public Benefit Entity. The statements have been prepared in accordance with SORP 2018 and UK GAAP including FRS102.

LEGAL STATUS

Empower Housing Association Limited (Empower) converted to a Charitable Community Benefit Society (CBS) registered under the Co-operative and Community Benefit Societies Act 2014 on 1 July 2023 and is registered with the Financial Conduct Authority registered number 9097, and is a Registered Provider of social housing, registration no. 4663. Empower was previously a company limited by guarantee registered under the Companies Act 2006, company number 04874816.

PRINCIPAL ACTIVITY

The principal activity of Empower continues to be the management and maintenance of properties for the purpose of supported housing rentals.

REVIEW OF BUSINESS

Our financial performance for the period has exceeded budget expectations and is set out in the report that follows the Directors Report.

Empower Housing Association was established in 2003 and registered as a not-for-profit provider of social housing in 2011. Empower specialises in providing homes across England and Scotland for adults with disabilities, and being experts in this field allows us to focus on empowering our tenants to live as independently as possible. We pride ourselves in putting people at the heart of all we do.

We continue to work in challenging economic and operating environment which impacts on Empower and the sector as a whole, our tenants, contractors, suppliers and colleagues. This year has seen many changes in legislation along with the Regulator of Social Housings (RSH) Regulatory Framework introduced in April 2024. We have continued to focus on the safety and quality of our tenants' homes and the services that we provide to our tenants. Our colleagues have continued to deliver to a high level and worked with our key partners to support our most vulnerable tenants and provide the best possible services.

We continue to adapt to changing times and develop how we work in line with our Corporate Plan. Our plan defines our Purpose, Values and Priorities across 3 key themes of our services, our homes and our business. Each of our priorities is underpinned by actions and measures to determine our progress and success.

Corporate Plan 2023 to 2026		
Our Purpose		
To provide specialised housing solutions that allow people to live independently, enabling their ability to thrive.		
Our Values		
We are Caring	We are Supportive	We are Inclusive
We care passionately about what we do and have the utmost respect for people and their abilities.	We work with our partners to find creative and innovative solutions to tenants' needs. We recognise the importance of our team and are committed to being an employer of choice.	We are instinctively honest and open. Our team are committed to the work we do and put the individual needs of our people at the heart of all we do.

Report of the Directors

Our Objectives and Priorities	
1. High Quality Services Providing a caring, high quality and efficient housing service	
Priorities: 1. Ensure we listen, understand and involve our tenants to help shape services. 2. Challenge the ways we work and strive to improve service quality and value for money. 3. Delivering high performing services	
2. Safe and Sustainable Homes Providing a safe and secure quality home for our tenants that delivers for the environment	
Priorities: 1. Complying with legal and Regulatory requirements as a minimum 2. Shape our investment strategy to deliver a reduced carbon footprint. 3. Providing homes for life	
3. Healthy Business A well run, financially robust and compliant organisation that is a great place to work	
Priorities: 1 Financially resilient and well-governed to support future growth. 2 Provide a great place for people to work. 3 Be recognised as a leader in the provision of Supported Housing	

We will continue to develop our plan ensuring that it encompasses the recommendations from the Better Social Housing Review (BSHR) and updated Consumer Regulation. We have an action plan in place to monitor progress against our corporate plan which is reported to Board at least annually. During 2024/25 we have focused on:

- providing decent, safe homes
- undertaking a stock condition survey and Housing Health & safety Rating System (HHSRS) assessment for all of our homes. HHSRS assesses housing risks and the effect they may have on the occupants of a property.
- delivering our core services
- improving our use of technology to support and inform how we work
- improved tenant engagement opportunities
- maintaining good governance and financial strength
- investing in our colleagues

Our housing team visit our tenants several times a year and our maintenance team carry out annual inspection visits, helping to ensure our tenants are safe and secure in their homes. During the year we acquired a further 11 bedspaces and at the end of March 2025 we provided homes for 441 tenants, 30 of which live in properties owned by Empower.

The sector has seen significant change during the year particularly the implementation of the Social Housing Regulation Act (2023) which expanded the regulator's powers, granting it additional enforcement powers, and the publication of the Consumer Standards in February 2024 which came into force from April 2024, to ensure social landlords keep tenants safe in their homes, and listen to what tenants say and put things right when needed. Empower have reported compliance with the Consumer Standards and during the year have worked to further strengthen the information that we hold about our tenants, our tenant engagement and continuous review of systems and processes. During the year we have carried out in depth reviews of our rent and lease processes and have reviewed repairs and lettings processes to ensure we are getting the basics right in delivering services to our tenants and that we are doing this effectively.

The regulator introduced tenant satisfaction measures (TSM) from April 2023 as a metric to assess how well social landlords in England and Wales are doing at providing quality homes and services. RP's are required to publish their TSM's and providers over 1,000 units are required to submit their results to the Regulator.

Report of the Directors

Empower have taken part in the small RP TSM data pilot and as part of this also submitted our data to the Regulator. Empower carried out TSM surveys in 2023/24 and will undertake these surveys every 2 years in line with Regulation for smaller providers. Each year transactional surveys are carried out for key service areas, tenants' views and feedback are obtained during house visits and phone contact and tenants have been involved in service reviews during the year.

The consumer standards are summarised below:

The Safety and Quality Homes Standard: focuses on ensuring that landlords understand the condition of all of their homes and make use of that data to provide safe, quality homes. Landlords are required to deliver repairs, maintenance and planned improvements in an effective, efficient and timely manner, and must be clear on their health and safety responsibilities.

The Transparency, Influence, and Accountability Standard: requires landlords to be transparent with tenants, treat them fairly and respectfully so they can access services. Tenants must be able to voice concerns where necessary, influence decisions, and hold the landlord accountable.

The Neighbourhood and Community Standard: Landlords need to engage with relevant parties to ensure tenants live in secure, well-maintained neighbourhoods and feel safe in their homes.

The Tenancy Standard: outlines a fair allocation and letting of homes, as well as requirements for managing tenancies by landlords.

The Housing Ombudsman Service (HOS) introduced the revised Complaint Handling Code which became statutory in April 2024, meaning that landlords are obliged by law to follow its requirements. RP's are required to publish compliance with the code and submit this to the HOS along with an annual Complaints and Service Improvement report including Board statement/ response to the report. Empower are reporting full compliance with the Code. The Code aims to achieve best practice in complaint handling and ultimately to provide a better service to tenants.

CUSTOMER SERVICE AND TENANT INVOLVEMENT

Empower is committed to providing excellent customer service in all that we do. We work with our partners and tenants to find creative and innovative solutions to meet our tenants needs now and in the future. We provide an out of hours call service which is managed by our colleagues and ensures we are accessible 24/7/365, our properties are maintained by our inhouse maintenance team and our external partner contractors.

We continue to work with our tenants, advocates and care providers to review and improve our services. Visiting our properties regularly allows us to maintain a personal approach, gather information on our services and obtain quality feedback and input from our tenants, and gives us the opportunity to inspect the condition of our properties.

Working with a group of tenants we have developed our Service Standards ensuring we meet tenants' expectations. We have developed a new Tenant Engagement Strategy and Action Plan focussing on understanding what matters to tenants, how we can encourage tenant involvement in a way that suits them and enables them to influence how we deliver services. Understanding the needs of our tenants is crucial and continues to remain a priority through the collection of census information through our All About You survey.

BUILDING SAFETY

This year we have continued to focus on property safety and condition and have maintained our programme of surveying properties to ensure they meet the required standards. Performance in key areas of compliance including Gas, Fire, Electric, Asbestos, Water and Lift Safety Checks, Specialist Lifting Equipment and PAT Testing have all been maintained at 100% (23/24: 100%).

Damp Mould & Condensation (DMC) continues to be a priority for us, we respond to reports of DMC within 7 days and all cases are followed up every 3 months. All relevant colleagues have received awareness training re DMC and are trained to identify and treat damp and mould where appropriate, specialist contractors are used where required.

During 2024/25 we have carried out a programme of stock condition surveys and HHSRS reviews across 100% of properties. This information has informed our future planned works programme and identified areas where more immediate work is required.

Report of the Directors

In December 2024 we obtained external validation of our stock condition reviews which confirmed that in general our assumptions relating to renewal dates of components were accurate, the report highlighted that some of our cost estimates were low primarily due to properties being bespoke and geographic spread. These have now been amended for future years.

OUR COLLEAGUES

Recognising that our colleagues are our most valuable asset we have worked closely with colleagues during the year reviewing how we work and where we can improve to ensure we are an employer of choice, this has included listening to and involving colleagues, supporting colleague development, training and wellbeing. We carried out our third colleague satisfaction survey in May 2025, the survey was expanded from the previous survey to give a wider range of response options and free text questions and also included more questions around work expectations, recognition, respect, support and resources/skills. Overall satisfaction was 83% (23/24: 88%) we are working with colleagues to explore their responses and ensure they continue to feel valued, supported and listened to.

FINANCIAL OVERVIEW

Turnover has increased by 8.7% during the year mainly as a result of higher levels of CPI in the wider economy influencing increases in rents as well as new properties coming on stream. We spent £1.3M (23/24: £963k) on repairs and renewals at our properties, this includes component replacements in leased properties that are expensed via the income statement, and £45k capital investment in owned properties. Costs have increased due to increasing inflation and interest payable has reduced due to reducing loan balances and changes in Bank of England base rates, resulting in an overall surplus of £716k (23/24: £763k).

TREASURY MANAGEMENT

A new £1m facility was put in place with Unity Bank in March 2025 to facilitate growth and the acquisition of new homes, this loan was fully drawn in July 2025. A further loan of £855k is fully drawn. 73% of the Association's housing properties were charged as loan security. The March 2025 business plan does not require any additional funding throughout the life of the plan. Empower complied with all financial covenants during the year.

At the year end, Empower held cash balances totalling £2.27m (23/24: £2.05m). Of the £2.27m cash balances, £369k is held in respect of sinking funds (23/24: £289k) with a matching equivalent sinking fund creditor held within Other Creditors on the Balance Sheet.

The reserves at 31 March 2025 totalled £5.19m (23/24: £4.48m). The financial business plan results in surpluses each year which are re-invested in existing homes, services and planned new developments with some provision for contingencies. The Board is satisfied that the reserves at 31 March 2025 are at a level that is appropriate for the business.

Empower reviewed its Treasury Management policy in March 2025 to ensure the stability of the long-term financial position and to optimise returns while protecting the cash resources and minimise risk while borrowing funds. A proportion of loans currently on variable rates will be converted to fixed rates during 2025, new deposit accounts are also being put in place to spread counterparty risk.

FUTURE DEVELOPMENTS

We plan to continue our programme of modest growth with existing and new partners and by acquiring our own properties, all new developments will be at EPC C or above. We will continue to review our services and embed a right first time approach and ensure we are making best use of our resources including technology, ensuring the integrity of our data and ensure regulatory and legal compliance. We continue to ensure that our customers remain at the heart of all that we do, in line with our Corporate Plan and reflecting the recommendations from the BSHR and Consumer Regulation along with a continued focus on developing tenant involvement and engagement.

COMPLIANCE WITH REGULATORY STANDARDS, CODE OF GOVERNANCE AND CODE OF CONDUCT

Empower has adopted the National Housing Federation's (NHF) Code of Governance (2020) and Code of Conduct (2022). An assessment of compliance with these 2 Codes is undertaken annually, the Board confirms that Empower is compliant. The Board has also assessed compliance with the Governance and Financial Viability Standard of the Regulator of Social Housing and confirms that the organisation broadly complies with the exception of a known instance of non-compliance, which has been acknowledged by the relevant parties including the Regulator of Social Housing. An action plan has been approved by Board with agreed steps in place to move to a position of full compliance.

Report of the Directors

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2024 to the date of this report.

Mark Ian Dunford
Marcus David Evans
John Clark
Stephanie Murphy
Robert Paul Wakefield

GOVERNANCE ARRANGEMENTS

The Empower Board, detailed on page 1, is responsible for the strategic direction of the organisation and ensuring the achievement of the organisation's vision and the objectives set out in the Corporate Plan. To do this, the Board establishes the organisation's overall policy and strategy and monitors compliance with its values and performance targets within a clearly defined framework of delegation and system of control.

In line with the NHF Code of Governance 2020, additional guidance for smaller organisations Board reviewed its structure and concluded that at the current time sub committees of the Board are not required. The Board has significant recent and relevant financial, governance and risk management experience ensuring a good understanding of current best practice and requirements and obtains assurance on key functions particularly audit & control, governance & risk and finance. The Board reviewed its composition and succession plan during the year. This will be reviewed annually.

All Board members have completed a thorough induction process and are subject to annual appraisal / review in line with the Governance Framework. The skills and knowledge of members includes the areas of finance, VFM, risk, strategic management, governance & Regulation, organisational development, equality, diversity and inclusion, and development. A number of members have direct lived experience of specialist supported housing, helping to ensure that the Board is in a strong position to make informed and appropriate decisions for the organisation which always consider the impact on tenants and their best interests in a challenging operating environment. The Board regularly reviews its composition, for those members who have provided information: 80% of Board Members are male, 20% are female; 60% of Board Members are under the age of 55; all Board members are White British; 20% of Board members have declared a disability; and 60% of Board members have caring responsibilities.

During 2024/25, the Board met on 5 occasions including a formal Strategic Away Day to discuss the strategic direction of the organisation and key business risks.

Board members are supportive of the organisation - this is reflected through involvement in discussion and decision making and good attendance, average 92% attendance at Board meetings during 2024/25 (23/24: 94%).

Operational management is delegated to the Senior Management Team who meet weekly and attend Board Meetings. The Senior Management Team (detailed on Page 1) have no financial interest in Empower.

Insurance policies are in place that indemnify Board members and the Senior Management Team and Officers against liability when acting on its behalf.

HEALTH AND SAFETY (H&S)

The Board is aware of its responsibilities on all matters relating to health and safety. H&S consultants are retained to review health and safety management across all colleague functions, this includes comprehensive health and safety policies, procedures, risk assessments, training and advice. Our property, development and compliance team manage all building safety and compliance, supported by external expertise where required. The H&S responsible person is the Property and Compliance Manager.

Report of the Directors

EQUALITY, DIVERSITY AND INCLUSION

Empower has an Equality, Diversity and Inclusion Policy which is fundamental to our core values. During the year we have been working towards meeting the key objectives of our EDI policy, which will be reviewed in 2026, one of which is to better understand the composition of our tenants, colleagues, and Board for each of the protected characteristics, and aim to reflect the communities we serve, provide accessible services and consider the needs of future tenants. During the year we have:

- collected Equality data from colleagues on a voluntary basis, considering 8 protected characteristics (contained in the Equality Act 2010), and requested additional data regarding caring responsibilities
- collected Equality data from our Board which has been used to inform the Board composition statement and will inform future Board recruitment
- reviewed the data we hold and collect from our tenants and expanded the protected characteristics to be captured as part of tenant sign up covering ethnicity, gender, disability and age - this information will be updated and reviewed to ensure that we are providing fair and equitable services.
- carried out EDI training for all colleagues during the year.

There is further work to do through 2025/26 working with tenants to ensure we have the relevant information about their needs enabling us to tailor and continually improve our services.

VALUE FOR MONEY (VFM)

Empower reviewed our Value for Money Strategy and action plan in 2024 and Procurement & Contracts Policy in 2025 to ensure that we are using our resources effectively, providing excellent services delivering efficiencies where possible and compliant with the Procurement Act 2023. We have delivered efficiencies in 2024/25 through our conversion to a Community Benefit Society, we received a refund of £106k from HMRC re corporation tax paid on surpluses, we have moved rent and lease increase processes to the finance team to improve efficiency and effectiveness. Cashable savings of £13k were generated by reviewing component specifications saving 4% on budget, converting software licences to charitable status and vehicle repairs. Empower is planning to benchmark costs and service provision in the future as part of the Learning Disability and Autism Housing Network.

VFM METRICS

The RSH value for money standard and code of practice outlines seven key financial metrics to be measured and reported against each year along with comparisons against our peer's performance. The table below shows our budget & actual performance for 2023/24 and 2024/25, and our March 2025 business plan targets for the next 5 years. It should be noted that the calculations below are based on the Regulators definition and may differ to our financial loan covenants.

VALUE FOR MONEY METRICS - SUMMARY	peer group *	EMPOWER								
	2023/24	2023/24	2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29	2028/29
	median	budget	actual	budget	actual	budget	forecast	forecast	forecast	forecast
Metric 1 - Reinvestment %	6.2%	20.2%	14.1%	10.4%	12.8%	22.7%	19.4%	16.9%	15.1%	13.7%
Metric 2A) - New supply delivered % (Social housing units)	1.4%	1.4%	0.9%	2.2%	2.5%	2.5%	2.5%	2.4%	2.4%	2.3%
Metric 2B) - New supply delivered % (Non-social housing units)	0.0%	0%	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Metric 3 - Gearing %	1.2%	0%	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Metric 4 - EBITDA-MRI %	261%	1349%	1259%	731%	1387%	547%	810%	1213%	1303%	1560%
Metric 5 - Headline social housing cost per unit	£16,243	£15,899	£15,916	£16,750	£17,102	£18,026	£18,613	£18,582	£19,037	£19,202
Metric 6A) Operating Margin % (social housing lettings only)	6.5%	8.1%	9.3%	7.4%	9.2%	5.8%	7.5%	11.2%	11.3%	12.8%
Metric 6B) Operating Margin % (overall)	4.2%	8.6%	9.3%	7.8%	9.2%	6.3%	8.0%	11.6%	11.7%	13.2%
Metric 7 Return on Capital Employed	2.8%	13.5%	13.0%	9.1%	12.6%	7.8%	9.9%	13.4%	12.6%	13.2%

*The Association has benchmarked performance taken from the RSH VFM Metrics benchmarking tool 23/24, noting that this information is recorded for organisations with >1000 units. The criteria selected was for organisations with >50% supported housing (excl. housing for older people). Results were available for 10 organisations of between 1094 and 4072 units, headline social housing costs per unit ranged from £8,864 to £37,696, the median results are reported. Performance for 24/25 v budget is highlighted below and compared to the peer group information for 23/24:

Report of the Directors

Metric 1 - % reinvestment - investment in properties (existing stock and new supply) as a percentage of the net book value of total properties held.

For Empower this relates to new supply and investments in owned properties. Investment into leased properties is expensed. This figure is ahead of budget for 24/25 due to more properties being developed and is above the peer group.

Metric 2A - % new supply delivered (social) as a proportion of total social properties owned.

The metric relating to new social housing units shows we are performing slightly above budget and above the peer group average during 24/25.

Metric 2B - % new supply delivered (non-social) as a proportion of total social properties owned.

We have no plans to deliver non-social units.

Metric 3 - Gearing, debt as a proportion of the net book value of total properties held.

Our cash balances are greater than total debt and therefore gearing produces a negative figure and is therefore recorded as zero. A lower gearing ratio is healthy. It is difficult to draw comparisons to the peer average, but our results are well within the covenant limits expected of traditional loan covenants.

Metric 4 - % EBITDA - MRI, earnings before interest, tax, depreciation and amortisation including major repair improvement measured against interest costs. This is an indicator of our operating surplus in comparison to interest paid. This metric is positive.

Metric 5 - Headline social housing cost per unit

This metric is higher than the peer group average and slightly higher than budget mainly due to higher property repairs costs, although the peer group headline cost per unit figures vary from £8,864 to £37,696. As most of our properties are leased c. 60% of our costs are payments to leaseholders in line with agreements.

Metric 6A and 6B - Operating margin (profitability of social housing activities and overall).

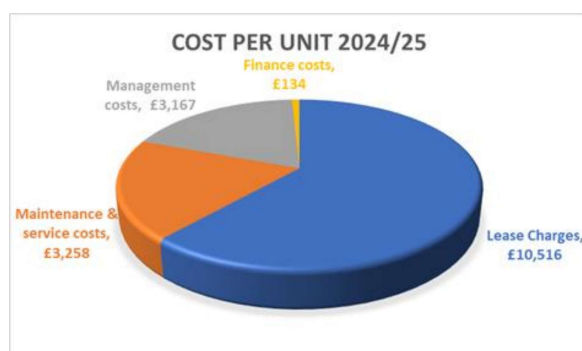
This metric was ahead of budget in 24/25 mainly due to colleague vacancies, reduced depreciation & office costs, underspends were offset due to higher than budget property repairs costs. Performance is better than peer group.

Metric 7 - Return on capital employed, operating surplus to total assets less current liabilities.

Operating surplus in 24/25 was ahead of budget, which impacts on this metric. Performance is ahead of the peer group.

HOW WE SPEND OUR MONEY

The VFM Metrics tables above show the headline social housing cost per unit benchmarked against peers. Our overall cost per unit also includes the cost of lease payments at cover £10k per unit, as over 90% of EHA properties are leased. It is acknowledged that the cost per unit for supported housing providers is considerably greater than for general needs as recognised in the report from the Regulator of Social Housing, this is due to the specialist nature of the services provided by Empower and specialist social housing providers. The charts below show our average cost per unit. This shows above inflationary increases during 2024/25 for management, maintenance and service charge costs and increased investment in properties. Lease costs have increased as expected as they are linked to inflationary increases.



EMPOWER HOUSING ASSOCIATION LIMITED – YEAR ENDED 31 MARCH 2025

Report of the Directors

OPERATIONAL AND HEALTH & SAFETY PERFORMANCE

The Board consider operational and health and safety KPI's at each meeting. Some of our key performance indicators for 2024/25 are noted below along with targets for 2025/26.

Operational KPI's	23/24 Target	23/24 Actual	24/25 Target	24/25 Actual	25/26 Target
No of Properties	215	205	207	206	214
No of Bedspaces	453	436	441	441	470
% of bedspaces tenanted	88%	89%	88%	90.82%	91%
No of Disposals	0	8	4	2	4
Rent Collected as % of total rent due for year	100%	97.68%	100%	99.97%	100%
Current Tenants Arrears % of rent due for year	7%	5.57%	5%	6.2%	4.75%
% of Total Void Rent Loss	No target	9.94%	8%	7.72%	8%
Void Arrears (new target 25/26)	n/a	n/a	n/a	n/a	6.5%
Number of court actions which resulted in eviction	0	0	0	0	0
No of compliments received	1 per month	45	2 per month	25	2 per month
% of employees happy to work at EHA	100%	88%	90%	88%	90%
Colleague Sickness	5%	4%	5%	5%	5%
Accidents – number of Riddor reportable accidents	0	0	0	0	0
% of properties with a valid Electrical Certificate	100%	100%	100%	100%	100%
No of properties with ongoing Damp Mould & Condensation (DMC) works	0	38	0	9	0

We have highlighted below where performance hasn't met, or isn't within 5% of our targets and how we plan to address this.

ARREARS

Current tenant arrears are above target; arrears processes were reviewed during the year and training provided. It is anticipated that the revised target will be met in 2025/26.

Report of the Directors**COMPLAINTS**

During 2024/25 we received 8 complaints, (18 per 1,000 homes) mainly related to delays in repairs being completed, poor communication and substandard workmanship, these are detailed in the table below. The feedback we receive from our tenants allows us to learn from experiences where things may have gone wrong and make amendments and improvements to our working practices to ensure they don't happen again. This learning continues to be a key focus for us and is reported to Board each quarter. All complaints have been dealt with in the agreed timescales.

	Number of complaints refused	Total number of complaints	Theme of complaints	Complaint Stage		
				Stage 1	Stage 2	Ombudsman
Day to day repairs	0	5	Increased cost to tenant/s Unreasonable timescale of repairs Inconsistent communication Poor consideration of tenants needs Contractor conduct	5	0	0
Cyclical Maintenance	0	1	Contractor conduct/Quality of works	1	0	0
Compliance	0	1	Poor planning and information on location of electrical sockets and ineffective communication with care provider	1	0	0
Adaptations	0	1	Poor quality / ineffectiveness of work undertaken Inconsistent communication and consideration of tenant's complex needs *	1	0	0
Total	0	8		8	0	0

We have identified key areas of learning and areas for service improvement from complaints received during 24/25 which will ensure we continue to improve services to tenants as a result of their feedback including:

- Improved communications with tenants and advocates by contractors ahead of works appointments
- Increased pre and post inspection of works to ensure tenant satisfaction with quality of works
- Improved data recording on EHA systems
- No longer using contractors where quality of work found to be unsatisfactory

We will share learning from complaints and how that learning is resulting in service improvements through:

- Tenant newsletters
- Our website
- Colleague team meetings / quarterly colleague bulletins and colleague training
- Direct engagement with tenants through home visits and the establishment of specific engagement/feedback sessions and transactional surveys

5 Anti-social Behaviour cases were reported during 24/25 (11 per 1,000 homes) with 4 ongoing cases. A key focus has been improved communication with tenants and advocates at tenancy commencement and throughout the tenancy regarding responsibilities in respect of behaviours.

We have completed the annual self-assessment of EHAs complaint handling demonstrating compliance with the Complaint Handling Code and giving assurance to Board that EHA continues to provide an accessible and positive complaint handling process overall for tenants. One of our complaints and how this was handled was reviewed by the Chair of the Board who is our Complaints Lead who concluded that although the initial response to the complaint could have been handled in a more timely manner and kept all parties informed as to progress/updates, we have followed our policy/procedures and identified lessons learnt. This document along with our Annual Complaints and Service Improvement Report, including the Board statement, and further detail around key learning from complaints and service improvements has been published on our website <https://empowerhousing.org.uk/comments-and-complaints/>

Report of the Directors

COMPLIMENTS

25 compliments were received during the year 24/25 with many continuing to express satisfaction with our internal maintenance team and the standard of work and engagement with tenants when attending properties and generally going above and beyond expectations when handling enquiries and visiting tenants in their homes.

REPAIRS

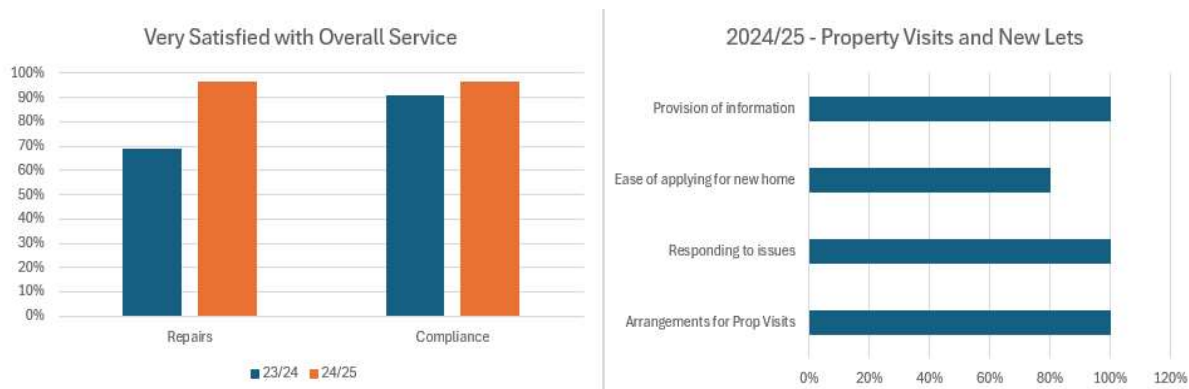
Performance during the year was slightly lower than our targets due to, availability of materials, contractor availability, and access being denied by tenants, we have introduced an access policy and are working closely with tenants and their support teams to improve access and continue to work with suppliers and contractors to minimise delays.

PROPERTY COMPLIANCE

Our tenants continue to be at the forefront of our business and ensuring their safety is essential. Throughout the year we have continued to focus on property safety to ensure all relevant compliance was up to date and recorded appropriately, compliance across all areas was 100% in line with target. All of our properties continue to meet the Decent Homes Standard. There are a number of properties with ongoing DMC issues, we are working closely with our tenants, care providers and contractors to resolve these issues.

TENANT SATISFACTION MEASURES (TSM)

Our Tenant Satisfaction Perception Measures, noted below, were collected in 23/24 and reported to the Regulator of Social Housing and will be collected every 2 years in line with Regulation for providers with <1000 units. Tenant satisfaction Management Information is collected annually and is reported in the table below for 2024/25. In addition to the TSM survey we also carried out transactional surveys for several of our key services during 24/25, including repairs and compliance visits, new lettings and property visits. We will also be focusing on surveys where complaints have been made and reports of ASB through 25/26. Comparative performance for tenants very satisfied with the repairs and compliance service is detailed below for 23/24 & 24/25 and highlight performance on Property Visits and New Tenant lets:



Key learning across these services and service improvement requirements has been incorporated into our learning and action from complaints feedback and included:

- A need to improve communication with households/Support Workers regarding repairs appointments and contractor arrival times
- Ensuring timely completion of repairs

Our tenant satisfaction measures, our approach to the survey and the results are published on our website <https://empowerhousing.org.uk/annual-report-financial-statements/>

EMPOWER HOUSING ASSOCIATION LIMITED – YEAR ENDED 31 MARCH 2025

Report of the Directors

	Empower Tenant Satisfaction Measures		April 23 to March 24					
TSM Ref	Tenant Perception Measures			LCRA England Only 133 Responses	All properties 140 Responses	TLF Benchmarking		
TP01	Overall satisfaction		95%	94%	94%	71.1%		
TP02	Satisfaction with repairs		95%	86%	87%	72.4%		
TP03	Satisfaction with time taken to complete most recent repair		95%	77%	78%	68.3%		
TP04	Satisfaction that the home is well maintained		95%	80%	81%	71.4%		
TP05	Satisfaction that the home is safe		95%	88%	88%	77.2%		
TP06	Satisfaction that the landlord listens to tenant views and acts upon them		80%	84%	85%	61.8%		
TP07	Satisfaction that the landlord keeps tenants informed about things that matter to them		90%	88%	88%	70.2%		
TP08	Agreement that the landlord treats tenants fairly and with respect		95%	93%	93%	77.1%		
TP09	Satisfaction with the landlord’s approach to handling complaints		95%	33%	33%	36.6%		
TP10	Satisfaction that the landlord keeps communal areas clean and well maintained		95%	78%	79%	65.4%		
TP11	Satisfaction that the landlord makes a positive contribution to neighbourhoods		95%	63%	65%	62.7%		
TP12	Satisfaction with the landlord’s approach to handling anti-social behaviour		95%	61%	63%	59.4%		
Management Information			23-24 EHA Target	23-24 LCRA England Only 133 Responses	23-24 All properties 140 Responses	24-25 Target	24-25 Actual	25-26 Target
BS01	Gas Safety Checks		100%	100%	100%	100%	100%	100%
BS02	Fire Safety Checks		100%	100%	100%	100%	100%	100%
BS03	Asbestos Safety Checks		100%	100%	100%	100%	100%	100%
BS04	Water Safety Checks		100%	100%	100%	100%	100%	100%
BS05	Lift Safety Checks		100%	100%	100%	100%	100%	100%
BS05	Specialist Lifting Equipment		100%	100%	100%	100%	100%	100%
CH01 (1)	Complaints relative to size of landlord (per 1,000 homes) - Stage 1		0	19	18	10	18	10
CH01 (2)	Complaints relative to size of landlord (per 1,000 homes) - Stage 2		0	0	0	0	0	0
CH02 (1)	Complaints responded to within Complaint Handling Code timeframe (per 1,000 homes) - Stage 1		100%	100%	100%	100%	100%	100%
CH02 (2)	Complaints responded to within Complaint Handling Code timeframe (per 1,000 homes) - Stage 2		100%	N/A	N/A	100%	N/A	100%
NM01 (1)	Anti Social Behaviour cases relative to the size of the landlord (including hate incidents) (per 1,000 homes)		0	29	28	10	11	10
NM01 (2)	Anti Social Behaviour cases relative to the size of the landlord (involving hate crime only) (per 1,000 homes)		0	0	0	0	0	0
RP01	Homes that DO NOT meet the decent homes standard		0	0	0	0	0	0
RP02 (1)	Repairs completed within target timescale - Emergency		100%	99%	100%	100%	94%	100%
RP02 (2)	Repairs completed within target timescale - Non Emergency		95%	93%	93%	93%	90%	93%

Report of the Directors

INTERNAL CONTROLS ASSURANCE AND RISK MANAGEMENT

The Board has ultimate responsibility for establishing and maintaining an effective system of internal control and risk management framework that is appropriate to the business environment in which it operates, and for annually reviewing its effectiveness.

The system of internal control is designed to manage rather than eliminate risk of failure to achieve key business objectives and expected outcomes and provide reasonable but not absolute assurance against material misstatement or loss.

The Board has reviewed the effectiveness of the system of internal control. In particular it has reviewed and updated the risk management policy and risk appetite during the year. The Board reviews the strategic risks as part of this framework at least every quarter and more frequently if the risk profile changes, all risks including key concerns and controls are reviewed by the Board at least annually. Risk based stress testing of the financial business plan and review of risk mitigations also forms part of the internal control's assurance. An annual review of the Regulator's Sector Risk Profile compared to Empower's risks is reported to Board along with a gap analysis.

An internal review identified areas for improvement in the control systems relating to tenant rent increases and lease reviews. An action plan was put in place to address these issues. New systems and processes were implemented during the year and the management of these 2 key areas moved within the finance team. The internal auditors TIAA carried out an audit of rent increases in August 25 which has reported 2 routine recommendations and substantial assurance.

The Senior Management Team are responsible for the identification and evaluation of key risks applicable to their areas of business and working closely with operational managers in the design and operation of suitable internal controls. The Chief Executive reports to the Board on significant changes in the business and the external environment, which affect key risks.

Financial control is carried out via annual budget planning feeding into the long-term financial business plan, coupled with regular detailed monitoring reports to management and the Board, and delegated authority levels to ensure appropriate expenditure control.

Key performance indicators (KPIs), both financial and non-financial, are reported to management and the Board. These KPIs are used to inform discussions at Management Team meetings and are used to help drive improvements to the internal control framework.

Empower has implemented a 3-year programme of internal audits which is discussed and approved by Board on an annual basis in line with new and emerging risks and delivered by an outsourced internal audit partner. Agreed recommendations for improvements are implemented by management and progress on recommendations is monitored by the Board and reviewed by the internal audit partner, TIAA.

The internal auditors report directly to the Board and annually express an opinion, to give the Board assurance based on the reviews carried out on the organisation's framework of governance, risk management and control. Based on the work undertaken by TIAA during the year they reported TIAA is satisfied that, for the areas reviewed during the year, Empower Housing Association has reasonable and effective risk management, control and governance processes in place.

The external auditor's management letter, which is required to report any material weaknesses in internal controls identified during their audit work, identified only one weakness, a process has already been implemented by management to address this.

Empower has Fraud and Corruption and Whistleblowing policies in place. There have been no reported actual frauds or whistleblowing events during the period.

Annual forward agendas for Board and sub committees are approved by Board to ensure that they have key information providing Board with the necessary assurance to ensure their governance, business planning, risk management and control framework is effective.

Report of the Directors

The Board have reviewed the effectiveness of the system of internal control, including risk management, for the year to 31 March 2025, and up to the date of signing these financial statements, based on the assurances provided by the key elements of the system of internal control, opinions of internal audit, and external audit, and other assurance sources and the work that has taken place to address the areas identified for improvement, it has not identified any weaknesses which have resulted in material misstatement or loss which would require disclosure in the financial statements.

RISK MANAGEMENT

Our risk management policy (reviewed by the Board in June 2025), is in place to identify, evaluate and manage the significant risks faced by Empower, arising from our corporate priorities, wider Sector Risks and the economic operating environment. The key risks currently facing Empower include:

Risk Area	Key factors / concerns	Mitigations
Charging the correct rents	Ensure correct rents are charged at rent review and correct payment to leaseholder– data quality. Ensure meet market rent test – market rent levels outside our control. Assess support needs for changes at each PRC HB refuse rent changes	Rent compliance and setting policies in place & reported to Board annually. Rent review processes reviewed and training provided to team. Calculation on rent and lease increases moved to finance team. TIAA audit of rent increase process Aug 25. Full review over 3 years of rent increase calculations and notices issued carried out during 24/25, further work to be carried out re potential financial impact.
Litigation / contractual disputes / viability of key stakeholder / partner	Risk that partner may not fulfil obligations putting financial & resource pressure on EHA Leases may be reassigned to new landlord. Impact on tenants.	Robust lease and financial management - action to ensure robust processes in place & followed. MV3 stress test added to business plan Mar 24 - modelling increased bad debts and one-off costs. Full review of leases 24/25 to ensure EHA fully aware of lease obligations & take action to mitigate any areas of uncertainty. MV3 stress test models one off costs should leases be renegotiated. Business plan remodelled without % of leases and mitigations tested July 24 & Aug 25.
Asset management - failure to meet H&S, DHS & property compliance	Appropriate investment to meet changing legislation, Increased repair cost & availability of contractors – geographical spread Data quality and compliance monitoring/action Out of date SCS, high disposal / dilapidation costs	Dedicated property and compliance teams, review DMC Business plan includes stock condition programme Regular reporting of performance Asset management strategy updated 2024 External review SCS 2024 SCS & HHSRS review all properties 24/25
Repairs & maintenance meet standards within agreed resources	Fail to deliver right first time quality service Increasing costs Increased demand Tenant satisfaction	Regular monitoring & reporting In house DLO some cost mitigation Tender works /review lease responsibilities 24/25 Regular feedback and contact with tenants, care providers and families. Collection tenant characteristics & data 24/25. Transactional surveys introduced 2023.
Health and safety obligations as a landlord, employer, developer and provider of support services (including safeguarding)	Ensure awareness, regular review, compliance with legislation & reporting / assurance to Board. Risk of harm to colleagues, partners, tenants	H&S advisor appointed Jan 23. H&S Policy approved June 25, Regular training, monitoring & reporting in place, tenancy & property flags in place. Care provider retains principal risk, EHA colleagues safeguarding training 24/25. Lone working devices issued 2024. PI insurance in place.

Report of the Directors

Risk Area	Key factors / concerns	Mitigations
Data security /GDPR / cybercrime	Data breach/unauthorised access, impact on individual, data control and retention Financial loss, risk to data/systems. Cyber risk of attack Increased remote working	Move away from paper records DPO in place, Data protection training for all, Review of policies and systems commenced 2024/25 Segregation of duties. IT services outsourced, Cyber security in place 2024. Cyber audit by TIAA 2024. Cyber insurance in place
Data integrity	One version of the truth. Manual data report parameters	Data streamlined from various sources, checks & balances built into reports. Training on housing mgt system & reporting undertaken & to be refreshed. Ongoing review of systems & processes
Unforeseen external changes - political/ economic/ageing population/ environmental/ legislation	Economic – escalating inflation /political, availability of goods Social Housing Regulation Act, Supported Housing (Regulatory Oversight) Act – pressure on HB Renters Reform Bill	Monitor & report to Board on national policy, external environment, impact on customers, stress test on business plan, review mitigation strategies, business strategy, managers access to HRS risk updates, NHF updates, working with contractors and suppliers.
Tenant involvement and engagement	Obtaining tenant/advocate feedback ability of tenants to engage directly or be involved. Reduced satisfaction / feedback. Compliance with Standard	Enhanced engagement as part of PRC. Updated Tenant Engagement Strategy & Action plan Mar 25, tenants involved in development of Service Standards Oct24 and DMC June 25 Collection tenant characteristics & data 24/25. Feedback from TSM and transactional surveys
Governance - culture, strategic direction, Board & mgt fail	Robust Governance. Board & mgt team skills. Not setting strategic direction, failure to ensure balanced culture	Governance framework, annual reporting plan including compliance, IA and EA. experienced Board recruited, skills assessment, appraisals, training. Snr mgt restructure 2024. Mgt training, cost focus, data driven, responsible & accountable.
Compliance with Regulatory standards	Ensure practices embedded and compliance maintained, regular review of Standards / processes and identify issues.	Regular review of processes and reporting to Board. Compliance with standards. Training for colleagues. Annual compliance review & report. Internal audit programme linked to key risks.
Resilient long term plan. Liquidity / refinancing risk/counterparty failure	Adequately funded long term plan, Increasing cost of funds and margins, availability of funds/timely refinancing	Relationship with funders – refinancing completed. Treasury Policy & strategy in place. Updated stress test on business plan, reviewed mitigation strategies. External treasury /BP advisor
Colleague retention / recruitment & skilled colleagues	Concentrated knowledge / small team. Difficulty recruiting to sector with required skills / experience. Ensure flexibility to recruit/retain.	Learning & development policy in place 2024. Management / leadership development 2024. Salary benchmarking 2023, due 2025. Review professionalism qualification in line with SH Regulation changes. Review T&C's, remote working policy in place. Recruit SH experience. Colleague empowerment, away days, training, open & inclusive culture

Report of the Directors

POST BALANCE SHEET EVENT

On 24 June 2025, Forward Housing, one of Empower's Landlords, gave notice to terminate the leases of 76 properties throughout England with a termination date of 30 December 2025. These properties account for 36% of the total properties owned / managed by Empower. This notice has an impact on Empower's operations and will mean the transfer of tenants to a new Registered Provider of Social Housing. The Board of Empower have approved a business plan prepared to reflect the impact of these changes, including stress testing and the ability to mitigate these risks. The Board has a reasonable expectation that Empower has adequate resources to continue in operational existence for the foreseeable future, being a period not less than twelve months after the date on which this annual report and financial statements are approved. For this reason, the Board continues to adopt the going concern basis in the financial statements. The Regulator of Social Housing has been advised of these changes.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



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Mark Ian Dunford – Director and Chair

17th September 2025

Statement of Directors' Responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, and are in accordance with FRS 102, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Independent Auditors to the Members of Empower Housing Association Limited

Opinion

We have audited the financial statements of Empower Housing Association Limited (the 'company') for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors and the Statement of Directors' Responsibilities, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters

In our opinion, based on the work undertaken in the course of the audit:

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

Report of the Independent Auditors to the Members of Empower Housing Association Limited

Matters on which we are required to report by exception

In the light of the 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 Directors.

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page seventeen, 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 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.

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge of the housing sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Co-operative and Community Benefit Societies Act 2014, taxation legislation and data protection, anti-bribery, employment, environmental regulations and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Report of the Independent Auditors to the Members of Empower Housing Association Limited

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company'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 company's members those matters we are required to state to them in a Report of the Auditors 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.



Adam Page ACA (Senior Statutory Auditor)
for and on behalf of BK Plus Audit Limited
Statutory Auditor
Chartered Certified Accountants
41 St Thomas's Road
Chorley
Lancashire
PR7 1JE

Date: 26 September 2025

EMPOWER HOUSING ASSOCIATION LIMITED – YEAR ENDED 31 MARCH 2025**Statement of Comprehensive Income**

	Notes	31.3.25 £	31.3.24 £
TURNOVER	4	8,301,411	7,634,520
Administrative expenses		<u>7,542,069</u>	<u>6,939,281</u>
OPERATING SURPLUS	6	759,342	695,239
Interest receivable and similar income	7	<u>13,791</u>	<u>11,983</u>
		773,133	707,222
Interest payable and similar expenses	8	<u>57,495</u>	<u>64,584</u>
SURPLUS BEFORE TAXATION		715,638	642,638
Tax on surplus	9	<u>-</u>	<u>(120,145)</u>
SURPLUS FOR THE FINANCIAL YEAR		715,638	762,783
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>715,638</u>	<u>762,783</u>



.....
Mark Ian Dunford – Director and Chair



.....
Marcus David Evans – Director and Vice Chair



.....
Sara Sharrock – Secretary

EMPOWER HOUSING ASSOCIATION LIMITED – YEAR ENDED 31 MARCH 2025**Statement of Financial Position**

	Notes	31.3.25 £	£	31.3.24 £	£
FIXED ASSETS					
Tangible assets	11		3,745,605		3,327,210
CURRENT ASSETS					
Debtors	12	676,748		609,307	
Cash at bank and in hand		<u>2,266,605</u>		<u>2,048,459</u>	
		2,943,353		2,657,766	
CREDITORS					
Amounts falling due within one year	13	<u>662,205</u>		<u>652,378</u>	
NET CURRENT ASSETS			<u>2,281,148</u>		<u>2,005,388</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,026,753		5,332,598
CREDITORS					
Amounts falling due after more than one year	14		<u>836,821</u>		<u>858,304</u>
NET ASSETS			<u><u>5,189,932</u></u>		<u><u>4,474,294</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		5		5
Income and expenditure account	18		<u>5,189,927</u>		<u>4,474,289</u>
SHAREHOLDERS' FUNDS			<u><u>5,189,932</u></u>		<u><u>4,474,294</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 17th September 2025 and were signed on its behalf by:



.....
Mark Ian Dunford – Director and Chair



.....
Marcus David Evans – Director and Vice Chair



.....
Sara Sharrock – Secretary

EMPOWER HOUSING ASSOCIATION LIMITED – YEAR ENDED 31 MARCH 2025**Statement of Changes in Equity**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2023	-	3,711,506	3,711,506
Changes in equity			
Issue of share capital	5	-	5
Total comprehensive income	<u>-</u>	<u>762,783</u>	<u>762,783</u>
Balance at 31 March 2024	<u>5</u>	<u>4,474,289</u>	<u>4,474,294</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>715,638</u>	<u>715,638</u>
Balance at 31 March 2025	<u><u>5</u></u>	<u><u>5,189,927</u></u>	<u><u>5,189,932</u></u>

EMPOWER HOUSING ASSOCIATION LIMITED – YEAR ENDED 31 MARCH 2025

Statement of Cash Flows

	Notes	31.3.25 £	31.3.24 £
Cash flows from operating activities			
Cash generated from operations	1	657,619	888,059
Interest paid		(57,495)	(64,584)
Tax received/(paid)		<u>108,888</u>	<u>(142,847)</u>
Net cash from operating activities		<u>709,012</u>	<u>680,628</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(487,974)	(469,821)
Sale of tangible fixed assets		-	250
Interest received		<u>13,791</u>	<u>9,131</u>
Net cash from investing activities		<u>(474,183)</u>	<u>(460,440)</u>
 Cash flows from financing activities			
New loans in year		-	878,075
Loan repayments in year		<u>(16,683)</u>	<u>(895,313)</u>
Net cash from financing activities		<u>(16,683)</u>	<u>(17,238)</u>
 Increase in cash and cash equivalents		<u>218,146</u>	<u>202,950</u>
Cash and cash equivalents at beginning of year	2	<u>2,048,459</u>	<u>1,845,509</u>
 Cash and cash equivalents at end of year	2	<u><u>2,266,605</u></u>	<u><u>2,048,459</u></u>

Notes to the Statement of Cash Flows

1. RECONCILIATION OF SURPLUS FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	31.3.25	31.3.24
	£	£
Surplus for the financial year	715,638	762,783
Depreciation charges	67,657	94,667
Loss on disposal of fixed assets	1,922	11,261
Finance costs	57,495	64,584
Finance income	(13,791)	(11,983)
Taxation	-	(120,145)
	828,921	801,167
Increase in trade and other debtors	(176,329)	(102,354)
Increase in trade and other creditors	5,027	189,246
Cash generated from operations	<u>657,619</u>	<u>888,059</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2025

	31.3.25	1.4.24
	£	£
Cash and cash equivalents	<u>2,266,605</u>	<u>2,048,459</u>

Year ended 31 March 2024

	31.3.24	1.4.23
	£	£
Cash and cash equivalents	<u>2,048,459</u>	<u>1,845,509</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.24	Cash flow	At 31.3.25
	£	£	£
Net cash			
Cash at bank and in hand	<u>2,048,459</u>	<u>218,146</u>	<u>2,266,605</u>
	<u>2,048,459</u>	<u>218,146</u>	<u>2,266,605</u>
Debt			
Debts falling due within 1 year	(14,178)	(4,800)	(18,978)
Debts falling due after 1 year	<u>(858,304)</u>	<u>21,483</u>	<u>(836,821)</u>
	<u>(872,482)</u>	<u>16,683</u>	<u>(855,799)</u>
Total	<u>1,175,977</u>	<u>234,829</u>	<u>1,410,806</u>

Notes to the Financial Statements

1. STATUTORY INFORMATION

Empower Housing Association Limited is a Community Benefit Society registered under the Co-Operative and Community Benefit Societies Act 2014. The organisation is also a registered provider with the Regulator of Social Housing. The organisation's registered numbers and registered office address can be found on the Company Information page.

The company is a public benefit entity.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018, the Accounting Direction for Private Registered Providers of Social Housing 2022, and the Co-Operative and Community Benefit Societies Act 2014.

The financial statements have been prepared under the historical cost convention.

Income and expenditure

Income represents rental and service charges (net of rent and service charge losses from voids) and other income. Income is recognised at the point which the company has fulfilled its contractual obligations to the customer. Income is recognised net of VAT, where applicable.

Expenses include VAT where applicable if the company cannot reclaim it.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

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

Leasehold and freehold property	Component accounting - see below
Property improvements	Component accounting - see below
Equipment	20% reducing balance
Tools	25% straight line
Fixtures and fittings	20% reducing balance
Motor vehicles	25% reducing balance

Land is not depreciated.

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

Depreciation of housing properties

The company separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value on a straight line basis over the following periods:

Structure - 90 years
Kitchens - 15 years
Bathroom - 15 years
Boiler - 15 years
Central heating - 30 years
Disabled adaptations - 10 years
Windows - 36 years
Roof (flat) - 20 years
Roof (pitched) - 70 years

Notes to the Financial Statements - continued

2. ACCOUNTING POLICIES - continued

Impairment of fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Taxation

Empower Housing Association Limited was granted charitable status for corporation tax by HMRC following its conversion to a Community Benefit Society. As a result, it is exempt from corporation tax on its income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held with banks, and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company 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, loans to common controlled companies and cash and bank balances, are initially measured at transaction price including transaction costs. They 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.

Other financial assets

All the company's financial assets fall to be classified as basic financial assets under Section 11 of FRS 102 and the company therefore holds no other financial assets.

Notes to the Financial Statements - continued

2. ACCOUNTING POLICIES - continued

Basic financial liabilities

Basic financial liabilities, including creditors, 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 receipts 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.

Other financial liabilities

All the company's financial liabilities fall to be classified as basic financial liabilities under Section 11 of FRS 102 and the company therefore has no other financial instruments.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company'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 periods.

Management carries out an impairment assessment for each of its properties on a periodic basis. This assessment considers any specific factors in relation to each property, as well as a consideration of the market value of similar properties. Where an indication of impairment is identified, the affected property is impaired to an estimated recoverable value. The directors have considered the company's properties in light of FRS102 and do not consider that any properties meet the definition of an investment property as all are used in the company's trading activities; therefore, all properties are recognised in the financial statements at historical cost less accumulated depreciation, and less any impairment losses where applicable.

Notes to the Financial Statements - continued**4. TURNOVER**

The turnover and surplus before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.3.25	31.3.24
	£	£
Gross rents receivable	8,208,298	7,624,164
Service charges receivable	93,113	10,356
	<u>8,301,411</u>	<u>7,634,520</u>

5. EMPLOYEES AND BOARD MEMBERS

	31.3.25	31.3.24
	£	£
Wages and salaries	900,663	795,951
Social security costs	83,812	75,533
Other pension costs	36,127	33,198
	<u>1,020,602</u>	<u>904,682</u>

The average number of employees during the year was as follows:

	31.3.25	31.3.24
Management	3	2
Development	1	1
Housing management	4	4
Maintenance & compliance	8	9
Administration	2	2
Finance	2	2
	<u>20</u>	<u>20</u>

	31.3.25	31.3.24
	£	£
Board members' remuneration	<u>17,000</u>	<u>17,271</u>

Notes to the Financial Statements - continued**5. EMPLOYEES AND BOARD MEMBERS - continued**

The remuneration for the highest paid board member was £4,000 (2024: £4,000).

No expenses were paid to any board member in the current or prior year.

The number of staff who received remuneration (including employer pension contributions) greater than £60,000 was as follows:

	2025	2024
	No.	No.
£80,001 to £90,000	-	1
£90,001 to £100,000	1	-
£110,001 to £120,000	-	1
£120,001 to £130,000	1	-
	<u>1</u>	<u>-</u>
	<u>2</u>	<u>2</u>

The emoluments paid to the highest paid executive, excluding pension contributions, were £117,008 (2024: £111,590).

During the year, a total of key management personnel (board members and executive team) compensation of £305,050 (2024: £249,686) was paid.

The executive team are ordinary members of the company pension scheme and no special or enhanced terms apply to their pension contributions. The company does not make any further contribution to an individual pension arrangement for key management personnel.

6. OPERATING SURPLUS

The operating surplus is stated after charging:

	31.3.25	31.3.24
	£	£
Other operating leases	4,637,633	4,508,190
Depreciation - owned assets	67,657	94,667
Loss on disposal of fixed assets	1,922	11,261
Auditors' remuneration	13,200	18,180
Auditors' remuneration for non-audit services	<u>9,780</u>	<u>7,610</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.3.25	31.3.24
	£	£
Interest on bank deposits	13,791	8,979
Interest on corporation tax	<u>-</u>	<u>3,004</u>
	<u>13,791</u>	<u>11,983</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.25	31.3.24
	£	£
Bank loan interest	<u>57,495</u>	<u>64,584</u>

Notes to the Financial Statements - continued

9. TAXATION

Empower Housing Association Limited was granted charitable status for corporation tax by HMRC following its conversion to a Community Benefit Society. As a result, it is exempt from corporation tax on its income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

Owing to the organisation having this charitable status and the specific activities it has conducted, no corporation tax provision is applicable in respect of the financial year ended 31 March 2025.

10. ACCOMODATION IN MANAGEMENT AND DEVELOPMENT

	31.3.25	31.3.24
	Units	Units
General needs housing	<u>206</u>	<u>205</u>

As at 31 March 2025, Empower Housing Association Limited provided 441 bed spaces (2024: 436).

11. TANGIBLE FIXED ASSETS

	Land and buildings £	Improvements to property £	Equipment, fixtures & fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2024	3,775,640	1,850	102,710	131,959	4,012,159
Additions	470,502	-	17,472	-	487,974
Disposals	(53,545)	-	(55,373)	-	(108,918)
At 31 March 2025	<u>4,192,597</u>	<u>1,850</u>	<u>64,809</u>	<u>131,959</u>	<u>4,391,215</u>
DEPRECIATION					
At 1 April 2024	519,072	503	79,299	86,075	684,949
Charge for year	54,252	37	7,023	6,345	67,657
Eliminated on disposal	(51,623)	-	(55,373)	-	(106,996)
At 31 March 2025	<u>521,701</u>	<u>540</u>	<u>30,949</u>	<u>92,420</u>	<u>645,610</u>
NET BOOK VALUE					
At 31 March 2025	<u>3,670,896</u>	<u>1,310</u>	<u>33,860</u>	<u>39,539</u>	<u>3,745,605</u>
At 31 March 2024	<u>3,256,568</u>	<u>1,347</u>	<u>23,411</u>	<u>45,884</u>	<u>3,327,210</u>

The directors consider there to be no significant change in property valuations in this financial year which would result in an impairment loss being recognised.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25	31.3.24
	£	£
Trade debtors	4,203	3,205
Other debtors	631,676	472,594
Tax	-	108,888
Prepayments	40,869	24,620
	<u>676,748</u>	<u>609,307</u>

Notes to the Financial Statements - continued

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25	31.3.24
	£	£
Bank loans and overdrafts (see note 15)	18,978	14,178
Trade creditors	198,680	256,617
Social security and other taxes	29,554	26,286
Other creditors	378,434	297,829
Accruals and deferred income	36,559	57,468
	<u>662,205</u>	<u>652,378</u>

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

	31.3.25	31.3.24
	£	£
Bank loans (see note 15)	<u>836,821</u>	<u>858,304</u>

15. LOANS

The long-term bank loan is secured by a fixed and floating charge over the properties of the company.

The rate of interest payable on the loan is 1.70% above the Bank of England base rate.

The bank loan is repayable by instalments and the amount of instalments due in more than 5 years is £752,510 (2024: £781,193).

16. LEASING AGREEMENTS

Lessee

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

	31.3.25	31.3.24
	£	£
Within one year	3,326,494	3,383,616
Between one and five years	10,419,416	10,203,485
In more than five years	<u>16,249,025</u>	<u>17,270,977</u>
	<u>29,994,935</u>	<u>30,858,078</u>

Lessor

At the reporting date the company had contracted with tenants for the following minimum lease payments:

	31.3.25	31.3.24
	£	£
Within one year	5,831,356	5,627,597
Between one and five years	18,375,263	17,366,206
In more than five years	<u>28,259,128</u>	<u>29,057,950</u>
	<u>52,465,747</u>	<u>52,051,753</u>

Notes to the Financial Statements - continued

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.25	31.3.24
		£1	£	£
5	Ordinary		5	5

18. RESERVES

	Income and expenditure account £
At 1 April 2024	4,474,289
Surplus for the year	715,638
At 31 March 2025	5,189,927

19. RELATED PARTY DISCLOSURES

The company retains a register of Board members' interest. During the year there were no interests in related parties that are required to be declared.

The company considers the key management personnel to be the Board and the Executive Team. Disclosures in relation to key management personnel are included in note 5.

20. POST BALANCE SHEET EVENT

On 24 June 2025, Forward Housing, one of Empower's Landlords, gave notice to terminate the leases of 76 properties throughout England with a termination date of 30 December 2025. These properties account for 36% of the total properties owned / managed by Empower. This notice has an impact on Empower's operations and will mean the transfer of tenants to a new Registered Provider of Social Housing. The Board of Empower have approved a business plan prepared to reflect the impact of these changes, including stress testing and the ability to mitigate these risks. The Board has a reasonable expectation that Empower has adequate resources to continue in operational existence for the foreseeable future, being a period not less than twelve months after the date on which this annual report and financial statements are approved. For this reason, the Board continues to adopt the going concern basis in the financial statements. The Regulator of Social Housing has been advised of these changes.

21. RETIREMENT BENEFIT SCHEMES

	31.3.25	31.3.24
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	36,127	33,198

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

Notes to the Financial Statements - continued

22. MEMBERS' LIABILITY

Empower Housing Association Limited is a Community Benefit Society registered under the Co-Operative and Community Benefit Societies Act 2014. Each member holds a £1 share which was issued on Empower's registration as a Community Benefit Society, and is fully paid. The shares are not transferable or redeemable. The shares provide members with the right to vote at general meetings but do not provide any rights to dividends or distributions. Each member's liability is limited to £1 on a winding up of the society.