



OCEAN HOUSING LIMITED

(REGISTERED SOCIETY)

FINANCIAL STATEMENTS

FOR THE YEAR TO

31 MARCH 2025

Community Benefit Registered Society Number: 30521R
Regulator of Social Housing Registration Number: LH4248

Ocean Housing Limited

Financial Statements for the year to 31 March 2025

Directors and advisors	2
Directors' report	3
Statement of Board's responsibilities	7
Report of the Board on internal control	8
Independent auditor's report to Ocean Housing Limited	10
Income and expenditure account and statement of other comprehensive income	14
Statement of changes in equity	15
Statement of financial position	16
Cashflow statement	17
Notes to the financial statements	18

Ocean Housing Limited

Directors and Advisors for the year ended 31 March 2025

The Board

Andrea Smith (Chair) (resigned March 2025)

Lionah Kawonza (from April 2025)

Frances Turner

Rachel Bayliss

Karen Littler

Mark Gardner (resigned March 2025)

Christopher Grose (Chair from April 2025)

Yusef Masih

Jitinder Takhar (from April 2025)

Company secretary

Frances Turner (Managing Director) (resigned March 2025)

Nikki Forward (from April 2025)

Executive director

Frances Turner (Managing Director)

External auditor

KPMG LLP

Suite 6, New Kings Court

Chandler's Ford

Eastleigh

Hampshire

SO53 3LG

Internal auditor

Beever and Struthers

One Express

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Manchester

M4 5DL

The registered office is at:

Stennack House

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Principal Solicitor

Trowers & Hamlins

The Senate

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Funders

Santander

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Funding Advisor

Intermedium Ltd

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Hampshire

GU34 5EW

Ocean Housing Limited

Directors' report for the year ended 31 March 2025

The Board presents its report and audited financial statements for the year ended 31 March 2025.

Introduction

Ocean Housing Limited is a Registered Society under The Co-operative and Community Benefit Society Act 2014 and Registered Provider of social housing with the Regulator for Social Housing. The Company was established in 1998 as Restormel Housing Trust to affect a Large-Scale Voluntary Transfer from Restormel Borough Council of 3,502 former council houses and related assets which took place in February 2000. In May 2004, the Company became a subsidiary of Ocean Housing Group Limited.

Nature of business and principal activities

The principal activity of the Company is the provision of social housing. The Company is a registered housing provider, and its primary objective is to provide quality homes for its tenants and to build new affordable homes for those in need within Cornwall.

Company mission and key objectives

The Company adopts the Group mission which states that it wants:

"To be an innovative provider of quality homes and services with residents and staff at the heart of Ocean, and Ocean at the heart of the community. "

The 5 key objectives are:

- Have residents at the heart of everything we do
- Maintain strong and effective Governance
- Provide good quality services, right first time
- Provide innovative, energy efficient, good quality homes
- Be an employer of choice.

The Company's constitution and the Board

As detailed in the publicly available rules, the full Board has 7 members, 5 of which are non-executive. The Board meets at least four times a year. As at 31 March 2025 there were no vacancies on the Board.

Review of the business

The financial statements for 2024/25 gave rise to a surplus before tax of £6,796,000 (2024: £9,171,000) after receipt of £Nil (2024: £250,000) gift aid from Gilbert and Goode Limited group company.

During 2024/25 Ocean Housing Ltd built 138 new affordable homes (2024: 85). In addition, the Company spent £4.3 million on stock investment in respect of energy and new components (2024: £4.7 million). Despite the cost-of-living crisis having a significant pressure on tenants, the level of rent collection remained sound, current tenant rent arrears at 31 March 2025 being 0.92% (2024: 1.30%).

The Company, as part of the Ocean Housing Group and as a standalone entity, complies with all regulatory standards. The results of the Company are incorporated in the consolidated financial statements of Ocean Housing Group Limited. No separate Strategic Report or Value for Money statement is included in these Financial Statements as it is contained in the consolidated financial statements. This document is available on request from the registered office address.

Ocean Housing has adopted as its governance code the National Housing Federation (NHF) Code of Governance 2020 and is also compliant with the Regulator of Social Housing (RSH) Governance and Financial Viability Standard and Code of Practice.

During 2024/25, as part of the Ocean Group, the Company went through its latest annual stability assessment review with the Regulator of Social Housing. The outcome of this assessment was that the Group retained its regulatory status gradings unchanged, rated for Governance as 'G1' and viability as 'V2'.

Ocean Housing Limited

Directors' report (continued)

Ocean Housing affordable housing stock

At the 31 March 2025, Ocean Housing Limited owned 4,414 (2024: 4,314) affordable homes. In addition, following sale of the substantial part of its shared ownership stock in December 2022, the Company now manages this portfolio on behalf of ReSi Homes Ltd. As at 31 March 2025, the shared ownership units under contract to manage was 467 (2024: 467) An analysis of the Company's owned assets is as follows:

	2025	2024	2023
Social rented general needs	2,872	2,891	2,913
Social rented housing for older persons	638	622	625
Affordable rented	369	369	367
Intermediate rented	387	345	319
Other rented	14	14	14
Sub Total Freehold properties	4,280	4,241	4,238
Shared ownership	134	73	33
Total	4,414	4,314	4,271
Leasehold properties	164	153	144
Garages and car spaces	580	568	568
Shops	7	4	4

Employees

At 31 March 2025 the number of employees was 148 (2024:141). During the year ended 31 March 2025 the Company employed an average of 142 full time equivalent staff (2024:130).

Treasury management and financial instruments

As at 31 March 2025, the Company had outstanding loans amounting to £132 million (2024: £131 million) with funding secured for a further £28 million (2024: £39 million). The Company has housing assets held in its Statement of Financial Position of £244 million (2024: £234 million).

Treasury strategy and operations are managed within Ocean Housing Limited by the Deputy Chief Executive through parameters set down by the Group Board in its Treasury Management Strategy and Group Investment Policy. This activity is reported to and monitored by the Group Board and the Company's Board. The process is subject to review by internal auditors as well as the Group's treasury advisor.

The main risks arising from the Company's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees the management of these risks as summarised below:

Interest rate risk

The Company finances its operations through a potential mixture of generated surpluses, revolving credit facility and long-term loan facilities. The Company portfolio is typically a mix of floating and fixed rates through its long-term facilities and revolving credit facility. At the year-end 91% (2024: 92%) of the Company's borrowings were at fixed rates of interest.

Liquidity risk

Continuity of funding is ensured by arranging borrowings and committed facilities and by limiting the amount of debt repayable in any one year. At the year-end, undrawn facilities from the Santander revolving credit facility amounted to £28 million (2024: £39 million). The average maturity of net debt is shown in note 12. Cash held at year end amounted to £7.1 million (2024: £3.3 million).

Ocean Housing Limited

Directors' report (continued)

Health and safety

The Company recognises its responsibilities under Health and Safety at work legislation and, as far as is reasonably practicable, provides and maintains a safe working environment for all staff. The Company has adopted the comprehensive Group Health and Safety Policy, and this Policy is regularly reviewed. Within the Group there is a Health and Safety Committee, which meets three times a year. During 2024/25, the Ocean Group maintained its health and safety accreditation to ISO 45001 standard.

Environmental position

The Company recognises its responsibilities under environmental legislation and is committed to promoting and delivering its services in the most sustainable manner including the investment in new technologies when the opportunity permits. The Group has an Environmental Policy and a sound framework of procedures supporting this. During 2024/25, the Ocean Group maintained its environmental accreditation to ISO 14001 standard.

The Ocean Group and its companies strengthened their environmental aspirations during 2024/25 and continue to improve performance in the areas of tenant fuel poverty, energy efficiency, carbon emissions and environmental planning and landscaping on estates still further. Ocean Housing Ltd is playing its key part in the Group's strategic drive including Environmental, Social and Governance (ESG) reporting.

Equalities, Diversity and Inclusion (EDI)

The Group is committed to an EDI policy within which it actively encourages applications for employment and housing from all groups in society. It is policy that any persons who are included within the diversity strands should be considered for housing, employment, training, career development and promotion on the basis of their abilities, and access to opportunities is open to all. During 2024/25, the Group Board further enhanced its approach to EDI with a pro-active action plan for strengthening its inclusivity. This has been underpinned by improving EDI awareness across the whole Group and Board driven engagement to embed new policies and cultures. Ocean Housing Board has ensured that throughout the company the Group policy and direction is effectively implemented and pursued.

Resident participation and involvement

The Board firmly believes in involving tenants in the decision-making process. The Company supports a Tenant and Residents Panel, known as Together with Ocean (TWO), that influences Board decisions on all potential issues of importance to tenants. The group provide significant challenge and scrutiny to the Company. Through its Tenant Involvement and Social Inclusion team the Company supports several activities and events with tenants. In addition, the Company actively consults with tenants and other interested parties on general and specific issues to ensure that key stakeholder issues are properly considered.

Payment of creditors

The Company is committed to supporting local businesses with a policy to pay suppliers within their settlement terms.

Challenges

The key challenges, threats and risks the Company are facing at this current time are:

- Cooling of the housing market, with a high volume of Shared Ownership units in the development programme
- Availability of sub-contractors to support the delivery of the energy programmes
- Increased volume of demand for repairs, including significant levels of damp, mould and condensation cases
- Increased expectations through Consumer Regulation Standards and stronger property compliance requirements
- Recruitment and retention of quality staff
- Substantial costs of improving existing stock to required energy rating levels to 2030 then 2050
- Change in culture required to work smarter to deliver excellent customer service within financial parameters
- Reduced sales receipts from fewer asset disposals
- Resulting decrease in operating margin and interest cover rate.

Ocean Housing Limited

Directors' report (continued)

Future developments

The Company is committed to the development of new social housing in addition to managing its current portfolio. Existing secured loan facilities support the Board's development plan to 2030 with the current revolving credit facility being renewed in 2029. Through the Group Board's New Homes Strategy, the Company has an ambition to build 398 new affordable homes from April 2025 to March 2030.

The Company recognises that it faces competing pressures on its financial capacity and its ability to provide new affordable homes. The Company is mindful that building new homes needs to be pursued in a balanced manner which also allows the Company to continue to invest in its existing stock to meet energy efficiency improvement standards and the requirements of the enhanced Decent Homes Standard. The additional expenditure required for investment in existing stock is putting pressure on the Company's financial resilience metrics and a Group Resilience Plan has been put in place to generate additional resource to support the Group Strategy. Not all resilience targets were met in 2024/25 and the Board recognises that should that continue to be the case, a review of strategic priorities will be necessary.

In addition to a need to look at future development following recent trading performance, the Company is also preparing for increased regulatory focus via stronger consumer regulation standards, Awaab's Law from October 2025, an upgraded Decent Homes Standard and enhanced Property compliance standards. Future development will be focussed on the consumer for improved services and better quality homes.

Whilst the Company has had a challenging 2024/25 with a significant overspend in its revenue maintenance service, the outcome is increased focus with stronger controls and procedures. The Board is committed to a plan of continuous improvement in respect of service delivery supported by smarter working initiatives.

Auditor

KPMG LLP were reappointed as auditor on 25 September 2024.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken in their role to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going Concern

The Directors, after reviewing the Company's budgets for 2025/26 and the Group's medium term financial position as detailed in the 40-year business plan, are of the opinion that, taking account of severe but plausible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The Directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

By order of the Board.



Chris Grose

Chair

Date: 20 August 2025

Registered Society Number: 30521R

Ocean Housing Limited

Statement of Board's responsibilities in respect of the Board's report and the financial statements

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

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Co-operative and Community Benefit Society law the Board must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the association and of its income and expenditure for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

Ocean Housing Limited

Report of the Board on Internal Control

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of Ocean's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which is embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which Ocean is exposed and is consistent with Turnbull principles, and application of the Regulator for Social Housings requirements in respect of the regulatory standards, in particular the Governance and Viability Standard.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of Ocean's activities. This process is co-ordinated through a regular reporting framework of performance management and control by the Executive Group. The Executive Group regularly considers reports on significant risks facing Ocean, along with the Group Leadership Team and the Group Chief Executive is responsible for reporting to the Board any significant changes affecting key risks. Every Board and Committee meeting has a standard item on risk and stress testing to ensure constant opportunity to evaluate risk, proactively manage it with early warning triggers and clear understanding of mitigating levers in the event of material adverse scenarios arising.

Monitoring and corrective action

A process of control self-assessment and regular management performance reporting on control issues and key performance indicators provides assurance to the Executive Group and to the Board. This includes a rigorous approach for ensuring that corrective action is taken in relation to any significant control issue, particularly those with a material impact on the financial statements. The Risk Framework is based on the 3 lines of defence principle with support from an early warning system process, with quantified RAG rated triggers, embedded in the Group's Risk IT system, Evolution of risk maturity and closer links to stress testing and mitigation plans continues in order to uphold best practice. The use of target risk scores supports management in effectively deploying resources in pursuit of mitigating risk exposure.

During 2024/25, the monitoring of performance was slow to identify a significant overspend on repairs expenditure. Whilst effective mitigation plans were subsequently deployed, control weaknesses were identified that led to the delay in addressing the overspend.

Control environment and control procedures

The Board retains responsibility for a defined range of issues covering operational, financial and compliance matters including the appraisal of new investment projects. The Board has adopted, and disseminated to employees, the NHF Code of Governance, 2020. This sets out Ocean's policies with regard to the quality, integrity and ethics of its employees. It is supported by a framework of policies and procedures with which employees must comply. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection.

Ocean Housing Limited

Information and financial reporting systems

Financial reporting procedures include detailed budgets for the year ahead and forecasts for subsequent years. These are regularly reviewed and approved by the Board. The Board also regularly reviews key performance indicators to assess progress towards the achievement of business objectives, targets and outcomes. The Board routinely assesses the Company's financial performance against peers with benchmark reporting on the key financial metrics report at every Board meeting alongside a strategically presented Performance Dashboard Bulletin, management accounts, treasury report, covenant and 'Red Line' compliance.

Review of Controls, including annual report of Group Chief Executive

The internal control framework and the risk management process are subject to regular review by the Internal Auditor who is responsible for providing independent assurance to the Board and Board of Ocean Housing Group Limited via the Group Audit, Risk and Assurance Committee. The Group Audit, Risk and Assurance Committee considers internal control at each of its meetings during the year. At all meetings, the Group Audit, Risk and Assurance Committee reviews the Risk and Assurance Framework to ensure it is appropriate to meet the increasing pressures faced by the Board.

The Board, through the Group Audit Risk and Assurance Committee, has received the Chief Executive Officer's annual report on internal control and conducted its annual review of the effectiveness of the system of internal control. The 2024/25 report outlined the overspend within the Company's revenue repairs service, specifically the day-to-day repairs and damp, mould and condensation services. The overspend amounted to c.£1.5 million. Initially, an internal investigation into the control weaknesses leading to this overspend was presented to Group Audit, Risk and Assurance Committee. It contained a 22-point action plan. The report was presented to Committee in January 2025. The Committee appointed an independent external review of the action plan progress, and this report was presented to Committee in July 2025. The independent report concluded moderate progress had been made on completing all the action points supported by clear improvements in culture and processes.

Having comprehensively reviewed the Group's overall framework of internal control, the Chief Executive Officer concluded that the overspend failing had been sufficiently and critically reviewed with mitigation actions effectively taken as required. Therefore, in producing the 2024/25 internal controls assurance statement, the Chief Executive Officer was assured that the weakness failing has been resolved sufficiently to provide reasonable closure to the matter.

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Company. This process has been in place throughout the year under review, up to the date of the annual report.

By order of the Board.



Chris Grose
Chair

Date: 20 August 2025

Registered Society Number: 30521R

Ocean Housing Limited



Suite 6, New Kings Court
Chandler's Ford
Eastleigh
Hampshire
SO53 3LG

Independent auditor's report to Ocean Housing Limited

Opinion

We have audited the financial statements of Ocean Housing Limited ("the association") for the year ended 31 March 2025 which comprise the income and expenditure account and statement of comprehensive income, statement of changes in equity, statement of financial position, cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- Give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the association as at 31 March 2025 and of its income and expenditure for the year then ended;
- Comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- Have been prepared in accordance with 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The association's Board have prepared the financial statements on the going concern basis as they do not intend to liquidate the association or to cease its operations, and as they have concluded that the association financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board's conclusions, we considered the inherent risks to the association's business model and analysed how those risks might affect the association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the association will continue in operation.

Ocean Housing Limited

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Board, the audit and risk committee and internal audit as to the association’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the association’s channel for whistleblowing, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit and risk committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet loan covenants and regulatory performance targets, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management may be in position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition due to limited scope for manual intervention and the homogenous nature of the majority of the revenue streams. In addition, property sales are recognised on receipt of a legal completion statement and cash and therefore the opportunity to manipulate revenue from sales is remote.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of operating effectiveness at Association-wide anti-fraud management controls.

We also performed procedures including:

- Pre-screening all journal entries in the year and made inquiries with management based on the screening results with consideration of seldom used accounts, users activities and specific key words.
- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements through:

- Discussion with the Board and Audit Committee,
- Inspection of the association’s regulatory and legal correspondence,
- Reading minutes, and
- Reviewing other management policies and procedures regarding compliance matters.

We communicated relevant laws and regulations throughout the team and remained alert to indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The association is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative & community benefit society legislation), pensions legislation, specific disclosures required by housing legislation, and requirements imposed by the Regulator for Social Housing, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Ocean Housing Limited

Whilst the association is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from events and transactions reflected in financial statements, the less likely inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of frauds as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The association's Board is responsible for the other information, which comprises the Director's Report and the Statement on Internal Control. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 7, the association's board are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Ocean Housing Limited

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association, for our audit work, for this report, or for the opinions we have formed.



Harry Mears

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Suite 6, New Kings Court
Chandler's Ford
Eastleigh
Hampshire
SO53 3LG

23 September 2025

Ocean Housing Limited

Income and expenditure account and statement of comprehensive income for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Turnover	2a	34,831	28,759
Operating costs	2a	(27,441)	(20,554)
Gain on disposal of tangible fixed assets	3	3,830	4,712
Operating surplus	2a	11,220	12,917
Interest receivable and other income	4	1,017	770
Interest payable and similar charges	5	(5,386)	(4,718)
Net finance cost on pension fund liabilities	5	(55)	(48)
Gift aid receivable		0	250
Surplus on ordinary activities before taxation		6,796	9,171
Taxation	7	(51)	(47)
Surplus for the year		6,745	9,124
Remeasurement of the net defined benefit liability	15e	213	(434)
Total comprehensive Income for the year		6,958	8,690

The accompanying notes on pages 18 to 43 form an integral part of the financial information.

These financial statements were approved by the Board on 20 August 2025 and signed on its behalf by:



Chair
Chris Grose



Director
Karen Littler



Secretary
Nikki Forward

Ocean Housing Limited

Statement of Changes in Equity for the year ended 31 March 2025

	Revenue Reserve	Total Equity
	£'000	£'000
Balance at 1 April 2023	55,918	55,918
Surplus for the year	9,124	9,124
Other Comprehensive Income	(434)	(434)
Balance at 31 March 2024	64,608	64,608

	Revenue Reserve	Total Equity
	£'000	£'000
Balance at 1 April 2024	64,608	64,608
Surplus for the year	6,745	6,745
Other Comprehensive Income	213	213
Balance at 31 March 2025	71,566	71,566

The accompanying notes on pages 18 to 43 form an integral part of the financial information.

Ocean Housing Limited

Statement of Financial Position as at 31 March 2025

	Note	2025 £'000	2024 £'000
Fixed assets			
Housing properties at cost less depreciation	8a	244,225	234,319
Total housing properties	8a	244,225	234,319
Other tangible fixed assets	8b	3,900	4,148
Total fixed assets		248,125	238,467
Current assets			
Debtors (including £6.3m (2024: £9.3m) due in more than one year)	9	8,663	13,216
Stock	10	1,311	1,556
Cash at bank and in hand		7,063	3,301
Total current assets		17,037	18,073
Current liabilities			
Creditors: amounts falling due within one year	11	(5,195)	(5,763)
Net current assets		11,842	12,310
Total assets less current liabilities		259,967	250,777
Creditors: amounts falling due after more than one year	12	(186,117)	(184,874)
Pension liability	15a	(784)	(1,295)
Other Provisions	25	(1,500)	-
Total Net assets		71,566	64,608
Represented by:			
Capital and reserves			
Reserves including pension liability		71,566	64,608
Total Capital and reserves		71,566	64,608

The accompanying notes on pages 18 to 43 form an integral part of the financial information.

These financial statements were approved by the Board on 20 August 2025 and signed on its behalf by:



Chair
Chris Grose



Director
Karen Littler



Secretary
Nikki Forward

Ocean Housing Limited

Cash flow statement for the year to 31 March 2025

	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
Cash flows from operating activities		
Surplus for the year	6,958	8,690
Adjustments for:		
Depreciation, amortisation and impairment	4,836	4,555
Gain on Disposal of Assets	(3,830)	(4,712)
Interest receivable and similar income	(1,017)	(770)
Interest payable and similar charges	5,424	4,714
Deferred government grant	(661)	612
Taxation	(51)	(47)
Decrease in trade and other debtors	1,422	381
Decrease/(Increase) in stocks	245	(772)
(Decrease)/Increase in trade and other creditors	(555)	1,011
Increase in provisions and employee benefits	989	147
Tax paid	-	-
Net cash from operating activities	13,760	13,809
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	5,017	6,373
Interest received	1,017	770
Acquisition of tangible fixed assets	(15,157)	(25,420)
Proceeds from the receipt of government grants	1,124	2,564
Amounts forwarded to a subsidiary	2,950	(5,550)
Capitalised development expenditure	(283)	(256)
Net cash from investing activities	(5,332)	(21,519)
Cash flows from financing activities		
Proceeds from new loan	1,000	11,000
Interest paid	(5,666)	(4,898)
Repayment of borrowings	-	-
Net cash from financing activities	(4,666)	6,102
Net increase/(decrease) in cash and cash equivalents	3,762	(1,608)
Cash and cash equivalents Brought Forward.	3,301	4,909
Cash and cash equivalents at 31 March 2025	7,063	3,301

The accompanying notes on pages 18 to 43 form an integral part of the financial information.

Ocean Housing Limited

Notes to the financial statements for the year to 31 March 2025

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

The financial statements of the organisation are prepared in accordance with Financial Reporting Standard 102 – The applicable financial reporting standard in the UK and Republic of Ireland (FRS102) and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2018 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Ocean Housing Limited is registered and domiciled in England.

The Company's parent undertaking, Ocean Housing Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Ocean Housing Group Limited are available to the public and may be obtained from Stennack House, Stennack Road, St Austell, Cornwall, PL25 3SW. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Key Management Personnel compensation.

Related party transactions which require disclosure under the Accounting Direction are disclosed in note 23.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared using the historical cost convention.

Going concern

The financial statements have been prepared on a going concern basis which the Board considers to be appropriate for the following reasons.

The Board has prepared cash flow forecasts covering a period of 12 months from the date of approval of these financial statements (the going concern period) which indicate that, taking account of severe but plausible downsides, the Group and Association will have sufficient funds to meet their liabilities as they fall due for that period. In addition, the Board prepares a 40-year business plan which is updated and approved on an annual basis. The most recent business plan was approved on 19th June 2025 by the Board.

As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure.

Ocean Housing Limited

The Board, after reviewing the Group and Association budgets for 2025/26 and the Group's medium term financial position as detailed in the cash flow forecasts and 40-year business plan, is of the opinion that, taking account of severe but plausible downsides, the Group and Association have adequate resources to continue to meet their liabilities over the going concern period. In reaching this conclusion, the Board has considered the following factors:

- The property market – budget and business plan scenarios have taken account of delays in handovers, lower numbers of property sales, reductions in sales values and potential conversion of market sale to social homes;
- Maintenance costs – budget and business plan scenarios have been modelled to take account of cost increases and delays in maintenance expenditure, with major works being phased into future years;
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of potential future reductions in rents;
- Liquidity – current available cash and unutilised loan facilities across the group of £51.4 million (2024: £44 million) which gives significant headroom for committed expenditure and other forecast cash flows over the going concern assessment period;
- The Group's ability to withstand other adverse scenarios such as higher interest rates and increases in the number of void properties.

The Board believes the Group and Association have sufficient funding in place and expect the Group and the Association to be in compliance with its debt covenants even in severe but plausible downside scenarios. Consequently, the Board is confident that the Group and Association will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Ocean Housing Limited

Accounting policies (continued)

Basic financial instruments

Tenant Arrears, Trade and other debtors

Tenant Arrears, Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in subsidiaries and jointly controlled entities

Investments in subsidiaries and jointly controlled entities are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Company assesses at each reporting date whether tangible fixed assets are impaired. As at 31 March 2025, following review, management consider there is no requirement for any impairment of housing assets.

Ocean Housing Limited

Accounting policies (continued)

Housing Properties

Cost includes the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period, and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Shared ownership properties are included in housing properties at cost related to the percentage of equity retained, less any provisions needed for impairment or depreciation.

Depreciation

Depreciation is charged to the income and expenditure account on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. A full years depreciation is charged in the year of Disposal. The estimated useful lives are as follows:

Component	Economic useful life
Structure:	
Traditional flats and houses (Pre 1945)	100 years
PRC flats and houses (All years)	100 years
Traditional flats and houses (1945 to 1965)	100 years
Traditional flats and houses (1965 to 2000)	100 years
New build houses (Post 2000)	100 years
External wall insulation	20 years
Roof	50 years
Windows and doors	30 years
Heating system	15 years
Kitchen	20 years
Bathroom	30 years
Other Major Works	Between 10 and 60 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Non component works to existing properties

The amount of expenditure incurred which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the income and expenditure account in the period in which it is incurred.

Interest capitalised

Interest on borrowings is capitalised to housing properties during the course of construction up to the end of the month of completion of each scheme. The interest capitalised is either on borrowings specifically taken to finance a scheme or on net borrowings to the extent that they are deemed to be financing a scheme. This treatment applies irrespective of the original purpose for which the loan was raised. For the period ending 31st March 2025, interest has been capitalised at an average rate of 4% (2024: 4%) that reflects the weighted average effective interest rate on the Group's borrowings required to finance housing property developments.

Ocean Housing Limited

Accounting policies (continued)

Other fixed assets

Other tangible assets include those assets with an individual value in excess of £1,000.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

	Economic useful life
Freehold operating accommodation	60 years
Motor vehicles	5 years
Office furniture, equipment and telephones	10 years
Computer hardware	3 years
Furnished tenancy scheme	5 years
Computer software	10 years

Social Housing Grant

Social housing grant (SHG) is initially recognised at fair value as both a short (the first year of amortisation) and a long term liability, specifically as deferred grant income and released through the income and expenditure account as turnover income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated SHG are transferred to either the Recycled capital grant fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime. A full year's amount of amortisation is released in the financial year of disposal.

Properties held for sale and work in progress

Completed properties and properties under construction for LCH (Low Cost Housing) sales are recognised at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Interest incurred is also capitalised during the course of obtaining planning and throughout the work in progress up to the point of practical completion of the development scheme. Assessing net realisable value requires use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through income and expenditure is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the

Ocean Housing Limited

Accounting policies (continued)

reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in income and expenditure. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income and expenditure account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of and having maturity dates approximating to the terms of the Company's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Company recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income.

The Company participates in one defined benefit plan as set out below:

Social Housing Pension Scheme (SHPS)

SHPS is a multi-employer scheme which provides benefits to non-associated employers. The scheme is classified as a defined benefit scheme of which the liability is accounted for on a full FRS 102 valuation.

Ocean Housing Limited

Accounting policies (continued)

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Turnover

Turnover represents rental and service charge income receivable (net of void losses), fees receivable, proceeds from first tranche sales of low-cost home ownership and amortisation of Social Housing Grant (SHG) under the accruals model. Rental income is recognised on the execution of tenancy agreements. Proceeds on sales are recognised on practical completions. Other income is recognised as receivable on the delivery of services provided.

Expenses

Operating Costs

Operating costs represents the direct and administrative costs derived from social housing activities, including capitalised interest and direct overheads incurred in the development of the properties, and marketing, and other incidental costs incurred in the sale of the properties.

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the income and expenditure account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in income and expenditure over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Borrowing costs that are directly attributable to the acquisition, construction or production of Housing Properties that take a substantial time to be prepared for use are capitalised as part of the cost of that asset.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in income and expenditure as they accrue, using the effective interest method.

Ocean Housing Limited

Accounting policies (continued)

Taxation

Tax on the income and expenditure for the year comprises current and deferred tax. Tax is recognised in the income and expenditure account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Bad and doubtful debts

Provision is made against rent arrears of current and former tenants as well as sundry debts to the extent that they are considered irrecoverable. Current tenant debts are not written off, however a prudent provision is made to allow for all potential bad debts. The formula adopted is as follows, based on expected recovery rates: Additional, provisions may be made during uncertain economic times.

Rents

Current tenant arrears less than 4 weeks	0%
Current tenant arrears between 4 and 15 weeks	10%
Current tenant arrears between 16 and 32 weeks	25%
Current tenant arrears greater than 33 weeks	50%
Former tenant arrears	90%

Debtors

Service and tenant charge arrears less than 4 weeks	0%
Service and tenant charge arrears between 4 and 15 weeks	10%
Service and tenant charge arrears between 16 and 32 weeks	25%
Service and tenant charge arrears greater than 33 weeks	50%
Service and tenant charge arrears (Former tenants)	90%

Ocean Housing Limited

2 Turnover, operating costs and operating surplus

(a) Particulars of turnover, operating costs and operating surplus	Turnover	Costs	Surplus / (Deficit)	Surplus / (Deficit)
	2025 £'000	2025 £'000	2025 £'000	2024 £'000
Social housing lettings	26,976	(21,239)	5,737	6,909
Supporting people contract income	28	(41)	(13)	(8)
Other activities	926	(834)	92	79
First tranche shared ownership sales	6,901	(5,327)	1,574	1,225
Sub Total	34,831	(27,441)	7,390	8,205
Asset Sales				
Net surplus on the sale of assets	-	3,830	3,830	4,712
Total	34,831	(23,611)	11,220	12,917
 (b) Income and expenditure from social housing lettings				
	2025 £'000	2025 £'000	2025 £'000	2024 £'000
Income from lettings	General Housing	Shared Ownership	Total	Total
Rent receivable net of identifiable service charges	24,362	116	24,478	21,968
Service charge income	1,808	29	1,837	1,530
Grant amortisation	568	93	661	612
Turnover from social housing lettings	26,738	238	26,976	24,111
Expenditure on lettings				
Management	(4,459)	(4)	(4,463)	(4,062)
Services	(1,428)	(1)	(1,429)	(1,397)
Routine maintenance	(3,832)	-	(3,832)	(3,504)
Planned maintenance	(4,499)	-	(4,499)	(3,412)
Major repairs expenditure	(2,375)	-	(2,375)	(451)
Bad debts	(129)	(4)	(133)	(143)
Depreciation of housing properties	(4,447)	(61)	(4,508)	(4,233)
Operating costs on social housing lettings	(21,169)	(70)	(21,239)	(17,202)
Operating surplus on social housing lettings	5,569	168	5,737	6,909
Void losses	135	-	135	127

Ocean Housing Limited

3 Property and land disposals

	2025 £'000	2024 £'000
Proceeds of Right to Buy and other property sales	5,017	6,373
Depreciation charged on Right to Buy and other properties sold	512	528
Book value of Right to Buy and other properties sold	(1,354)	(1,757)
Cost of sales of Right to Buy and other property sales	(240)	(221)
Refund payable to Cornwall Council of proceeds from Right to Buy sales	(105)	(211)
Surplus attributable to Company	3,830	4,712

During the year the Company sold 2 (2024: 3) homes under Right to Buy legislation and none under the Right to Acquire (2024: nil). There were no occurrences of the staircasing of shared ownership property units to 100% (2024: nil) and 36 general disposals (2024: 41).

4 Interest receivable and similar income

	2025 £'000	2024 £'000
Interest receivable from cash deposits and investments	35	30
Other interest receivable	982	740
Total	1,017	770

Interest receivable and similar income includes income from group undertakings of £982,000 (2024: £740,000).

5 Interest payable and similar charges

	2025 £'000	2024 £'000
Interest payable on long term loans	5,337	4,617
Lender's fees paid	290	345
Fair Value Adjustment on Borrowings	-	1
Less interest capitalised in respect of development schemes	(241)	(245)
Sub Total	5,386	4,718
Net finance cost on pension fund liabilities (note 15d)	55	48
Total	5,441	4,766

The average interest rate used for calculating the capitalised interest in respect of development schemes for the year was 4.5% (2024: 4%).

Ocean Housing Limited

6 Surplus on ordinary activities before taxation

	2025 £'000	2024 £'000
The surplus on ordinary activities before taxation is stated after charging:		
Depreciation on dwellings including impairment	4,508	4,233
Depreciation on other tangible fixed assets	328	320
External auditor's remuneration in their capacity as auditor	69	57
External auditor's remuneration in respect of other services	12	10
Operating lease rentals (Plant & Machinery)	54	54
Operating lease rentals (Other assets)	361	390
Abortive development costs	10	5

7 Taxation

	2025 £'000	2024 £'000
UK corporation tax charge /(credit)	-	-
Current tax on income for the year	51	47
Current tax on income for prior year	-	-
Tax charge on ordinary activities	51	47

Factors affecting the tax charge for the current year

The current tax charge for the year for the Company is lower (2024: lower) than the standard rate of corporation tax in the UK of 25% (2024: 25%). The reconciliation between current taxation and deferred taxation is below:

Reconciliation of effective tax rate	2025 £'000	2024 £'000
Surplus for the year	6,745	9,124
Total tax expense	51	47
Surplus excluding tax	6,796	9,171
Current tax: 25% (2024: 25%)	1,699	2,293
Non taxable income	(1,648)	(2,242)
Expenses not deductible for tax purposes	-	-
Group relief claimed	-	-
Deferred tax not recognised	-	-
Other	-	-
Adjustments to tax charge in respect of previous periods	-	(4)
Total current tax charge (see above)	51	47

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. The UK deferred tax asset/(liability) as at 31 March 2025 has been calculated at 25% (2024: 25%).

Ocean Housing Limited

8 Tangible fixed assets

(a) Housing properties	Housing property held for letting	Housing property under construction	Leasehold shared ownership	Leasehold shared ownership under construction	Total housing property
	£'000	£'000	£'000	£'000	£'000
Cost					
Brought forward at 1st April 2024	260,105	17,667	4,501	8,023	290,296
Completions	13,791	(13,791)	1,373	(1,373)	-
Additions	695	4,330	4,443	1,462	10,930
Component additions	4,326	-	-	-	4,326
Disposals	(1,354)	-	-	-	(1,354)
At 31 March 2025	277,563	8,206	10,317	8,112	304,198
Depreciation					
Brought forward at 1st April 2024	(55,902)	-	(75)	-	(55,977)
Charge for the year (Note 6)	(4,447)	-	(61)	-	(4,508)
Written out through property disposals	512	-	-	-	512
At 31 March 2025	(59,837)	-	(136)	-	(59,973)
Net book value at 31 March 2024	204,203	17,667	4,426	8,023	234,319
Net book value at 31 March 2025	217,725	8,206	10,181	8,112	244,225

In the year revenue expenditure on existing properties was £10,706,000 (2024: £7,367,000) and capital expenditure was £4,326,000 (2024: £4,678,000) of which £1,994,000 (2024: £1,777,000) related to kitchen, bathroom or heating system replacements.

Additions to housing properties include capitalised interest of £241,000 (2024: £245,000) for the year (cumulative total of £4,681,000).

Ocean Housing Limited

8 Tangible fixed assets (continued)

Recycled Capital Grant	2025 £'000	2024 £'000
Balance as at 1 April 2024	291	280
Grants recycled	-	-
Interest accrued	12	11
New development schemes	(20)	-
Balance as at 31 March 2025	283	291

The number of rented properties in management at 31 March 2025 was 4,280 (2024: 4,241). 3592 (2024: 4,053) carried a fixed charge at 31 March 2025. Of these properties, 2,817 (2024: 3,284) are valued using Existing Use Value Social Housing (EUV-SH), 775 (2024: 769) using Market Value Subject To Tenancy (MV-STT). As at 31 March 2025 there were 688 rented properties unencumbered (2024: 188).

The number of shared ownership properties at 31 March 2025 was 134 (2024: 73). 8 (2024: 8) of these dwellings are in charge as at 31 March 2025.

The sum of the latest independent valuations of Ocean's housing properties as at 31 March 2025 as extracted from the group asset register is £225,000,000 (2024: £238,000,000), excluding the 688 (2024: 188) unencumbered properties which are not valued. This valuation arises from the various professional valuations undertaken by Savills (L&P) Ltd whose operatives are members of the Royal Institute of Chartered Surveyors. The timings of any revaluations are in accordance with lenders requirements. All valuations are made on either the basis of Existing Use Value Social Housing (EUV-SH) or Market Value Subject To Tenancy (MV-STT).

(b) Other assets	Operating premises	Office furniture and equipment	Plant and vehicles	IT Hardware & software	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
As at 1 April 2024	3,193	189	129	3,321	6,832
Additions	-	-	-	80	80
At 31 March 2025	3,193	189	129	3,401	6,912
Depreciation					
As at 1 April 2024	(853)	(166)	(97)	(1,568)	(2,684)
Charge for the year (Note 6)	(41)	(5)	(12)	(270)	(328)
At 31 March 2025	(894)	(171)	(109)	(1,838)	(3,012)
Net book value at 31 March 2024	2,340	23	32	1,753	4,148
Net book value at 31 March 2025	2,299	18	20	1,563	3,900

Ocean Housing Limited

9 Debtors

Amounts falling due within one year:	2025 £'000	2024 £'000
Rent and service charge arrears	680	691
Less provision for bad debts	(291)	(291)
Net rent and service charge arrears	389	400
Prepayments and accrued income	366	1,040
Amounts owing from other group subsidiaries	1,550	2,275
Other debtors	58	251
Total	2,363	3,966
Amounts falling due in more than one year:		
Other Debtors	6,300	9,250
Total	8,663	13,216

Amounts owed by group companies are trading balances repayable on demand and are non-interest bearing.

Long term debtors comprise of loans made to other group companies. The interest rates is calculated daily at the BOE base rate plus 4.5% payable monthly.

10 Stock

	2025 £'000	2024 £'000
Completed properties available for sale	1,156	1,435
Van Stocks	155	121
Total	1,311	1,556

Completed properties available for sale relates to acquisition and development expenditure on the first tranche of unsold shared ownership properties. Van stocks are trade items held on the Company's vehicles.

Ocean Housing Limited

11 Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	664	601
Rent and service charge prepayments	1,094	955
Taxation and social security	199	181
VAT	31	17
Amounts due under Right to Buy sharing agreement	105	211
Interest	752	790
Amounts owing to other group subsidiaries	138	877
Corporation tax	51	54
Other Creditors	20	12
Grant Creditor	671	661
Accruals and deferred income	1,470	1,404
Total	5,195	5,763

Amounts owed to group companies are trading balances repayable on demand and are non-interest bearing.

Ocean Housing Limited

12 Creditors: amounts falling due after more than one year

Housing finance

In November 2020, Ocean Housing Limited entered into a Note Purchase Agreement with MetLife at a value of £70 million. In addition to the MetLife facility, Ocean Housing Limited has £50 million fully drawn with M&G Investments and during the year secured a £40 million Revolving Credit Facility with Santander, of which £12 million is drawn.

As at 31 March 2025 there were facilities in place of £160 million (2024: £170 million) and £132 million (2024: £131 million) was drawn from these facilities.

Debt outstanding	2025 £'000	2024 £'000
Loans outstanding	132,000	131,000
Deferred financing costs	(640)	(601)
Grant Creditor	54,757	54,475
Total	186,117	184,874

Maturity of debt		
Repayable in greater than one year but less than five years	20,333	17,667
Repayable In more than five years	111,667	113,333
Total	132,000	131,000

Interest rate profile		
Floating rate	12,000	11,000
Fixed rate	120,000	120,000
Total	132,000	131,000

The Company has undrawn committed borrowing facilities at 31 March 2025 of £28 million (2024: £39 million) from a total facility of £160 million (2024: £170 million). The weighted average fixed interest rate as at 31 March 2025 was 3.68% (2024: 3.68%). Combined the average interest rate for the year was 4.5% (2024: 4%). At 31 March 2025 the maturity profile for borrowings was:

£35 million	36 years to 18 November 2060
£35 million	26 years to 18 November 2050
£50 million	Repayable in equal, annual instalments between April 2025 and April 2054

Ocean Housing Limited

12 Creditors: amounts falling due after more than one year (continued)

Deferred Financing Costs	2025	2024
	£'000	£'000
Brought forward at 1 st April	601	666
Loan arrangement fees paid during the year	160	-
Charged to the Income & Expenditure account	(121)	(65)
Carried forward at 31st March	640	601
Grant Creditor	2025	2024
	£'000	£'000
Brought forward at 1 April	55,136	52,798
Grants received in the year	953	2,950
Grant amortised to the Income & Expenditure account during the year	(661)	(612)
Total Grants held	55,428	55,136
Total held in Creditors: amounts falling due within one year (Note 11)	(671)	(661)
Total held in Creditors: amounts falling due after more than one year	54,757	54,475

The total value of grant held as at 31 March 2025 was £63,250,000 (2024: £62,298,000). £54,757,000 (2024: £54,475,000) is held in creditors: amounts due after more than one year, £7,822,000 (2024: £7,162,115) in reserves and £671,000 (2024: £661,000) in creditors amounts due within one year. During the year, £661,000 (2024: £612,000) was amortised through the income and expenditure account.

Ocean Housing Limited

13 Employee information

(a) Number of employees:

	2025	2024
Office staff	78	77
Maintenance staff	59	49
Support Officers. Caretakers and cleaners	11	15
Average total full-time and part-time employees employed during the year	148	141
Average number of full-time equivalents employed during the year	142	130

(b) Staff costs for the above employees:

	2025 £'000	2024 £'000
Wages and salaries	5,340	4,634
Social security costs	491	437
Pension costs (see note 15)	217	196
Total	6,048	5,267

Salary bandings for employees earning over £60,000 is set out below:

	2025 Number	2024 Number
£60,000-£70,000	2	-
£70,001-£80,000	2	2
£80,001-£90,000	1	2
£120,001-£130,000	-	-
£130,001-£140,000	1	-
£140,001-£150,000	-	-
£150,001-£160,000	1	1

Ocean Housing Limited

14 Directors' emoluments

Directors are defined as Members of the Board and Executive Officers who sit on Executive Group. The remuneration paid to Board Members and Executive Officers of the Company during the year was as follows:

(a) Aggregate payments made to Executive Officers and Board Members	2025 £'000	2024 £'000
Emoluments - Board Members	30	31
Emoluments - Executive Officers	156	150
Social Security - Executive Officers	12	17
Pensions - Executive Officers	11	11
Total	209	209

Board members are paid £5,000 and the Chair is paid £9,000. A further £2,500 is paid to the current Chair as compensation for serving on other Group Boards.

(b) Highest paid Director	Salary £'000	Employer Pension contribution £'000	2025 £'000	2024 £'000
Mrs F Turner	156	11	167	161
Total	156	11	167	161

Retirement benefits accrue for one Executive Director who is an ordinary member of the Company's adopted defined contribution pension scheme, known as the Social Housing (DC) Pension Scheme. No enhancement or special terms apply, and the Director has no individual pension arrangement to which the Company makes a contribution. The Directors' defined contribution scheme payment represents 8% of salary and is matched by the Company.

Some members of the Executive Group are paid through Ocean Housing Group Limited, the Company's parent company. Their remuneration is disclosed within those financial statements. The portion attributable to their services of Ocean Housing Limited is not separately identifiable.

Ocean Housing Limited

15 Pensions

Social Housing Pension Scheme (SHPS): DB Pension Scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK. The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028. The Scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme. For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 31 March 2025 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

15 a. Present values of provision for the period 31 March 2025

	2025 £'000	2024 £'000
Fair value of plan assets (Note 15c)	5,638	5,665
Present value of defined benefit obligation (Note 15b)	(6,422)	(6,960)
Defined benefit liability to be recognised	(784)	(1,295)

15 b. Reconciliation of opening and closing balances of the defined benefit obligation

	2025 £'000	2024 £'000
Defined benefit obligation at start of period	6,960	6,971
Expenses	9	9
Interest expense	339	335
Actuarial losses/(gains) due to scheme experience	366	(13)
Actuarial losses/(gains) due to changes in demographic assumptions	-	(70)
Actuarial (gains) due to changes in financial assumptions	(1,112)	(133)
Benefits paid and expenses	(140)	(139)
Defined benefit obligation at end of period	6,422	6,960

Ocean Housing Limited

15 Pensions (continued)

15 c. Reconciliation of opening and closing balances of the fair value of plan assets

	2025 £'000	2024 £'000
Fair value of plan assets at start of period	5,665	5,824
Interest income	284	287
Experience on plan assets (excl. amounts included in interest income) – (loss)	(533)	(650)
Employer contributions	362	343
Benefits paid and expenses	(140)	(139)
Fair value of plan assets at end of period	5,638	5,665

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 was £249,000 (2024: £363,000).

15 d. Defined benefit costs recognised in statement of comprehensive income (SOCl)

	2025 £'000	2024 £'000
Expenses	9	9
Net interest expense	55	48
Defined benefit costs recognised in statement of comprehensive income (SoCl)	64	57

15 e. Defined benefit costs recognised in Other Comprehensive Income

	2025 £'000	2024 £'000
Experience on plan assets (excluding amounts included in net interest cost) – (loss)	(533)	(650)
Experience gains and losses arising on the plan liabilities – (loss)/gain	(366)	13
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	-	70
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	1,112	133
Total amount recognised in other comprehensive income – gain/(loss)	213	(434)

Ocean Housing Limited

15 Pensions (continued)

15 f. Assets

	2025 £'000	2024 £'000
Global Equity	632	564
Absolute Return	-	221
Distressed Opportunities	-	200
Credit Relative Value	-	186
Alternative Risk Premia	-	180
Liquid alternatives	1,045	-
Emerging Markets Debt	-	73
Risk Sharing	-	332
Insurance-Linked Securities	17	29
Property	282	227
Infrastructure	1	572
Private Equity	5	5
Real assets	675	-
Private Debt	-	223
Opportunistic liquid Credit	-	221
Private credit	690	-
Credit	216	-
Investment grade credit	174	-
High Yield	-	1
Cash	77	112
Long Lease Property	2	37
Secured Income	94	169
Liability Driven Investment	1,707	2,305
Currency hedging	9	(2)
Net Current Assets	12	10
Total assets	5,638	5,665

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

Ocean Housing Limited

15 Pensions (continued)

15 g. Key assumptions

	2025 % per annum	2024 % per annum
Discount Rate	5.92	4.92
Inflation (RPI)	3.05	3.09
Inflation (CPI)	2.80	2.79
Salary Growth	3.80	3.79
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

15 h. The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	2025 Life expectancy at age 65 (Years)	2024 Life expectancy at age 65 (Years)
Male retiring in 2025	20.5	20.5
Female retiring in 2025	23.0	23.0
Male retiring in 2045	21.7	21.8
Female retiring in 2045	24.5	24.4

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but given the current level of uncertainties, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

The Entity is aware of the June 2023 High Court judgment in the case of Virgin Media Ltd v NTL Pension Trustees II Limited and others, and that in July 2024 the Court of Appeal dismissed the appeal brought by Virgin Media. This judgment may have significant implications for defined benefit schemes that were "contracted out" between April 1997 and April 2016. The Entity understands that further clarification is expected from the High Court in the case of Verity Trustees Limited v Wood and others, with a decision anticipated later in 2025. At this time, it is unclear whether there could be an impact on the Entity's schemes, and therefore a sufficiently reliable estimate of any effect on the obligation cannot be made. Accordingly, the defined benefit obligation has been calculated based on the pension benefits currently being administered.

Ocean Housing Limited

16 Legislative provision

Ocean Housing Limited is a Registered Society under The Co-operative and Community Benefit Society Act 2014 and Registered Provider of social housing with the Regulator of Social Housing.

17 Membership of the Company

Subscribing members of the Company are required to contribute £1 in the event of a winding up. Members are entitled to vote at General Meetings of the Company in accordance with the voting rights granted to members.

18 Related party transactions

The Board members who served during the year that are also tenants have a standard tenancy agreement and are required to fulfil the same obligations and receive the same benefit as other tenants.

The Company is controlled by Ocean Housing Group Limited. Details of all transactions with the Group entities have not been disclosed in these financial statements on the grounds that consolidated financial statements are prepared for the Group and are available to the public at the address found in note 1.

All transactions in the year with non-regulated related parties have been disclosed in note 23, in addition to the consolidated accounts of Ocean Housing Group Limited.

Under Section 33 of FRS102 defined benefit schemes are considered to be related parties. Ocean Housing Limited is a member of the Social Housing Pension Scheme. Details of the transactions are disclosed in note 15.

19 Capital commitments

	2025 £'000	2024 £'000
Capital expenditure that has been contracted for but not provided for in the financial statements	9,257	20,757
Funded By:		
Grant	-	-
Reserves	5,105	11,040
Loans	4,152	9,717
Total	9,257	20,757

These commitments will be funded by cash generated from operating activities and from existing loan facilities (Note 12).

Ocean Housing Limited

20 Operating lease commitments

Minimum lease payments under non-cancellable operating lease rentals are payable on leases expiring as follows:

	2025 Plant & Machinery £000	2025 Other Assets £000	2025 Total £000	2024 Plant & Machinery £000	2024 Other Assets £000	2024 Total £000
Operating leases and contract hire arrangements which expire:						
Less than one year	57	229	286	39	248	287
In the second to fifth years inclusive	150	101	251	129	213	342
After more than five years	15	-	15	9	-	9
Total	222	330	552	177	461	638

21 Ultimate Parent Company and parent undertaking of larger Group of which the Company is a member

The Company is a subsidiary undertaking of Ocean Housing Group Limited, who is the controlling party, incorporated in England (Company Number 5000720) and results of the Company are consolidated in the financial statements of Ocean Housing Group Limited, which are available to the public and may be obtained from Stennack House, Stennack Road, St Austell, Cornwall, PL25 3SW.

22 Accounting estimates and judgements

22.1 Key sources of estimation uncertainty

Recoverability of stock and work in progress on housing development properties

Stock and work in progress is held at cost at the reporting date without any impairment. This is management's estimate, based on historical sales performance, its assessment of quality of the Company's development properties and its assessment of the current market conditions.

Impairment of debtors

Provision is made for doubtful debts based on management's estimate of the prospect of recovering the debt using the formula outlined in the bad and doubtful debt accounting policy where management has determined that the recovery of the debt is doubtful, the amount is provided for immediately.

Impairment of Fixed Assets

Management seeks to ensure that the entity's assets are not carried at more than their recoverable amount (i.e. the higher of fair value less costs of disposal and value in use) If the result of any assessment suggests this to be the case, then the value of the asset will be written down.

Pension scheme

The pension liability is calculated using the default assumptions provided by The Pensions Trust.

22.2 Critical accounting judgements in applying the Company's accounting policies

There are no critical judgements applied.

Ocean Housing Limited

23 Transactions with non-regulated subsidiaries

During the year Ocean Housing Limited received the following construction services from Gilbert & Goode Limited:

	Year ended 31 March 2025	Year ended 31 March 2024
Inter-company trading	£'000	£'000
Gilbert and Goode Limited	3,820	11,393
Total	3,820	11,393

During the year Ocean Housing Limited charged rent to Gilbert & Goode Limited:

	Year ended 31 March 2025	Year ended 31 March 2024
Inter-company trading	£'000	£'000
Gilbert and Goode Limited	44	44
Total	44	44

During the year Ocean Housing Limited charged Interest to Gilbert & Goode Limited:

	Year ended 31 March 2025	Year ended 31 March 2024
Inter-company trading	£'000	£'000
Gilbert and Goode Limited	935	692
Total	935	692

24 Reconciliation of net debt

	Year ended 31 March 2025	Year ended 31 March 2024
Debt	£'000	£'000
Opening balance of net debt	130,399	119,334
Loan received during the year	1,000	11,000
Loan pay back during the year	-	-
Movement in deferred loan fees	(39)	65
Closing balance of net debt	131,360	130,399

25 Other provisions

	Year ended 31 March 2025	Year ended 31 March 2024
Provisions	£'000	£'000
Opening provisions	-	-
Additions in the year	1,500	-
Closing balance of provisions	1,500	-

Other provisions address identified liabilities for ground remediation work discovered during the stock condition survey programme, with values supported by qualified professionals.