



OCEAN HOUSING LIMITED

(REGISTERED SOCIETY)

FINANCIAL STATEMENTS

FOR THE YEAR TO

31 MARCH 2026

Ocean Housing Limited

Financial Statements for the year to 31 March 2026

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Ocean Housing Limited

Directors and Advisors for the year ended 31 March 2026

The Board

Lionah Kawonza (resigned March 2026)
Frances Turner (resigned March 2026)
Rachel Bayliss (resigned December 2025)
Yusef Masih (resigned March 2026)
Christopher Grose (Chair, resigned March 2026)
Karen Littler
Jitinder Takhar

Andrea Smith (appointed April 2026 and Chair from April 2026)
Bernard Rooney (appointed April 2026, resigned July 2026)
Alan Brunt (appointed April 2026)
Sue Brownlow (appointed April 2026)
John Brace (appointed May 2026)
Tony Blows (appointed May 2026)
Mike Owen (appointed May 2026)
Christopher Weston (appointed July 2026)

Company secretary

Nikki Forward (resigned December 2025)
Altair Consulting (appointed December 2025, resigned May 2026)
Asantewaa Brenya (appointed May 2026)

Executive directors

Frances Turner (Executive Director of Housing)
Surjit Balu (Executive Director of Property Services)
Kevin Pearce (Executive Director of Resources & Investment)

External auditor

KPMG LLP
Suite 6, New Kings Court
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Eastleigh
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Internal auditor

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Principal Solicitor

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Funders

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Management Limited
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Banker

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Ocean Housing Limited

Directors' report for the year ended 31 March 2026 (including the 2025/26 Annual VFM Report)

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

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 Society 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 Society became a subsidiary of Ocean Housing Group Limited. Subsequent to the year end on 1 April 2026, as part of a Group reorganisation, the assets and liabilities of Ocean Housing Group were transferred to Ocean Housing under a business transfer agreement, effectively making Ocean Housing Limited the parent company of a smaller group with one trading subsidiary. Accordingly, Ocean Housing Limited will be preparing consolidated financial statements reflecting the activities of the Ocean Group for the year ending 31 March 2027 and thereafter.

Nature of business and principal activities

The principal activity of the Society is the provision of social housing. The Society 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.

Society mission and key objectives

The Society adopts the Corporate Plan mission which states that it wants:

"To provide quality homes and services placing tenants and customers at the heart of everything we do"

The 4 key objectives are:

- Deliver a great customer experience
- Provide quality homes
- Be a great place to work
- Create strength for future challenges

The Society's constitution and the Board

As detailed in the publicly available rules, the full Board has 9 members, 8 of which are non-executive. The Board meets at least four times a year. As at 31 March 2026 there were 3 vacancies on the Board. There are no vacancies on the signing date of these Financial statements.

Review of the business

The financial statements for 2025/26 show a surplus before tax of £10,258,000 (2025: £6,796,000) after receipt of £Nil (2025: £ Nil) gift aid from Gilbert and Goode Limited which is a trading subsidiary of the group.

During 2025/26 Ocean Housing Limited built 21 new affordable homes (2025: 138). In addition, the Society spent £4.6 million on stock investment in respect of energy and new components (2025: £4.3 million). Despite the continued cost-of-living crisis having a significant pressure on tenants, the level of rent collection remained sound, current tenant rent arrears at 31 March 2026 being 1.07% (2025: 0.92%).

The Society, as part of the Ocean Housing Group and as a standalone entity, complies with all regulatory standards. The results of the Society are incorporated in the consolidated financial statements of Ocean Housing Group Limited. This document is available on request from the registered office address. Recognising that the Group consolidated figures will be reported in the Society's financial statements for the year ending 31 March 2027 onwards, the Group VFM statement for the year ended 31 March 2026 has also been included in these financial statements.

Ocean Housing Limited

Directors' report (continued)

Ocean Housing Limited 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 2025/26, following a review of performance during 2024/25 which highlighted some areas of concern, the Regulator of Social Housing changed the regulatory status grading for the Group to 'G2' for Governance and Viability remained as 'V2'. No Consumer (C) rating is graded at the time of these accounts. A Governance improvement plan has been developed and is in place. On the 1st of April 2026 the Society completed a restructuring of its legal and governance structure following a strategic review undertaken in Autumn 2025. As a result, the Society will be the ultimate parent, with Gilbert & Goode Limited the subsidiary.

Ocean Housing affordable housing stock

At the 31 March 2026, Ocean Housing Limited owned 4,363 (2025: 4,414) affordable homes. In addition, following sale of the substantial part of its shared ownership stock in December 2022, the Society now manages this portfolio on behalf of ReSi Homes Limited. As at 31 March 2026, the shared ownership units under contract to manage was 464 (2025: 467) An analysis of the Society's owned assets is as follows:

	2026	2025	2024
Social rented general needs homes	2,806	2,872	2,891
Social rented housing for older persons	647	638	622
Affordable rented	357	369	369
Intermediate rented	396	387	345
Other rented	14	14	14
Sub Total Freehold properties	4,220	4,280	4,241
Shared ownership	143	134	73
Total	4,363	4,414	4,314
Leasehold properties	189	164	153
Garages and car spaces	451	580	568
Shops	8	7	4
Total other	648	751	725

Employees

At 31 March 2026 the number of employees was 166 (2025:148). During the year ended 31 March 2026 the Society employed an average of 143 full time equivalent staff (2025:142).

Treasury management and financial instruments

As at 31 March 2026, the Society had outstanding loans amounting to £119.3 million (2025: £132 million) with funding secured for a further £39 million (2025: £28 million). The Society has housing assets held in its Statement of Financial Position of £254 million (2025: £244 million).

Treasury strategy and operations are managed within Ocean Housing Limited by the Executive Director of Resources and Investment 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 Society'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 Society's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees the management of these risks as summarised below:

Ocean Housing Limited

Directors' report (continued)

Interest rate risk

The Society finances its operations through a potential mixture of generated surpluses, revolving credit facility and long-term loan facilities. The Society portfolio is typically a mix of floating and fixed rates through its long-term facilities and revolving credit facility. At the year-end 99% (2025: 91%) of the Society'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 £39 million (2025: £28 million). The average maturity of net debt is shown in note 12. Cash held at year end amounted to £5.2 million (2025: £7.1 million).

Health and safety

The Society 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 Society 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 2025/26, the Ocean Group maintained its health and safety accreditation to ISO 45001 standard.

Environmental position

The Society 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 2025/26, the Ocean Group maintained its environmental accreditation to ISO 14001 standard.

The Ocean Group and its companies strengthened their environmental aspirations during 2025/26 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 Limited 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 2025/26, 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 Society 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 Society 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 Society. Through its Tenant Involvement and Social Inclusion team the Society supports several activities and events with tenants. In addition, the Society actively consults with tenants and other interested parties on general and specific issues to ensure that key stakeholder issues are properly considered.

Ocean Housing Limited

Directors' report (continued)

Payment of creditors

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

Challenges

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

- Higher inflation and elevated interest costs due to conflicts in Europe and the Middle East.
- A slower housing market which exposes risk to the Shared Ownership units contained in the development programme
- An aging portfolio of Housing Stock.
- Availability of sub-contractors to support the delivery of the stock improvement 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 along with the increased all in cost of employment.
- Decarbonisation costs to improve the energy efficiency of homes to meet net-zero climate objectives
- Change in culture required to work smarter to deliver excellent customer service within financial parameters
- The need to maintain interest cover at a level that is attractive to lenders.
- Weakened interest cover due the investment needed in energy works over the next 4 years.
- Reduced sales receipts from fewer asset disposals
- Increased costs of service delivery resulting in a decrease in operating margin and interest cover rate.
- Regulatory Judgments have re- rated the organisations as G2 and V2.

Future developments

The Society 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 Society has an ambition to build 504 new affordable homes from April 2026 to March 2035.

The Society recognises that it faces competing pressures on its financial capacity and its ability to provide new affordable homes. The Society is mindful that building new homes needs to be pursued in a balanced manner which also allows the Society 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, in addition to the investment in service delivery is putting pressure on the Society's financial resilience metrics.

A VFM plan has been put in place to generate additional resource to support the Group Strategy. Not all VFM targets were met in 2025/26 and the Board recognises that should that continue to be the case, a review of strategic priorities will be necessary.

The Society is preparing for increased regulatory focus via stronger consumer regulation standards, an enhanced Awaab's Law from October 2026, 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. This will be supported by a comprehensive investment plan to achieve a Consumer Standard rating of 1 which includes an increase in headcount, supported by a full ICT upgrade.

Whilst the Society has had a stable year in 2025/26, the continued focus on stronger controls and procedures is paramount. 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 24th September 2025

Ocean Housing Limited

Directors' report (continued)

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 Society'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 Society's auditors are aware of that information.

Going Concern

The Directors, after reviewing the Society's budgets for 2026/27 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 Society 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. Subsequent to the reporting date of 31 March 2026, on 1 April 2026, the Group completed a restructuring of its legal and governance structure following a strategic review undertaken in Autumn 2025.

As part of this restructuring, the activities and assets of Ocean Housing Group Limited were transferred to Ocean Housing Limited. Following this transaction, Ocean Housing Limited became the ultimate parent entity of the Group, with Gilbert and Goode Limited as its wholly owned subsidiary.

Value for Money report 2025/26

Background

Ocean has a strong commitment to value for money (VFM) and income generation. Following enforced reductions and strong control over rents from Government and a fall in levels of grant for new affordable homes, Ocean, and the housing sector generally, has focused on creating its own additional income generation and greater operating efficiency.

The Regulator for Social Housing plays the pivotal role in ensuring VFM throughout the social housing sector on behalf of Government. The Regulator for Social Housing does so through the development and regulation of a VFM Standard. The current Standard requires a range of financial metrics to be used to assess performance, clarifies expectations of Boards and outlines the reporting requirement and format of VFM activity.

The Ocean Board has reviewed the VFM Standard, utilising Audit, Risk and Assurance Committee (ARAC) to critically appraise its requirements and assess compliance with it. It is considered that the Ocean Board actions are in compliance with the expectations of the VFM Standard.

VFM Framework and Culture

The Board is responsible for driving VFM at Ocean. VFM is embedded into the culture of the business, and the strategic objectives are integrated in the Corporate Plan and at the heart of Ocean's operations. Strategic targets for income generation, asset maximisation and VFM have been set by Board. Such targets are vital to fulfil the development plans as contained in the New Homes Strategy to 2030 and the need for greater existing stock investment to deliver energy efficiency and enhanced compliance as contained in the Asset Management Strategy.

The Board recognises that its ambitions can only be accommodated through the efficient operation of the business and strong operating margin, maximisation of existing asset worth and external income generation from the Group's commercial activity, most notably its open market sales programme through Gilbert and Goode Limited.

The Board recognises VFM is not just about efficiency, it is also about effectiveness and economy (3 E's). The Board's Corporate Plan is therefore based around 4 'Organisational Objectives' which harness the VFM 3 E's to provide quality services to tenants and optimum outputs from the resources we have available.

Critical review of VFM monitoring performance is undertaken by Audit, Risk and Assurance Committee (ARAC). The Committee does so on behalf of the Board. The Board is committed to continuous improvement and is pushing the business towards the levels of operational excellence that will be increasingly expected. Improvements identified are incorporated in the People Strategy to

Ocean Housing Limited

Directors' report (continued)

embed new behaviours and culture which will lead to improved customer focussed services through flexible and smarter working practices and quality.

Ocean considers that its commitment to VFM for its customers is sound and, in-so-doing, fulfils the obligations and expectations of the VFM Regulatory Standard. The framework of VFM and embedded culture provides strong evidence to support this position with generally positive outputs and performance on key metrics ratios, compared with internally set targets and with peers. The key Board policy driving the VFM agenda is the new Financial and VFM Plan, which replaced the former Resilience Plan following a Board strategy event in October 2025. This Plan specifically seeks to strengthen the Group's financial capacity, resilience and efficiency to ensure long term stability as well as supporting investment in stock and new homes together with higher spend on services. The Plan was based on achieving the strengthened objective over the course of the remaining 5 years of the decade using a targeted interest cover metric of 120% as the prime measure to meet in 2030.

Corporate Plan Ambition and Continuous Improvement

In the latest Corporate Plan, the Board has set out its vision, mission statement and its 4 main organisational objectives:

Vision

- To be a Strong, Well Governed and Tenant Focused Organisation Making a Difference to the Lives we Touch

Mission

- To Provide Quality Homes and Services Placing Tenants and Customers at the Heart of Everything we Do.

Organisational Objectives

- Deliver a Great Customer Experience
- Provide Quality Homes
- Be a Great Place to Work
- Create Strength for Future Challenges

These 4 organisational objectives are developed together to have a balanced approach to the pressures of needing to invest and improve existing stock for energy and increasing standards yet continue to maintain a sound supply of quality new affordable homes for local people in need of a home. To effectively achieve balance of these competing pressures, the objectives are supported with specific strategies as follows:

- A New Homes Strategy setting out the ambition to build 355 new affordable homes from April 2026 to March 2030, and a post 2030 aspiration of 150 further affordable new homes in the 5 years to 2035.
- An Asset Management and Disposal Strategy to generate receipts from selling existing assets to help fund the stock investment ambitions and to direct where such investment should be focussed in pursuit of a decent, safe energy efficient housing stock and relief of fuel poverty.
- A People Strategy seeking to work towards Investors in People (IIP) Platinum and create a smarter and more dynamic work environment.
- A Tenant Involvement Strategy looking for Ocean Housing to be an exemplar in how we engage with tenants and the community.

Backing up the overarching Corporate Plan, and 4 'Super Strategies' above, are the following complimentary corporate economic strategies and plans,

- Financial and VFM Plan
- Risk Management and Assurance Framework
- Procurement Strategy
- Financial Regulations
- Fraud, Bribery and Money laundering Policies
- Treasury Strategy
- Investment Policy
- Rent Policy
- Long-Term Business Plan

The various economic plans and strategies underpin the annually approved long-term business plan and financial model.

Ocean Housing Limited

Directors' report (continued)

Financial and VFM Plan Strategic Financial Targets

The Board challenge, at its strategy event in October 2025, was to develop a new financial plan fit for the second half of the decade that would generate a minimum acceptable interest cover of 120% for Ocean Housing, as defined by the Regulator for Social Housing VFM Standard. The new Plan was needed to reflect the significant change in the sectors operating and financial environment since the predecessor Resilience Plan was originally approved to 2022. The 2022 Resilience Plan set a target of Ocean securing a 175% interest cover by 2030, this being at a time when the sector average for this metric was 200%.

With the sector average closer to 125%, the case for a refreshed Plan to drive efficiency and a viable sustainable business is clear. The new adopted Plan contains a range of measures including greater focus on digitalisation, outsourcing, asset disposal, operating efficiencies, procurement and smarter working to achieve such objectives.

The new Financial and VFM Plan is the representation of VFM focus across the Business and was developed following the Boards strategic planning event in October 2025.

Consequently, 2025/26 represented a transition year between the old Resilience Plan, in force for target setting at the start of the year, and the new Plan, effective by year end.

A comparison of the 2 Plans major aspects is illustrated in the table below,

Objective	Resilience Plan	Financial and VFM Plan
Length	8 years to 2030	5 years to 2030
Interest Cover Target	175% from 2030	120% from 2030
Annual Ongoing VFM Savings	£1 million per year from 2030	£2 million per year from 2030
Asset Disposal Numbers	320 by 2030	180 by 2030
Asset Disposal Receipts	£50 million by 2030	£21 million by 2030
Gilbert and Goode Profit	£4.5 million per year from 2030	£5.3 million per year from 2029
Gift Aid from Gilbert and Goode	£2.5 million by 2030	£Nil to 2030
Shared Ownership Profit	£1.5 million	Possible disposal in 2030

The Resilience Plan has now been terminated with the 4-year cumulative performance up to 31 March 2026 shown below.

Objective	Year 4 Cumulative Target	Year 4 Cumulative Actual	Variance
Annual Ongoing VFM Savings	£989,000	£678,000	(£311,000)
Asset Disposal Numbers	178	162	(16)
Asset Disposal Receipts	£22.3 million	£20.2 million	(£2.1 million)
Gilbert and Goode Profit	£6.4 million	£3.2 million	(£3.2 million)
Gift Aid from Gilbert and Goode	£500,000	£250,000	(£250,000)
Shared Ownership Sale Profit	£1.5 million	£6.1 million	£4.6 million

As can be seen, other than a successful outcome to the shared ownership portfolio disposal, the Resilience Plan Progress has not met the Board objectives. The Board recognised this in Summer 2025 and set out a desire to critically review its strategy and ambitions in what then became the Strategy Planning Event in October 2025. From this event the current 2026 3-year Corporate Plan was initiated and the new 5-year Financial and VFM Plan formed to Replace the Resilience Plan.

In respect of the 3 ongoing annual objectives of the Resilience Plan, management were,

- Unable to fulfil the VFM targets set, with some costs areas increasing which offset to some degree the targeted VFM savings achieved.

Ocean Housing Limited

Directors' report (continued)

- Unable to meet the asset disposal targets, through a range of reasons, including the restriction of qualifying properties given that the basis of the Disposal Strategy is that properties need to organically arise from the void process, need to not be older persons units and carry EPC ratings below 'C'.
- Unable to sustainably maintain a Gilbert and Goode business that consistently produces profit from open market sales at a level sufficient to confidently pay Gift Aid.

The strategy planning process has led to a new Corporate Plan with the organisational objectives as previously set out. This Corporate Plan incorporates specific plans to deliver,

- Additional cost of £1.4 million per year through a 'C1 Improvement Plan' to strengthen customer experience and services.
- £5 million investment over 3 years for new ICT and digital solutions and infrastructure.
- £24 million investment to 2030 to ensure all existing homes are at EPC C rating by 2030.
- £109 million investment from 2030 to ensure all existing homes are at Net Zero by 2050.
- Sound 40-year stock investment plan to ensure all existing homes meet increased building safety standards and new Decent Homes requirements.
- £60 million investment to fund 355 new affordable homes by 2030.
- £30 million investment to fund 150 new affordable homes from 2030 to 2035.

The new Financial and VFM Plan developed to support the business sustainably deliver this Corporate Plan ambition set out the 4 overarching financial metric targets as below, noting these metrics are set for Ocean Housing as an individual entity.,

- Minimum Interest Cover by 2030 - 120%
- Minimum Operating Margin by 2030 - 25%
- Maximum Gearing by 2030 - 45%
- Maximum Debt by 2030 - £150 million

To secure the financial metric targets as set above and deliver the key ambitions of the new Corporate Plan previously listed, the Financial and VFM Plan sets out the 5 routes to sustainable success.

- A Rent Policy that optimises all available flexibilities and permissions in the Regulatory Rent Standard.
- A return to sustainable profits from Gilbert and Goode, but without Gift Aid expectation until 2030 and with a risk balanced approach
- Renewal of the existing Revolving Credit Facility 18 months in advance of expiry, January 2028, at increased sum of £50 million.
- Sell 180 existing assets in the 5 years to 2030 to raise a targeted £21 million receipt. Then 25 per year from 2030 to 2040
- Create ongoing VFM operational savings of £2 million per year from 2030. Then an additional £100,000 per year, each year, from 2030 to 2035.

The 5 routes to support a sustainable business within the 2026 Corporate Plan above do represent a challenging ask. The Plan is set against an Ocean Board Risk Appetite of 'Risk Cautious'. For Ocean to deliver on its ambition to be a quality landlord providing exceptional services to tenants living in high quality safe and warm homes the Financial and VFM Plan targets need to be fulfilled.

Performance Against Specific Financial and VFM Plan Targets 2025/26

2025/26 represented the first year of the new 5-year Financial and VFM Plan, as initially developed at the Board strategy event. The year was seen as a reset year and performance against the key targets in the new Plan are as set out in the table below,

Tracking of performance against these reset annual targets continue to be overseen by ARAC.

Ocean Housing Limited

Directors' report (continued)

Objective	Year 1 (2025/26) Target	Year 1 (2025/26) Actual	Variance
Gilbert and Goode Profit	£260,000	£413,000	£152,000
Asset Disposal Numbers	50	67	17
Asset Disposal Receipts	£6 million	£7.7 million	£1.7 million
Annual Ongoing VFM Savings	£400,000	£253,000 (in full year)	(£147,000)

Whilst all these targeted areas would have been short on the original Resilience Plan target for the year, both Gilbert and Goode and asset disposal reset targets were outperformed. The disappointing outcome for 2025/26 was in respect of VFM performance. Of the targeted focus areas to deliver the VFM ambition for the year, management were successful securing £553,000 of ongoing saving efficiencies. However, also during the year, £300,000 additional costs were incurred through management action which offset the targeted VFM success resulting in a net beneficial VFM outcome of £253,000. Over a third of the offset expenditure arose through increasing management resources within the Ocean Property Services team to improve control over the substantially increased energy works programme, enhanced building safety and compliance arrangements, as well as ongoing increased volume pressures in respect of responsive and damp and mould repairs.

In respect of how 2025/26 performance impacted on the year-end metrics, the table below illustrates the outcomes,

Metric	Year 1 (2025/26) Target	Year 1 (2025/26) Actual	Variance
OHL Interest Cover	>150%	207%	57%
OHL Operating Margin	>25%	27%	2%
OHL Gearing	<50%	49%	1%
OHL Debt	<128 million	£119 million	£9 million

The outcome for 2025/26 in respect of financial metrics would appear very positive, however the apparent beneficial impact is significantly influenced by material slippage in the energy works programme for 2025/26 (£4.4 million). Such significant slippage has resulted in the material variance in metrics outturns compared with original expectations.

Key Financial VFM Standard Performance Ratios

In this section, the metrics, ratios and outputs from VFM activity are illustrated and compared to Ocean's peers, both at national and regional levels. From its inception, Ocean has always taken a robust approach to VFM. The historic success of the Board's approach to efficiency strategy over many years has embedded a pro-active VFM culture with strong and beneficial outcomes for tenants and the local community.

The VFM Regulatory Standard contains 8 key financial metrics that the Regulator expects all social housing providers to assess their performance against.

The VFM benchmarking data is collected at a consolidated basis and Ocean's Group-wide performance, compared with others, is presented in the table below for these mandatory ratios. As the national outcomes for 2025/26 have yet to be published, the 2024/25 national outputs have been used to compare Oceans 2025/26 performance as well. When the national 2025/26 VFM metrics are issued, a detailed analysis of Ocean's performance against these metrics will be presented to ARAC for scrutiny and challenge.

In the table below, Ocean's last 3 year's performance is benchmarked against the latest published national VFM Standard outputs from 2024/25. Ocean's outputs projected for the coming year 2026/27 are also illustrated to aid understanding of trends.

Ocean Housing Limited

Directors' report (continued)

NATIONAL VFM STANDARD ANALYSIS

Based on data from English not-for-profit housing providers with over 1,000 units regulated with Regulator for Social Housing

RATIO	OCEAN 2023/24 Actual	OCEAN 2024/25 Actual	PEERS 2024/25 Actual	OCEAN 2025/26 Actual	OCEAN 2026/27 Budget
Business Wealth					
Overall Operating Margin	24%	15%	19%	21%	15%
Social Housing Operating Margin	28%	21%	20%	27%	25%
Interest Cover	198%	155%	122%	207%	85%
Development					
Social Units Built	2.0%	2.8%	1.3%	0.5%	2.2%
Gearing	58%	54%	46%	49%	46%
Outcomes					
Customer Satisfaction *	80%	77%	72%	78%	79%
Reinvestment	9.0%	5.0%	7.3%	6.4%	8.5%
Effective Asset Management					
Return on Capital Employed	6.4%	5.0%	3.1%	6.0%	6.7%
Operating Efficiency					
Social Housing Cost Per Unit	£3,656	£4,279	£5,445	£4,137	£5,266

* Metric from Tenant Satisfaction Measures (TSM) arising from requirements of Consumer Regulation.

The key message that arises from the benchmarking table above is, that, in respect of 2025/26, when compared with peers nationally albeit from 2024/25, Ocean is below average in 3 areas, Social Units Built, Gearing and Reinvestment.

Compared with Ocean's performance pre-Resilience Plan, the latest peer benchmarking provides evidence of solid progress in the Board's overall commitment to strengthening financial resilience. Of significance is the improvement in interest cover relative to peers, as to gearing albeit this area is still adverse to peer average. This is, however, as much more due to the sector ratios declining in recent years. The 2025/26 interest cover for Ocean is above originally targeted and stronger than sector average. Care should be taken on this metric as the latest peer information is 2024/25 and the sector has faced many challenges within the last 12 months that could see 2025/26 actual metrics somewhat different than 2024/25. Furthermore, the Ocean 2025/26 metric is substantially enhanced through the £4.4 million energy programme slippage.

The Group Strategy is to have all VFM metrics, and the TSM customer satisfaction measure, greater than sector average in all cases. In respect of 2025/26 performance, based on published data at present, this is met in all but 3 areas.

The gearing ratio of Ocean continues to remain adverse to the sector norm. This indicator is closely linked to historic policy and initial formation of the Ocean Group, which was through stock transfer funded by borrowing. High gearing is harder to address quickly than interest cover, but the Board is comfortable to continue to tolerate and accept this higher metric in the short term whilst seeing a clear improvement trajectory projecting a better than sector average by 2030. The metric has

Ocean Housing Limited

benefitted significantly from the outcome of the shared ownership portfolio sale in 2022. Prior to the sale, in 2022/23, the gearing level was 65%, as at 31 March 2026 it has fallen to 49% and a clear continued fall is projected.

It is disappointing that in 2025/26 a further 2 metrics have fallen below the sector average. This is in respect of social units built and reinvestment. In respect of social homes handed over in 2025/26, Ocean experienced significant slippage, 23 homes were handed over as compared with an expected 66. All of the scheduled handovers in 2025/26 were through S106 developer driven schemes and the difficult housing market led a number of the developer partners reprofiling or pausing their programmes thus altering the timing of handovers to Ocean. This is slippage and all opportunities remain live, the units slipping will all be handed over in 2026/27. In respect of reinvestment, this fall recognises the reduction in the Ocean Housing new homes development programme in 2025/26. Whilst now below peer average it is known that there is an overall fall in new home construction across the sector in 2025/26, so unclear if comparison to the last published 2024/25 metric is reliable.

The outlook for 2026/27 is that, if peer performance remains unchanged at 2024/25 levels, Gearing will achieve its long-term aim of being at the sector average. However, there will be 2 metrics in 2026/27 that fall below peer average, being Overall Operating Margin and Interest Cover. The reason for the forecast adverse movement to 2026/27 is due to the lower margin Gilbert and Goode business increasing its activity from 2025/26 and therefore having a greater percentage of consolidated activity. In respect of interest cover, the prominent driver to this substantial fall from 2025/26 levels and resultant below average outcome is the impact of the energy programme slippage being reprofiled into 2026/27 and 2027/28. Whilst the sub-100% metric is not good, the overall trajectory to the 2030 120% interest cover target remains deliverable.

Whilst the Group focusses on performance against the sector nationally, it also reflects on how it performs against those peers operating most closely to Ocean's operational area.

Benchmarking its VFM Standard Metrics against the outcomes from the 19 operators based within the Southwest, a similar story is told in respect of Ocean's performance as to national comparison. The table below looks at Ocean's performance compared to these 19 Southwest peers.

SOUTHWEST SECTOR ANALYSIS

Based on data from the 19 South West based English not-for-profit housing providers with over 1,000 units regulated by the Regulator for Social Housing

RATIO	OCEAN 2023/24 Actual	OCEAN 2024/25 Actual	SW PEERS 2024/25 Actual	OCEAN 2025/26 Actual	OCEAN 2026/27 Budget
Business Wealth					
Overall Operating Margin	24%	15%	18%	21%	15%
Social Housing Operating Margin	28%	21%	19%	27%	25%
Interest Cover	198%	155%	135%	207%	85%
Development					
Social Units Built	2.0%	2.8%	2.0%	0.5%	2.2%
Gearing	58%	54%	40%	49%	46%
Outcomes					
Reinvestment	9.0%	5.0%	7.6%	6.4%	8.5%
Effective Asset Management					
Return on Capital Employed	6.4%	5.0%	2.8%	6.0%	6.7%
Operating Efficiency					
Social Housing Cost Per Unit	£3,656	£4,279	£4,957	£4,137	£5,266

Ocean Housing Limited

Directors' report (continued)

2026/27 Targets and Future Plans

2026/27 represents year 2 of the Financial and VFM Plan, which drives performance to 2030. The year 2 targets for each element of the Plan are as below,

- 2026/27 pre-tax profit in Gilbert and Goode to be greater than £654,000.
- 40 existing assets to be sold in 2026/27 that will create cash sale receipts of £4.8 million.
- In 2026/27, new on-going annual savings of £600,000 to be delivered from operational costs or additional income. This annual target has 4 main components,
 - Employee restructures - £290,000
 - Restructure of the Ocean Group - £100,000
 - Operating income generation - £180,000
 - Procurement - £30,000

The 2025/26 targets will be a big challenge and subject to critical monitoring overview by ARAC. In particular the VFM target will need robust oversight to ensure it is met, alongside vigilant budgetary control on core budgets to mitigate risk of offset costs.

With the focus on VFM in recent years, there has been a need to ensure the improving financial strength is complemented with improvement in customer service and increasing consumer expectations being met. The Corporate Plan targets transformational service improvement taking Ocean Housing to a provider of high-quality services, focussed on customer excellence.

On 1 April 2026 the restructure of the Ocean Group was completed. This was a simplification exercise where Ocean Housing Group Limited will be dissolved with Ocean Housing Limited becoming the new parent with a wholly owned subsidiary of Gilbert and Goode. This restructure represents the Board seeking not just streamlined governance VFM, but also greater clarity, transparency and accountability on the operation of the Boards and their decision making.

The remaining 3 years of the Financial and VFM Plan, as things currently stand, target the following deliverables up to 2030, these targets will be critically re-evaluated at the next Board strategy event in October 2026.

- Pre-tax profits in Gilbert and Goode to be greater than £8.3 million in the 3 years up to 2030.
- 90 existing assets to be sold in the 3 years to 2030 that will create cash sale receipts of £10.8 million.
- Further on-going annual savings created from April 2027 up to 2030 of £1 million, to be delivered from operational costs or additional income. This annual target has 4 main components,
 - Employee restructures - £270,000
 - Smarter Working and Technology - £170,000
 - Procurement and Partnering - £260,000
 - Other Initiatives - £300,000

Conclusion and Regulatory Expectation

The VFM Standard requires the Board to:

- Clearly articulate its strategic objectives
- Have an approach to achieving value for money in meeting these objectives and demonstrate its delivery of value for money to stakeholders
- Through their strategic objectives, articulate its strategy for delivering homes that meet a range of needs
- Ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of its strategic objectives

Furthermore, Boards must be able to demonstrate that:

- A robust approach to achieving value for money – this must include a robust approach to decision making and a rigorous appraisal of potential options for improving performance
- Regular and appropriate consideration by the Board of potential value for money gains – this must include full consideration of costs and benefits of alternative commercial, organisational and delivery structures

Ocean Housing Limited

Directors' report (continued)

- Consideration of value for money across their whole business and where they invest in non-social housing activity, they should consider whether this generates returns commensurate to the risk involved and justification where not the case
- Appropriate targets in place for measuring performance in achieving value for money in delivering their strategic objectives, and that they regularly monitor and report their performance against these targets.

The embedded nature of VFM culture at Ocean is driven by the Board and its Corporate Plan. The core organisational objectives of the Corporate Plan align the commitment to VFM throughout all the Group's activities and ensures that outputs match strategic ambition in an efficient manner and through optimal use of its available resources and assets. Monitoring of challenging targets and a commitment to optimum efficiency has led to improved outcomes and positive outputs for the Ocean's tenants, partners and the wider local community and this will continue to develop and improve.

A culture of continuous improvement is in place driven by the Board and senior management that operates under a clear annual plan of service reviews, business system development, data analysis and performance reporting. This has been under strain in 2025/26 through pressures in Ocean Housings repairs service and weaker sales margins in Gilbert and Goode. In 2026/27, the Board will be undertaking a critical review of the risk/benefit analysis of having Gilbert and Goode undertaking open market sales and assessing if the return on the risk is commensurate with the risk to social housing assets.

Through ARAC the Board has considered its compliance with the VFM Standard and reviewed their effectiveness in delivering VFM for its stakeholders. Through the Committee, the Board are assured that the culture and practice of VFM is continuing to improve.
By order of the Board.



Andrea Smith

Chair

Date: 16 September 2026

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 Directors' report 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 Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Housing Limited 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 Housing Limited, along with the Senior 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 Red Amber Green (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.

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 Housing Limited'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 Society'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, cashflow forecasts, 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 Audit, Risk and Assurance Committee. The Audit, Risk and Assurance Committee considers internal control at each of its meetings during the year. At all meetings, the 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 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.

During the year changes have been made to address areas of improvement highlighted in previous periods which included the structure of the executive, changes to board membership, and a strengthening of core governance, risk, and operational processes to improve consistency, efficiency and assurance. Having comprehensively reviewed the Group's overall framework of internal control, the Chief Executive Officer concluded that the mitigating actions put in place to address the responsive repairs overspend during 2024/25, had been successfully implemented and sound internal controls re-established. Therefore, in producing the 2025/26 internal controls assurance statement, the Chief Executive Officer was assured that the weakness identified have been resolved sufficiently to provide reasonable closure of the matter.

During the financial year, within Ocean Housing Limited, a rent overcharge spanning a number of years was identified. The issue arose due to a miscalculated additional charge (applied to rent levels to cover the 53rd week which occurs every 6 years). This matter has been self-reported to the Regulator of Social Housing with regular updates provided on the repayment plan. The financial impact is not material in its nature and has been fully provided for in the Financial Statements to March 2026. All affected tenants have been refunded and compensated during June 2026.

Also, during 2025/26, it was identified that there was not an up-to-date record of asbestos surveys for the Ocean Housing Limited's communal areas. This breach was referred to the Regulator of Social Housing promptly and rectification action taken immediately. Compliance was restored within 2 months of identification and has remained in place throughout the remaining months of the year.

However, as part of the 2026/27 internal audit plan, reports in respect of Ocean Housing Limited's property compliance service functions have revealed further areas requiring attention and improvement. Of note being a 'partial assurance' audit report in respect of Awaab's Law compliance. Whilst the audit work was carried out in the early part of the 2026/27, the testing period also covered transactions from 2025/26. As such, the Chief Executive Officer, in their 2025/26 annual report, highlighted a breach of Awaab's Law summary reporting requirements in a handful of cases based on audit findings. Immediate action was taken to rectify the control weakness and restore compliance with the Law. Following a further thorough audit review of Ocean Housing Limited's approach to Awaab's Law, it is confirmed that the weaknesses were in our administrative processes and there has been no impact on the safety and well-being of tenants, save for not issuing summary reports on a handful of occasions, which has since been addressed. On behalf of the Board, Audit, Risk and Assurance Committee have agreed with the internal auditors, Menzies LLP, to confirm the ongoing operation of controls around summary reports in October 2026 so that the Committee receives independent assurance that controls around issuing these reports have become embedded. The Regulator of Social Housing has been advised of this breach.

Ocean Housing Limited

"In conclusion, the Chief Executive Officer has assessed the effectiveness of the internal controls in place during 2025/26, reporting to the Audit, Risk and Assurance Committee on 29 July 2026. Following consideration of the Chief Executive Officers report and receiving appropriate assurance from the Chief Executive Officer the Executive Team, the Audit & Risk Assurance Committee, through its Chair, provided assurance to the Board on 16 September 2026 on the effectiveness of the internal control's framework. In the isolated instances of breaches of standards, these have been thoroughly investigated, found to have had no detriment on the health, safety and well-being of tenants, reported to the Regulator of Social Housing and remedied quickly to restore compliance. There have been no significant control weaknesses or breakdowns in internal controls resulting in material losses, contingencies or uncertainties that would require disclosure in the financial statements during the year."

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



Andrea Smith

Chair

Date: 16 September 2026

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 2026 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 of the state of the association's affairs as at 31 March 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- 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's 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, risk and assurance 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.

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.

Ocean Housing Limited

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 16, 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
25 September 2026

Ocean Housing Limited

Income and expenditure account and statement of comprehensive income for the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Turnover	2a	31,011	34,831
Operating costs	2a	(22,522)	(27,441)
Gain on disposal of tangible fixed assets	3	6,072	3,830
Operating surplus	2a	14,561	11,220
Interest receivable and other income	4	511	1,017
Interest payable and similar charges	5	(4,776)	(5,386)
Net finance cost on pension fund liabilities	5	(38)	(55)
Gift aid receivable		-	-
Surplus on ordinary activities before taxation		10,258	6,796
Taxation	7	(38)	(51)
Surplus for the year		10,220	6,745
Remeasurement of the net defined benefit liability	15e	39	213
Total comprehensive Income for the year		10,259	6,958

The accompanying notes on pages 28 to 54 form an integral part of the financial information.

These financial statements were approved by the Board on 16th September 2026 and signed on its behalf by:



Chair
Andrea Smith



Director
Karen Littler



Secretary
Asantewaa Brenya

Ocean Housing Limited

Statement of Changes in Equity for the year ended 31 March 2026

	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

	Revenue Reserve	Total Equity
	£'000	£'000
Balance at 1 April 2025	71,566	71,566
Surplus for the year	10,220	10,220
Other Comprehensive Income	39	39
Balance at 31 March 2026	81,825	81,825

The accompanying notes on pages 28 to 54 form an integral part of the financial information.

Ocean Housing Limited

Statement of Financial Position as at 31 March 2026

	Note	2026 £'000	2025 £'000
Fixed assets			
Housing properties at cost less depreciation	8a	253,561	244,225
Total housing properties	8a	253,561	244,225
Other tangible fixed assets	8b	3,663	3,900
Total fixed assets		257,224	248,125
Current assets			
Debtors (including £1.5m (2025: £6.3m) due in more than one year)	9	5,026	8,663
Stock	10	114	1,311
Cash at bank and in hand		5,214	7,063
Total current assets		10,354	17,037
Current liabilities			
Creditors: amounts falling due within one year	11	(8,668)	(5,195)
Net current assets		1,686	11,842
Total assets less current liabilities		258,910	259,967
Creditors: amounts falling due after more than one year	12	(175,225)	(186,117)
Pension liability	15a	(481)	(784)
Other Provisions	25	(1,379)	(1,500)
Total Net assets		81,825	71,566
Represented by:			
Capital and reserves			
Reserves including pension liability		81,825	71,566
Total Capital and reserves		81,825	71,566

The accompanying notes on pages 28 to 54 form an integral part of the financial information.

These financial statements were approved by the Board on 16 September 2026 and signed on its behalf by:



Chair
Andrea Smith



Director
Karen Littler



Secretary
Asantewaa Brenya

Ocean Housing Limited

Cash flow statement for the year to 31 March 2026

	Year ended 31 March 2026	Year ended 31 March 2025
	£'000	£'000
Cash flows from operating activities		
Surplus for the year	10,259	6,958
Adjustments for:		
Depreciation, amortisation and impairment	4,924	4,836
Gain on Disposal of Assets	(6,072)	(3,830)
Interest receivable and similar income	(511)	(1,017)
Interest payable and similar charges	4,754	5,424
Deferred government grant	(671)	(661)
Taxation	(38)	(51)
(Increase)/Decrease in trade and other debtors	(1,163)	1,422
Decrease in stocks	1,197	245
Increase/(Decrease) in trade and other creditors	1,744	(555)
(Decrease)/Increase in provisions and employee benefits	(303)	989
Tax paid	-	-
Net cash from operating activities	14,120	13,760
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	8,185	5,017
Interest received	511	1,017
Acquisition of tangible fixed assets	(15,738)	(15,157)
Proceeds from the receipt of government grants	4,067	1,124
Amounts forwarded to a subsidiary	4,800	2,950
Capitalised development expenditure	(252)	(283)
Net cash from investing activities	1,573	(5,332)
Cash flows from financing activities		
Proceeds from new loan	(46)	1,000
Interest paid	(4,875)	(5,666)
Repayment of borrowings	(12,621)	-
Net cash from financing activities	(17,542)	(4,666)
Net (decrease)/increase in cash and cash equivalents	(1,849)	3,762
Cash and cash equivalents brought forward.	7,063	3,301
Cash and cash equivalents at 31 March 2026	5,214	7,063

The accompanying notes on pages 28 to 54 form an integral part of the financial information.

Ocean Housing Limited

Notes to the financial statements for the year to 31 March 2026

1 Accounting policies

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

At 31 March 2026, the parent undertaking was Ocean Housing Group Limited and includes the Society 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 Society 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 10th June 2026 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

Accounting policies (continued)

The Board, after reviewing the Group and Association budgets for 2026/27 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 £44.2 million (2025: £51.4 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.

Subsequent to the reporting date of 31 March 2026, on 1 April 2026, the Group completed a restructuring of its legal and governance structure following a strategic review undertaken in Autumn 2025. As part of this restructuring, the activities and assets of Ocean Housing Group Limited were transferred to Ocean Housing Limited. Following this transaction, Ocean Housing Limited became the ultimate parent entity of the Group, with Gilbert and Goode Limited as its wholly owned subsidiary.

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 Society assesses at each reporting date whether tangible fixed assets are impaired. As at 31 March 2026, 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
Housing Stock fabric	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 Society 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 2026, interest has been capitalised at an average rate of 4.5% (2025: 4.5%) 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 Society 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 Society 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 Society'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 Society 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 Society's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Society 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 Society 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 Society 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 Society enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Society treats the guarantee contract as a contingent liability until such time as it becomes probable that the Society 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)
	2026 £'000	2026 £'000	2026 £'000	2025 £'000
Social housing lettings	27,660	(20,092)	7,568	5,737
Supporting people contract income	-	-	-	(13)
Other activities	878	(790)	88	92
First tranche shared ownership sales	2,473	(1,640)	833	1,574
Sub Total	31,011	(22,522)	8,489	7,390
Asset Sales				
Net surplus on the sale of assets	-	6,072	6,072	3,830
Total	31,011	(16,450)	14,561	11,220
(b) Income and expenditure from social housing lettings				
	2026 £'000	2026 £'000	2026 £'000	2025 £'000
Income from lettings	General Housing	Shared Ownership	Total	Total
Rent receivable net of identifiable service charges	24,439	609	25,048	24,478
Service charge income	1,874	67	1,941	1,837
Grant amortisation	584	87	671	661
Turnover from social housing lettings	26,897	763	27,660	26,976
Expenditure on lettings				
Management	(5,178)	(20)	(5,198)	(4,463)
Services	(1,567)	(2)	(1,569)	(1,429)
Routine maintenance	(4,257)	-	(4,257)	(3,832)
Planned maintenance	(4,061)	-	(4,061)	(4,499)
Major repairs expenditure	(255)	-	(255)	(2,375)
Bad debts	(148)	(5)	(153)	(133)
Depreciation of housing properties	(4,534)	(65)	(4,599)	(4,508)
Operating costs on social housing lettings	(20,000)	(92)	(20,092)	(21,239)
Operating surplus on social housing lettings	6,897	671	7,568	5,737
Void losses	248	-	248	135

Ocean Housing Limited

3 Property and land disposals

	2026 £'000	2025 £'000
Proceeds of Right to Buy and other property sales	8,185	5,017
Depreciation charged on Right to Buy and other properties sold	1,003	512
Book value of Right to Buy and other properties sold	(2,394)	(1,354)
Cost of sales of Right to Buy and other properties sold	(722)	(240)
Refund payable to Cornwall Council of proceeds from Right to Buy sales	-	(105)
Surplus attributable to Society	6,072	3,830

During the year the Society sold 6 (2025: 2) homes under Right to Buy legislation and none under the Right to Acquire (2025: nil). There were no occurrences of the staircasing of shared ownership property units to 100% (2025: nil) and 66 general disposals (2025: 36).

4 Interest receivable and similar income

	2026 £'000	2025 £'000
Interest receivable from cash deposits and investments	53	35
Other interest receivable	458	982
Total	511	1,017

Interest receivable and similar income includes income from group undertakings of £ 458,000 (2025: £982,000).

5 Interest payable and similar charges

	2026 £'000	2025 £'000
Interest payable on long term loans	4,722	5,337
Lender's fees paid	199	290
Fair Value Adjustment on Borrowings	-	-
Less interest capitalised in respect of development schemes	(145)	(241)
Sub Total	4,776	5,386
Net finance cost on pension fund liabilities (note 15d)	38	55
Total	4,814	5,441

The average interest rate used for calculating the capitalised interest in respect of development schemes for the year was 4.5% (2025: 4.5%).

Ocean Housing Limited

6 Surplus on ordinary activities before taxation

	2026 £'000	2025 £'000
The surplus on ordinary activities before taxation is stated after charging:		
Depreciation on dwellings including impairment	4,599	4,508
Depreciation on other tangible fixed assets	335	328
External auditor's remuneration in their capacity as auditor	71	69
External auditor's remuneration in respect of other services	15	12
Operating lease rentals (Plant & Machinery)	69	54
Operating lease rentals (Other assets)	347	361
Abortive development costs	-	10

7 Taxation

	2026 £'000	2025 £'000
UK corporation tax charge /(credit)	-	-
Current tax on income for the year	38	51
Current tax on income for prior year	-	-
Tax charge on ordinary activities	38	51

Factors affecting the tax charge for the current year

The current tax charge for the year for the Society is lower (2025: lower) than the standard rate of corporation tax in the UK of 25% (2025: 25%). The reconciliation between current taxation and deferred taxation is below:

Reconciliation of effective tax rate	2026 £'000	2025 £'000
Surplus for the year	10,220	6,745
Total tax expense	38	51
Surplus excluding tax	10,258	6,796
Current tax: 25% (2025: 25%)	2,564	1,699
Non taxable income	(2,526)	(1,648)
Expenses not deductible for tax purposes	-	-
Group relief claimed	-	-
Deferred tax not recognised	-	-
Other	-	-
Adjustments to tax charge in respect of previous periods	-	-
Total current tax charge (see above)	38	51

The UK deferred tax asset / (liability) as at 31 March 2026 has been calculated at 25% (2025: 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 1 April 2025	277,563	8,206	10,317	8,112	304,198
Completions	7,685	(7,685)	7,636	(7,636)	-
Additions	782	5,616	-	4,289	10,688
Component additions	4,638	-	-	-	4,638
Disposals	(2,393)	-	-	-	(2,393)
At 31 March 2026	288,275	6,138	17,953	4,765	317,131
Depreciation					
Brought forward at 1 April 2025	(59,837)	-	(136)	-	(59,973)
Charge for the year (Note 6)	(4,534)	-	(65)	-	(4,599)
Written out through property disposals	1,002	-	-	-	1,002
At 31 March 2026	(63,369)	-	(201)	-	(63,570)
Net book value at 31 March 2025	217,725	8,206	10,181	8,112	244,225
Net book value at 31 March 2026	224,906	6,138	17,752	4,765	253,561

In the year revenue expenditure on existing properties was £8,573,000 (2025: £10,706,000) and capital expenditure was £4,638,000 (2025: £4,326,000) of which £2,186,000 (2025: £1,994,000) related to kitchen, bathroom or heating system replacements.

Additions to housing properties include capitalised interest of £145,000 (2025: £241,000) for the year (cumulative total of £4,826,000).

Ocean Housing Limited

8 Tangible fixed assets (continued)

Recycled Capital Grant	2026 £'000	2025 £'000
Balance as at 1 April 2025	283	291
Grants recycled	(271)	-
Interest accrued	5	12
New development schemes	-	(20)
Balance as at 31 March 2026	17	283

The number of rented properties in management at 31 March 2026 was 4,220 (2025: 4,280). 3,536 (2025: 3,592) properties carried a fixed charge at 31 March 2026. Of these properties, 2,760 (2025: 2,817) are valued using Existing Use Value Social Housing (EUV-SH), and 776 (2025: 775) using Market Value Subject To Tenancy (MV-STT). As at 31 March 2026 there were 684 rented properties unencumbered (2025: 688).

The number of shared ownership properties at 31 March 2026 was 143 (2025: 134). 8 (2025: 8) of these dwellings are in charge as at 31 March 2026.

The sum of the latest independent valuations of Ocean Housing Limited's housing properties as at 31 March 2026 as extracted from the group asset register is £222,000,000 (2025: £225,000,000), excluding the 684 (2025: 688) unencumbered properties which are not valued. This valuation arises from the various professional valuations undertaken by Savills (L&P) Limited 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 2025	3,193	189	129	3,401	6,912
Additions	-	-	65	33	98
At 31 March 2026	3,193	189	194	3,434	7,010
Depreciation					
As at 1 April 2025	(894)	(171)	(109)	(1,838)	(3,012)
Charge for the year (Note 6)	(42)	(4)	(10)	(279)	(335)
At 31 March 2026	(936)	(175)	(119)	(2,117)	(3,347)
Net book value at 31 March 2025	2,299	18	20	1,563	3,900
Net book value at 31 March 2026	2,257	14	75	1,317	3,663

Ocean Housing Limited

9 Debtors

Amounts falling due within one year:	2026 £'000	2025 £'000
Rent and service charge arrears	758	680
Less provision for bad debts	(291)	(291)
Net rent and service charge arrears	467	389
Prepayments and accrued income	679	366
Amounts owing from other group subsidiaries	2,334	1,550
Other debtors	46	58
Total	3,526	2,363
Amounts falling due in more than one year:		
Other Debtors	1,500	6,300
Total	5,026	8,663

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

	2026 £'000	2025 £'000
Completed properties available for sale	42	1,156
Van Stocks	72	155
Total	114	1,311

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 Society's vehicles.

Ocean Housing Limited

11 Creditors: amounts falling due within one year

	2026 £'000	2025 £'000
Trade creditors	881	664
Rent and service charge prepayments	1,115	1,094
Taxation and social security	218	199
VAT	23	31
Amounts due under Right to Buy sharing agreement	377	105
Interest	774	752
Amounts owing to other group subsidiaries	911	138
Corporation tax	38	51
Other Creditors	33	20
Grant Creditor	775	671
Loans repayable within one year	1,667	-
Accruals and deferred income	1,856	1,470
Total	8,668	5,195

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

As at 31 March 2026 Ocean Housing Limited has approved and secured loan facilities from 3 counterparties. The total facilities are presented below,

- Santander Revolving Credit facility - £40 million (2025: £40 million)
- MetLife Note Purchase Agreement - £70 million (2025: £70 million)
- M&G Note Purchase Agreement - £48.3 million (2025: £50 million)

As at 31 March 2026 the drawn debt was as follows,

- Santander Revolving Credit facility - £1 million (2025: £12 million)
- MetLife Note Purchase Agreement - £70 million (2025: £70 million)
- M&G Note Purchase Agreement - £48.3 million (2025: £50 million)

The Society has undrawn committed borrowing facilities at 31 March 2026 of £39 million (2025: £28 million).

The weighted average fixed interest rate as at 31 March 2026 was 3.67% (2025: 3.68%). Combined the average interest rate for the year was 3.68% (2025: 3.93%).

The 2 note purchase agreements have fixed payment profiles as shown below.

- MetLife - 2 equal bullet repayments of £35 million on 18 November 2050 and £35 million on 18 November 2060.
- M&G - 30 equal annual repayments of £1.667 million commencing on 1 April 2025 and ending on 1 April 2054.

The revolving credit facility with Santander terminates on 18 July 2029, with all debt to be repaid at that date.

Creditors greater than one year	2026 £'000	2025 £'000
Loans outstanding	117,666	132,000
Deferred financing costs	(594)	(640)
Grant Creditor	58,153	54,757
Total	175,225	186,117
Maturity of debt		
Repayable in greater than one year but less than five years	9,333	20,333
Repayable In more than five years	108,333	111,667
Total	117,666	132,000
Interest rate profile		
Floating rate	1,000	12,000
Fixed rate	116,666	120,000
Total	117,666	132,000

Ocean Housing Limited

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

Deferred Financing Costs	2026 £'000	2025 £'000
Brought forward at 1 st April	640	601
Loan arrangement fees paid during the year	-	160
Charged to the Income & Expenditure account	(47)	(121)
Carried forward at 31st March	593	640
Grant Creditor	2026 £'000	2025 £'000
Brought forward at 1 April	55,428	55,136
Grants received in the year	4,171	953
Grant amortised to the Income & Expenditure account during the year	(671)	(661)
Total Grants held	58,928	55,428
Total held in Creditors: amounts falling due within one year (Note 11)	(775)	(671)
Total held in Creditors: amounts falling due after more than one year	58,153	54,757

The total value of grant held as at 31 March 2026 was £67,422,000 (2025: £63,250,000). £58,153,000 (2025: £54,757,000) is held in creditors: amounts due after more than one year, £8,494,000 (2025: £7,822,000) in reserves and £775,000 (2025: £671,000) in creditors amounts due within one year. During the year, £671,000 (2025: £661,000) was amortised through the income and expenditure account.

Ocean Housing Limited

13 Employee information

(a) Number of employees:

	2026	2025
Office staff	86	78
Maintenance staff	70	59
Support Officers. Caretakers and cleaners	10	11
Average total full-time and part-time employees employed during the year	166	148
Average number of full-time equivalents employed during the year	143	142

(b) Staff costs for the above employees:

	2026 £'000	2025 £'000
Wages and salaries	5,482	5,340
Social security costs	646	491
Pension costs (see note 15)	180	217
Total	6,308	6,048

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

	2026 Number	2025 Number
£60,000-£70,000	2	2
£70,001-£80,000	2	2
£80,001-£90,000	-	1
£90,001-£100,000	1	-
£100,001-£140,000	-	1
£140,001-£150,000	1	-
£150,001-£160,000	-	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 Society during the year was as follows:

(a) Aggregate payments made to Executive Officers and Board Members	2026 £'000	2025 £'000
Emoluments - Board Members	35	30
Emoluments - Executive Officers	197	156
Social Security - Executive Officers	16	12
Pensions - Executive Officers	8	11
Total	256	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	2026 £'000	2025 £'000
Mrs F Turner	143	6	149	167
Total	143	6	149	167

Retirement benefits accrue for one Executive Director who is an ordinary member of the Society'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 Society makes a contribution. The Directors' defined contribution scheme payment represents 8% of salary and is matched by the Society.

Some members of the Executive Group are paid through Ocean Housing Group Limited, the Society's parent company as at 31st March 2026. 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 Society 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 Society 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 liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 inclusive. The liabilities are compared, at the relevant accounting date, with the Society's fair share of the Scheme's total assets to calculate the Society's net deficit or surplus.

Subsequent to the reporting date of 31 March 2026, on 1 April 2026, the Ocean Group completed a restructuring of its legal and governance structure following a strategic review undertaken in Autumn 2025. As part of this restructuring, the activities and assets of Ocean Housing Group Limited were transferred to Ocean Housing Limited. Following this transaction, Ocean Housing Limited became the ultimate parent entity of the Group, with Gilbert and Goode Limited as its wholly owned subsidiary.

As part of this restructure, Ocean Housing Limited entered into a Pension Apportionment Agreement with the pension trustees to accept the transfer of the pension liabilities from Ocean Housing Group Limited with effect from 1 April 2026.

15 a. Present values of provision for the period 31 March 2026

	2026 £'000	2025 £'000
Fair value of plan assets (Note 15c)	5,955	5,638
Present value of defined benefit obligation (Note 15b)	6,436	(6,422)
Defined benefit liability to be recognised	(481)	(784)

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

	2026 £'000	2025 £'000
Defined benefit obligation at start of period	6,422	6,960
Expenses	12	9
Interest expense	375	339
Actuarial (gains)/losses due to scheme experience	(131)	366
Actuarial losses/(gains) due to changes in demographic assumptions	51	-
Actuarial (gains) due to changes in financial assumptions	(101)	(1,112)
Benefits paid and expenses	(192)	(140)
Defined benefit obligation at end of period	6,436	6,422

Ocean Housing Limited

15 Pensions (continued)

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

	2026 £'000	2025 £'000
Fair value of plan assets at start of period	5,638	5,665
Interest income	337	284
Experience on plan assets (excl. amounts included in interest income) – (loss)	(142)	(533)
Employer contributions	314	362
Benefits paid and expenses	(192)	(140)
Fair value of plan assets at end of period	5,955	5,638

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2026 was £195,000 (2025: £249,000).

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

	2026 £'000	2025 £'000
Expenses	12	9
Net interest expense	38	55
Defined benefit costs recognised in statement of comprehensive income (SoCI)	50	64

15 e. Defined benefit costs recognised in Other Comprehensive Income

	2026 £'000	2025 £'000
Experience on plan assets (excluding amounts included in net interest cost) – (loss)	(142)	(533)
Experience gains and losses arising on the plan liabilities – (loss)/gain	131	(366)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	(51)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	101	1,112
Total amount recognised in other comprehensive income – gain/(loss)	39	213

Ocean Housing Limited

15 Pensions (continued)

15 f. Assets

	2026 £'000	2025 £'000
Global Equity	660	632
Liquid alternatives	1,060	1,045
Insurance-Linked Securities	9	17
Property	291	282
Infrastructure	-	1
Private Equity	13	5
Real assets	561	675
Private credit	719	690
Credit	237	216
Investment grade credit	350	174
Cash	1	77
Long Lease Property	-	2
Secured Income	181	94
Liability Driven Investment	1,815	1,707
Currency hedging	-	9
Net Current Assets	58	12
Total assets	5,955	5,638

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

	2026 % per annum	2025 % per annum
Discount Rate	6.22	5.92
Inflation (RPI)	3.27	3.05
Inflation (CPI)	3.04	2.80
Salary Growth	4.04	3.80
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 2026 imply the following life expectancies:

	2026 Life expectancy at age 65 (Years)	2025 Life expectancy at age 65 (Years)
Male retiring in 2026	20.9	20.5
Female retiring in 2026	23.2	23.0
Male retiring in 2046	22.2	21.7
Female retiring in 2046	24.6	24.5

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 late 2026 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 Limited v NTL Pension Trustees II Limited and others, and that in July 2025 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 2026. 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 Society

Subscribing members of the Society are required to contribute £1 in the event of a winding up. Members are entitled to vote at General Meetings of the Society 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.

At 31 March 2026, the parent undertaking was 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

	2026 £'000	2025 £'000
Capital expenditure that has been contracted for but not provided for in the financial statements	25,409	9,257
Funded By:		
Grant	-	-
Reserves	9,802	5,105
Loans	15,606	4,152
Total	25,409	9,257

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:

	2026 Plant & Machinery £000	2026 Other Assets £000	2026 Total £000	2025 Plant & Machinery £000	2025 Other Assets £000	2025 Total £000
Operating leases and contract hire arrangements which expire:						
Less than one year	57	232	289	57	229	286
In the second to fifth years inclusive	102	189	291	150	101	251
After more than five years	9	-	9	15	-	15
Total	168	421	589	222	330	552

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

At 31 March 2026, the Society was a wholly owned subsidiary undertaking of Ocean Housing Group Limited, a company registered in England and Wales. Ocean Housing Group Limited was the ultimate parent undertaking and the smallest and largest group in which the results of the Company were consolidated. The consolidated financial statements of Ocean Housing Group Limited were available from Stennack House, Stennack Road, St Austell, Cornwall, PL25 3SW.

As disclosed in Note 26, on 1 April 2026, following a group reorganisation, the share capital of the Society was transferred from Ocean Housing Group Limited to Ocean Housing Limited. From that date, Ocean Housing Limited became the immediate and ultimate parent undertaking of the Society.

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 Society'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.

Ocean Housing Limited

Pension scheme

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

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

There are no critical judgements applied.

23 Transactions with non-regulated group companies

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

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Inter-Company trading		
Gilbert and Goode Limited	5,212	3,820
Total	5,212	3,820

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

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Inter-Company trading		
Gilbert and Goode Limited	30	44
Total	30	44

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

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Inter-Company trading		
Gilbert and Goode Limited	286	935
Total	286	935

24 Reconciliation of debt

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Debt		
Opening balance of net debt	131,360	130,399
Loan received during the year	-	1,000
Loan pay back during the year	(12,667)	-
Movement in deferred loan fees	46	(39)
Closing balance of debt	118,739	131,360

Ocean Housing Limited

25 Other provisions

Provisions	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Opening provisions	1,500	-
Utilised in the year	(121)	
Additions in the year	-	1,500
Closing balance of provisions	1,379	1,500

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

26 Post Balance Sheet Event

Subsequent to the reporting date of 31 March 2026, on 1 April 2026, the Group completed a restructuring of its legal and governance structure following a strategic review undertaken in Autumn 2025.

As part of this restructuring, the activities, assets and liabilities of Ocean Housing Group Limited were transferred to Ocean Housing Limited. Following this transaction, Ocean Housing Limited became the ultimate parent entity of the Group, with Gilbert and Goode Limited as its wholly owned subsidiary.

The purpose of the restructuring is to simplify the Group's legal structure and establish a clearer and more effective governance framework, enhancing transparency and strengthening accountability at Board level. This forms part of a wider Governance Improvement Plan being developed in response to the recent regulatory governance downgrade.

As the transaction represents a reorganisation of entities under common control, it is accounted for as a group reconstruction using merger accounting in accordance with Section 19 of FRS 102.

The Directors have assessed the impact of the restructuring on the Group's financing arrangements and confirm that it has no material impact on compliance with lender covenants.