Annual Report and Consolidated Financial Statements

for the year ended 31 March 2025

WestKent

Places to live. Space to grow.

Contents

Who we are

Our vision

We provide great places to live and space for people to grow.

Our purpose

To create in Kent a prosperous, strong and sustainable society; a place of opportunity for all, where people can plan for their futures.

West Kent is a vibrant, community-based organisation providing much needed affordable homes and services to people living in the towns and villages throughout Kent.

We believe that a good home is a foundation for getting on in life; our core purpose is to help the many people for whom a good home (to rent or buy) is too expensive.

We understand the positive impact of investing in our communities and work alongside residents and partners to tackle inequalities, increase opportunities and promote wellbeing.

Our founding ambition from 1989 has arguably never been so important as we see widespread coverage of the national housing crisis, and how the new Labour Government begins to shape policies to deliver their aspiration of 1.5 million homes and reverse the decline in social and affordable housing and rise in homelessness.

Our culture

We want our customers to have a positive experience regardless of who they are, where they live or how and when they choose to interact with us.

Everyone at West Kent needs to have ownership and responsibility of this, from the language we use to the way we work with and deliver services to our customers.

To achieve this, we will have a culture of inclusivity and curiosity that values difference, where people feel respected, included and heard and where prejudice and discrimination are recognised and addressed.

Our values guide our employees to make sound decisions for the business and be responsive to all our stakeholders.

It's important that we		
Deliver on our promises doing what we say, when we say we'll do it	**Show flexibility** doing the right thing so you get the right result	
We are helped by our		
Honesty saying and doing the right thing, even when it's hard	**Integrity** letting your moral compass keep you on the right track	**Self-awareness** knowing yourself and the impact you have
We can improve through		
Learning improving by exploring what's there beyond what you know	**Compassion** putting yourself in the other person's place	**Working hard and having fun** choosing to enjoy the people and the job

Highlights

Consolidated Financial Statements for the year ended 31 March 2025

Increased homes in management to
8,735
(2024: 8,516)

Operating social housing margin
28%

47m
Invested in homes

180
New homes delivered

Regulatory Grading
G1/V2

Delivered
3.3
homes into management every week

Started
13.3
tenancies every week

83.3%
Responsive repairs completed on time

Achieved
99% occupancy

Achieved arrears
3.53%

Average rent for General Needs
£137.19
(52 weeks)

Voids turnaround at
30 days

£170m
loans available for future drawdown

Gearing **42%**

Interest cover
179%

Staff satisfaction
74%

311
New homes in construction or in contract

Customer satisfaction on move in
4.16 out of 5

Highlights from 2024/25 include:

- Maintaining customer satisfaction feedback measuring; repairs, anti-social behaviour, making a complaint, calling our customer services team, moving into a home and buying a shared ownership home. Our overall satisfaction score for 2024/25 was 4.27 out of 5.
- Reducing the level of arrears; we are seeing a reduction with 3.53% at the end of March against our target of 3.0%. This continues to be higher than the sector average, but we are now seeing a downward trend.
- Maintaining repairs satisfaction; with 4.51 for the year to March against the target 4.5 out of 5. Maintaining building safety compliance performance and a proactive response to damp and mould cases.
- Maintaining an improved re-let performance; an average of 30 days for the year against our 40-day target; improving the void loss by £119k for the year against target and maintaining the improved quality of the homes we re-let (with satisfaction levels of 4 out of 5).
- Delivering on our Kent Excellent Homes For All contract Key Performance Indicators (KPIs).
- Supporting 3,043 people with our communities work including: 947 support interventions to help sustain tenancies, delivering financial inclusion, employment and training support or access to the hardship fund, creating added value of £392k for our residents.
- Increasing our homes in management by 180 new builds, exceeding our target of 134 homes, achieving £8m through the sale of 69 shared ownership homes.
- Welcoming 77 new households through the successfully managed stock acquisition from L&Q.
- Improving outcomes for our residents through our new approach to managing complex cases. We've successfully managed to reduce the number of refusals for Decent Homes works, achieved quicker timescales for decants, and supported 66 residents to move to more suitable homes.
- Successfully recovering eight homes suspected of illegal subletting.

Foreword

Over the last year we have been sharing a range of stories to celebrate 35 years of West Kent. We've heard from our residents and shared owners, about what living in a West Kent home means for them, as well as from colleagues and Board Members on how their work makes a difference.

We are enormously proud of the organisation we have become, but we are not complacent. For West Kent 2024/25 was a year of delivering improved outcomes for our customers.

Overall satisfaction with our services continued to remain high scoring 4.27 out of 5, and scores on Tenant Satisfaction Measures were broadly maintained (ranking mostly at mid-quartile compared nationally for rental accommodation and upper quartile for home ownership). Throughout the year we delivered on our landlord responsibilities, ensuring our homes remain safe and meet the Decent Homes Standard. Good progress was made to achieve the SAP30 sustainability standard by 2030 with 93% of our homes now at Energy Performance Certificate (EPC) C or above. We continue to have no pressing building safety issues to report.

The Board was particularly keen to see improved complaints performance this year. Using a combination of customer feedback on services received, Tenant Satisfaction Measures feedback and themes from complaints we have been adapting and improving our services.

Overall, we have seen a reduction in complaints, with 487 closed in 2024/25 compared to 542 the previous year. We also received 568 compliments. We received 17 determinations from the Housing Ombudsman. The themes for complaints continue to be time taken for repair, poor communication, and dissatisfaction with communal areas. These will be a focus for improvement in the coming year.

Following investment in our systems we are now able to use data about our properties and who lives in our homes, combined with customer insight, to make changes to how we deliver services. Successful initiatives include tackling illegal sub-letting and we have recovered eight homes this year. We also proactively identified households where residents were struggling to live well in the home, this resulted in us supporting 66 residents to move to more suitable homes. Further planned initiatives such as improving our online service offer and mobile working for colleagues are largely dependent on future software enhancements by the supplier, which have taken longer than expected.

Improved cross-team working has also delivered efficiencies. We have significantly improved the management of vacant properties, consistently improving the quality of the homes at re-let, reducing the time to let to 30 days by the end of the year and reducing £119k in rent loss compared to target. We have introduced a process to manage complex cases, which has resulted in shorter timescales to complete decants necessary to complete major works such as tackling damp and mould, allowing residents to quickly return to their homes. We are also making improvements to how we book, plan and track a responsive repair.

During the year we changed the way we measure our repairs performance to enable us to identify the actual time taken to complete a repair, to include where residents change a pre-agreed time, or where a follow-on repair is required. Using this measure, performance of repairs completed within 21 calendar days fell to an average of 82% (below our target of achieving 98%).

We were pleased to exceed our new homes target delivering 180 homes across 10 schemes over the year. All the homes were affordable (delivering 1% social rent, 59% Affordable Rent Tenure (ART) and 40% shared ownership) and to a high standard with an average of 1.3 snags per property (at the time of occupation), and customer satisfaction with new home was 4.94 out of 5 for 2024/25. We were also pleased to welcome the residents of 77 new homes to West Kent following a stock transfer from London and Quadrant Group (L&Q) during the year.

We exceeded our sales targets achieving an average of 35% first tranche sales. We ended the year with 16 unsold homes, of which all but one were under offer at the end of the financial year. There were no homes unsold for more than six months at year end.

We ended the year with 6,599 homes at EPC C or above, 372 homes more than the previous year. Following our success during the year in achieving Warm Homes Wave 3 grant funding, we expect to deliver our planned programme of EPC C conversions by 2030 by which point we will have 7,228 homes at EPC C or above.

We continue to have a healthy pipeline for new build developments and secured £30m new funds in support of our land-led development at Woodland Place, (Allington) and the regeneration of an existing block of outdated, temporary accommodation at Heath Close in Swanley. Together with refinancing £155m and managing our loan deals we end the year with 91% of our drawn loans fixed, achieving a Weighted Average Cost of Capital (WACC) of 4.6% as at March 2025. We start 2025/26 with £170m of undrawn loans available to us for planned future investment.

We have mitigated a number of financial risks during the year. Our exit from the Kent Pension Fund Local Government Pension Scheme (LGPS), following a staff consultation during the year, has removed a significant future liability from our 30-year business plan. Continuation of our hedging strategy on new and extended loans during the year has enabled us to secure fixed rate borrowing at interest rates that are affordable to us, maintaining a WACC below 5%. These mitigations are seen as exceptional movements in our 2024/25 financial statements; as such we have presented our results and KPIs as both including and excluding these activities.

During 2024/25 we started our Excellent Services Programme (a key objective of our 2025–2030 Corporate Strategy). This programme is key to delivering on our Strategic Plan aim: we want our customers to have a positive experience regardless of who they are, where they live or how and when they choose to interact with us. We also continued to invest in our staff through apprenticeships, and Chartered Institute of Housing (CIH) and other professional training, to support the quality, consistency and resilience of our service provision.

We would like to thank our staff for their hard work and commitment. Their resilience and dedication have ensured that we continued to provide high-quality services to our residents particularly in the face of the ongoing challenges in the housing sector and the economic uncertainty we are currently operating in.

The report that follows sets out our good progress against our strategic objectives and the investment we have made into new and existing homes; demonstrating how, despite tough economic circumstances we continue to invest and improve to deliver for our residents and communities.

Piers White

Chair, Board of Management, West Kent

Tracy Allison

Chief Executive, West Kent

Our strategic objectives:

The Strategic Plan has the following four strategic objectives:

Excellent services:
We want to continue to deliver excellent services in a friendly, solution-focused way.

Successful communities:
We want to provide homes and build communities residents are proud to live in, with better support to sustain a successful tenancy and manage life changes.

Grow and re-shape:
We want to increase our homes in management to 10,000 and to re-shape our property portfolio to better meet the current and future local needs across Kent and Medway.

Best in Kent:
We want to be known as one of the best social housing providers in Kent.

In the sections that follow we report on our progress against these Strategic Pillars during 2024/25 and our plans for 2025/26.

In December 2024 the Board approved our Strategic Plan to 2030, which was supported by a three-year plan and the annual plan for 2025/26.

Strategic Report

Performance Overview 2024/25

Excellent services

We want to continue to deliver excellent services in a friendly, solution-focused way.

Our performance:

Our Rant and Rave customer satisfaction scores show our 2024/25 performance as:

- Overall satisfaction with our service 4.27 out of 5 (2024: 4.16)
- Satisfaction with repairs service 4.51 out of 5 (2024: 4.53)
- Satisfaction with our complaints service 2.43 out of 5 (2024: 2.38)
- Satisfaction with condition of home at let
  - 4.68 out of 5 (2024: 4.88) new homes
  - 4 out of 5 (2024: 4.01) relets

Our void loss performance has remained strong, in line with the previous year and better than target (£700k):

- Voids loss from resident turnover £581k (2024: £583k).

Although above target, our arrears performance, which has dipped over the last 12 months, has started to show an improvement in the last quarter of 2024/25 (3.59% March 2025 / 4% March 2024):

- Rolling average 12 months' arrears 3.53% (2024: 3.38%).

Highlights:

Complex cases

We understand some residents' needs are more complex than others. As a result, sometimes these complicated circumstances mean we need to change our approach to continue to provide excellent service. We have created a complex case process to help ensure our residents receive a consistent experience.

Over the last year we have resolved over 20 complex cases. These have included hoarding, multiple repairs, safeguarding and access, which mostly involve vulnerable residents either with a mental health condition or the need for support from external agencies such as Social Services. By managing cases in this way, we are able to provide the resident with one point of contact during a difficult time and ensure teams work collaboratively to solve customer issues. We have seen this approach reduce the likelihood of complaints.

Case study: temporary moves

An inspection from our property team identified structural safety issues at a block of flats in Tonbridge, built in 2011, with the balcony and walkways connecting the upper-level properties needing extensive repairs.

This meant that six families required simultaneous temporary moves to ensure the works could be completed. In this instance, the situation was made more difficult due to West Kent having a very limited number of properties in and around Tonbridge to offer the families. We had to consider the diverse needs of the residents: to be near schools, work, childcare, or health care. This meant we needed to develop a plan and manage the decants as a complex case.

All households were moved in time for works to start. The works were tightly managed, with regular updates on the works progress fed back to the customers weekly. We also ensured customers were promptly paid any out-of-pocket expenses, and removals and storage were sorted out for anyone
who needed it. By using our new complex case management approach, the results were:

- All works were completed within six weeks.
- All customers moved back home as soon as repairs were complete.
- Customers felt engaged with and were satisfied with the works.
- No complaints were received.

Strategic Report

Tenancy fraud

Tenancy fraud can deprive someone in genuine need of social housing. Over the last eight months, we've had over 50 allegations of tenancy fraud. Some of these reports have come from staff, but also from residents who believe that their neighbour is committing tenancy fraud. Following our investigations, we've managed to recover eight homes that have now been reallocated to those on the housing register. When an allegation is made, we will investigate by collecting information from our internal systems, our partner agencies and the National Anti-Fraud Network.

Lettings and voids management

Over the last two years we have been very focussed on reducing the time that our properties are empty. This is important for two reasons; we want people who need a home to be rehoused as quickly as possible and also, we need to ensure we are collecting rent for our homes. Our year end performance for the days it takes to let our homes is at 30 days, which is ten days fewer than target.

Rent loss from voids from resident turnover was £581k at year end, £119k better than the annual target. Our rent loss from voids was only 0.94% against all units, against a sector average of 1.7%.

In 2024/25 we said we would:

Complete the implementation of our new housing system and deliver the service improvements to make it easier for our residents to interact with us either online or by phone:

We have implemented the housing management functionality of our new housing management system, and work is progressing in 2025/26 to introduce a customer portal and implement the property functionality in full. Timescales are dependent on future software enhancements by the supplier, which have taken longer than expected. Despite these challenges we have seen improvement in our customer service centre KPIs. In response to customer feedback, we have reset our estate service standards and Neighbourhood Housing Management Policy in consultation with residents.
We have evaluated the proposed customer portal with residents during the year; we plan to roll the portal out with increased functionality over the next 12-18 months once we have considered implications from recent high profile cyber-attacks for our online offer and cybersecurity needs.

Deliver our action plan to ensure compliance with the Regulator of Social Housing's new Consumer Standards and the Housing Ombudsman Complaints Handling Code:

Our action plan has been completed and incorporated into our day-to-day operational activities. We met the requirements of the Housing Ombudsman's Complaints Handling Code, published our first service improvement plan and improved our response times to residents.
Our Excellent Services Improvement Programme has been launched to support our ongoing compliance with consumer standards from a business improvement perspective.

Pilot a way to manage complex cases and improve overall complaints handling and reduce the number of complaints escalating to stage two:

A successful pilot was completed, and this approach is now adopted. There has been a small reduction in complaints escalated to stage two and we are handling complex cases such as decants to improved timescales.

Consult with residents to improve our customer portal, website, and use of online documents to enable more self-service for; rent balance enquiries, to report and book a repair, the updating of tenancy details and general enquiries:

This activity has been re-planned for 2025 – 2027.

Pilot a digital service offer for our shared ownership customers:

We have considered the scope of this and will factor further development into future stages of our Housing at West Kent (HaWK) programme.

Complete options appraisals on those Emerald schemes identified as a priority and begin consultation with residents on how to update our service offer:

We identified the need to reconsider our category 1.5 schemes and in 2025/26 we will reclassify these as either category 1 or category 2 schemes.

In 2025/26 we will:

- Design our portal function to enable residents to book or change a repair online.
- Reduce the number of repeat jobs by 10%, improving the time taken to complete a repair.
- Consult on the services eligible for service charges with residents.
- Increase the number of tenancy checks carried out to 700 per annum.
- Pilot approach to use managed moves to tackle homes with overcrowding and under occupancy.

Successful communities

We want to provide homes and build communities residents are proud to live in, with better support to sustain a successful tenancy and manage life changes.

Our performance:

Our Tenant Satisfaction Measures show the following performance results for 2024/25:

- Satisfaction with communal areas is below the Sector Median (2023/24 benchmark):
  - Residents: 60.6% (2024: 64.4%)
  - Shared Owners: 35.8% (2024: 41.8%)
- Satisfaction with our approach to handling anti-social behaviour is in line with the Sector Median (2023/24 benchmark):
  - Residents: 58.2% (2024: 62.9%)
  - Shared Owners: 44.5% (2024: 38.5%)
- Satisfaction we make a positive contribution to neighbourhoods is in line with the Sector Median (2023/24 benchmark):
  - Residents: 64.4% (2024: 67.7%)
  - Shared Owners: 48.6% (2024: 42.7%)

Highlights:

Estate services

Over the last year, we've been working with residents to find out how we can improve the standard of their estates. We consulted with over 600 residents across Kent by carrying out surveys, community events and door knocking, to get feedback on our current standards. Residents told us what they feel are the most important things and as a result, we have created a new set of estate standards. The standards clearly set out what residents can expect from us. So that we can measure if we are meeting the standards we have introduced a new app for our housing officers to complete when they are carrying out estate inspections to make it easier for them to report issues on estates. We have also developed a Neighbourhood Housing Management policy, which sets out the services and activities we provide, how we will work with residents and local partners, and the responsibilities of residents. This policy was widely consulted with residents including the Resident Scrutiny Panel and via our website. We have trained 54 resident inspectors, to support us in maintaining our estate standards.

Tenancy sustainment

During the year 2024/25, a total of 1,187 support cases were opened to help sustain tenancies, significantly exceeding the annual KPI target of 800 cases supported.

As part of a focused winter plan, we agreed to contact people over 65, on the 'silent' list (those we have not heard from in last 12 months). The tenancy sustainment team called over 150 residents during November and December. They asked a series of questions to identify welfare benefits, fuel efficiency and tenancy sustainment support needs and help identify where residents may need some additional support over the winter period. Residents reported back that they were grateful for a call. The vast majority did not need support however as a result of the calls, 20 residents were referred to our support teams for tenancy support, help with benefits or with their fuel bills.

We continue to focus on supporting our residents through the cost-of-living crisis and over the course of the year, the total number of welfare benefits cases significantly increased from 189 in 2023/24 to 353 in 2024/25. The annual total for fuel efficiency cases increased from 78 in 2023/24 to 92 in 2024/25.

Anti-social behaviour (ASB)

We are committed to supporting our residents who engage in ASB but there are times where robust action is needed to protect victims and the community from serious harm.

Over the last year we have managed to secure two closure orders due to serious ASB. We worked with Kent Police in Ashford to close a flat down that had been involved in the supply of Class A drugs which had made the local residents live in fear. Following the closure order, the resident terminated their tenancy before we took steps to recover the property. We also assisted Kent Police in Swanley obtain a partial closure order in relation to a case where neighbours had reported shouting, arguing and other incidents coming from the property that resulted in police attending regularly.

Domestic abuse

Over the last few years, we have adapted our approach to supporting our residents who are experiencing domestic abuse. Keeping a resident safe in their home is our number one priority and we work with Kent County Council's SAFER scheme to offer security measures in their homes. Our dedicated Community Safety Officers, regularly attend the Multi-Agency Risk Assessment Conference (MARAC) to have a joined-up approach in keeping our residents and their families safe. We are also a member of the Kent Housing Group's Domestic Abuse Reciprocal Agreement, which gives us access to other landlord's homes within Kent to support those experiencing domestic abuse.

In some cases, it is not safe for the survivor to remain in their home, and we have assisted 10 households move to new accommodation to reduce the risk in 2024/25.

Social value

This year we have further developed our approach to social value thoroughly embedding it in our contracts and ensuring that any social value offers are tailored to needs and priorities identified by our residents. Key successes this year include gaining work experience and permanent employment opportunities for residents, the renovation by our contractor of our youth hub and the provision of air fryers to residents in need of affordable cooking facilities. Over 5,000 people benefitted from our social value activities. Benefits to residents include:

- The direct receipt of funding by individuals to support hardship during the cost-of-living crisis.
- Funding of community groups and community activities that support positive engagement, breaking down barriers and improving quality of life such as fun days and activities for older residents tackling loneliness and isolation.
- The direct delivery by our contractors of improvements to neighbourhoods and facilities such as the redecoration of community spaces and additional gardening and planting for our vulnerable residents.

Community development

This year we focused on developing our approach to new communities outside of our core areas within Sevenoaks District to other parts of Kent. We have supported communities in Faversham, Maidstone, Ashford, and Deal, tailoring our approach to meet the needs of each community.

One example is in Willesborough in Ashford, where we supported a community experiencing challenging anti-social behaviour (ASB) issues by creating a positive environment for residents to meet. We created an attractive outdoor space for residents, supported by garden furniture provided through social value. Residents now get together regularly here and in the local café and support each other. The ASB issues have been resolved, and residents tell us that this is now a great place to live.

In 2024/25 we said we would:

Develop our approach for building communities where we build new homes:

We have developed a pilot approach at Oare Lakes in Faversham starting with directly surveying the community to understand their specific priorities and then building a programme of activities and projects to address those priorities starting with a very popular Christmas event. We have engaged with the owner occupier led residents' association to ensure that all projects and activities support the whole community to create a positive environment and ensure communities are integrated and not just of one tenure. We will be taking this learning to our other new build schemes in the future.

Develop a digital inclusion plan for those that want to engage with us digitally but may not have access to broadband or equipment:

We have worked with Compaid to deliver face to face digital skills training with 39 residents, to improve digital literacy. We have a tablet and laptop loaning scheme as part of our employment and training offer, to increase skills, improve job application processes and provide technology for the home. These are sometimes gifted under hardship if the need is identified. We have issued pre-loaded data SIM cards enabling residents to access free data on their current device, enabling them to transact online through apps on their phone.

Pilot a digital service offer for our shared ownership customers:

We have considered the scope of this and will factor further development into future stages of our Housing Management system implementation.

In 2025/26 we will:

- Roll out enhanced tenancy sustainment support to new-lets where needed.
- Improve our cross-team response to cases of ASB reducing the level of the most serious cases.
- Identify strategic partnerships to give residents access to wider support.
- Roll out an estate inspections application for neighbourhood housing officers to use, reducing the amount of time they spend on administration.
- Support the new community at Woodland Place.

Strategic Report

Grow and re-shape

We want to increase our homes in management to 10,000 and to re-shape our property portfolio to better meet the current and future local needs across Kent and Medway.

Our existing properties

Our performance:

- Building safety compliance over 99% for all areas
- Decent Homes compliance 100% (2024: 100%)
- We received 24 disrepair claims of which 4 have been upheld
- Repairs completed on time
  - Emergency (within 24 hours) 96.19% (2024: 97.10%)
  - Urgent 90.30% (within 3 working days) (2024: 95.82%)
  - Routine (within 21 working days) 82.01% (2024: 92.36%)
- 372 homes moved to above EPC C (target of 274), 93% of our properties are now rated EPC C or above.

Highlights:

Over the past year, we've continued to invest in our homes to make sure residents' properties are warm, safe, and well looked after. Working closely across teams and with our residents, we've made good progress on both day-to-day services and longer-term plans.

Warm Homes Grant

One of the key achievements this year was securing funding through the Warm Homes Grant, as part of a wider consortium. This funding will support energy efficiency upgrades to 400 homes by 2030, helping to bring them up to an EPC C rating. These improvements will make a real difference for residents by reducing heating costs, improving comfort, and will contribute to our sustainability goals. Securing this funding is a key part of achieving wider commitment to reducing fuel poverty and delivering homes that are fit for the future.

Bevan Place

At Bevan Place in Swanley, two blocks were refurbished to provide much-needed temporary accommodation, offering good-quality, secure homes for residents in urgent housing need. At the same time, we carried out improvements to other properties on the estate and began shaping long-term regeneration plans for the area. These plans are focused on creating a better place to live in the long term.

Repairs performance

Despite wider challenges in the sector, we maintained strong performance in our repairs service, achieving an average satisfaction score of 4.51 out of 5 from residents. We know how important it is for residents to have repairs dealt with quickly and effectively, and we've focused on improving completing repairs on time, communicating clearly, and learning from feedback when things don't go to plan. During the year we changed the way we measure our repairs performance to enable us to identify the actual time taken to complete a repair, to include where residents change a pre-agreed time, or where a follow-on repair is required. Using this measure, performance of repairs completed within 21 calendar days fell to 82.01% (below our target of achieving 98%).

Building safety compliance

We are proud to have achieved overall compliance with all building safety measures of over 99%, with compliance ranging from 99.3% to 100%. This is a fundamental part of our responsibility as a landlord, achieving this was made possible through strong joint working across our housing and property teams. It's a clear example of how collaborative working delivers results.

Strategic Report

In 2024/25 we said we would:

Reduce properties with EPC D or below to 632 (from 906):

Achieved the target of 632 below EPC C and have a costed plan to achieve all properties to EPC C by 2030.

Replace 323 boilers, 1,360 doors, windows in 81 homes; and complete 153 loft insulations and 99 cavity walls:

We completed 324 boilers, 1,285 doors, 79 homes with windows, 147 loft insulations and 71 cavity walls, with the remaining components, were under target, scheduled for 2025/26.

Develop our pipeline for disposals (which we assume at around ten per annum) and proactively engage with those households identified as high risk that the property is no longer suitable for their needs, working with them to support a move to more suitable accommodation:

Over the past year, we have successfully developed a proactive approach to managing the quality of our homes through our void disposal programme. Where properties are no longer suitable as social housing and are not suitable for long-term investment, we have made the decision to dispose of them and reinvest the proceeds into better quality homes. This approach ensures we continue to provide homes that meet standards and that residents can be proud of.

We have proactively engaged with households identifying properties and determined that their current properties are no longer suitable for their needs. Housing and Development teams have worked closely with these households to support their transition to more suitable accommodation. To date, we have assisted two such moves, ensuring better living conditions for those families.

Begin work to update our Asset Management Strategy reflecting new legislation (Awaab's Law), updated Consumer Standards and emerging energy efficiency standards:

Over the last year we began a detailed review of our asset component data, repair volumes, and assessed likely changes required to meet Awaab's' law. This is helping us shape our planned stock investment needs for the next five, ten and fifteen years.

At the end of this year 100% of our stock meets Decent Homes Standard, 93% of our stock is rated at EPC C or above and we respond to all damp and mould cases on average within 21 days. We believe we are in a strong position to meet evolving legislative requirements.

In 2025/26 we will:

- Reduce Decent Homes access refusals to less than 89.
- Work towards reducing damp and mould recurrence to less than 10% by 2026/27.
- Develop a plan to improve the ratio of responsive repairs to planned maintenance from 50:50 in favour of planned maintenance.

Our new homes

Our performance:

- We built 180 new homes against a target of 148 (2024: 270)
- We achieved £8m from shared ownership sales of 69 homes, with average first tranche sales of 35%, against a target of £7.5m, 71 homes and 32%
- Customer satisfaction of new homes 4.94 out of 5 (2024: 4.88) from Rant and Rave.
- Satisfaction with safety of home from Tenant Satisfaction Measures was:
  - Low-Cost Rental Accommodation (LCRA) 80% (2024: 85.1%)
  - Low-Cost Home Ownership (LCHO) 82.3% (2024: 83.1%)
- We achieved £2.9m from void disposals of nine homes identified as poor performing, which will be used to invest in improving the performance of existing homes.

Highlights:

Woodland Place

We have started on site with our largest ever land-led scheme, a high-quality development of 106 new homes for rent and shared ownership in Allington, near Maidstone, which will be available for rent and sale in 2025/26. Woodland Place embeds investment in the community through contributions to local schools and health facilities, as well as a bespoke community development offer for our new residents.

Project Tyrell

We successfully acquired 77 homes in Tonbridge and Malling from L&Q via stock transfer. Feedback from our new residents has been positive and complimentary of our landlord services, including our speed of response and professionalism in delivery.

Shared ownership homes

We continue to deliver our shared ownership programme, meeting our target timescales and an average 35% share in new homes. We have achieved our 1,000th shared ownership home in management with customer satisfaction in our sales approach at 4.9 out of 5. We have supported a strong and increasing staircasing market exceeding planned income.

Heath Close regeneration

We have commenced our first significant regeneration project at Heath Close in Swanley. This has involved the decanting and subsequent demolition of 18 outdated temporary accommodation flats with shared facilities that no longer meet best practice and will see their replacement with 22 new high-quality homes, 11 for social rent and 11 for shared ownership. These new homes will meet local housing need in an area of existing West Kent density, supporting both our existing residents and a new community.

Local Authority Housing Fund

We have worked in partnership with Sevenoaks District Council to deliver new homes under the Local Authority Housing Fund programme supporting additional temporary accommodation and housing for Afghan refugees. We have eight homes within our programme with a further six in the pipeline.

In 2024/25 we said we would:

Deliver 148 new homes including 71 shared ownership and £7.5m sales income from first tranche sales:

We have exceeded our ambition and delivered 180 new homes including 69 shared ownership with £8m sales income from first tranche sales.

Establish a defined approach to sustainability in new schemes and our new homes standard:

We have developed the basis of a sustainability plan for new homes and are currently awaiting the roll out of the government's new Future Homes Standard to refine and implement the plan.

Carry out options appraisals on four of our older person's schemes and develop a ten-year master plan for regeneration of sites in Swanley:

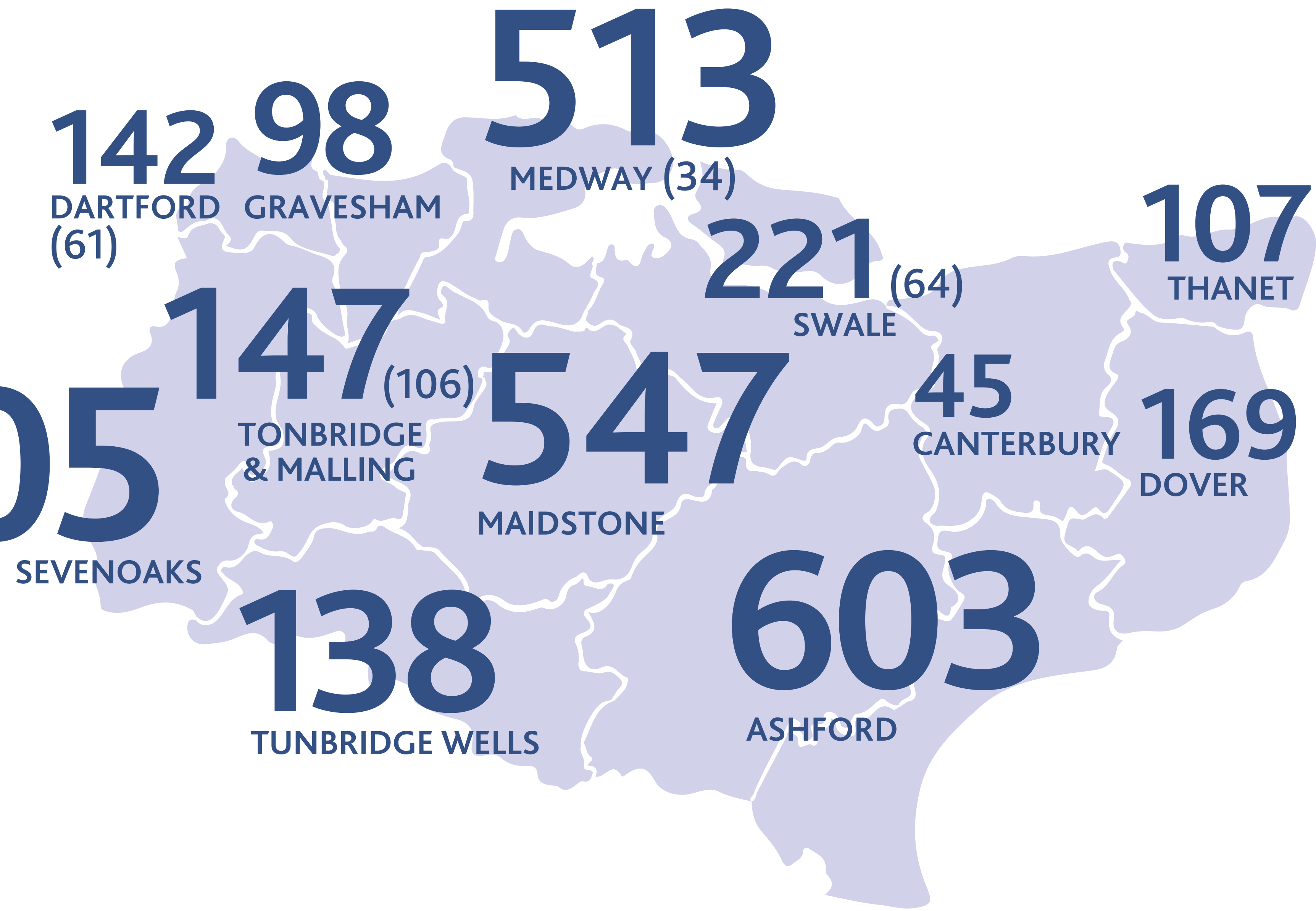
We have analysed the data from our review of our older person's accommodation and after consultation with colleagues, we have identified the four priority schemes for options appraisal. We have engaged master planning consultants to work with us on the early stages of master planning in Swanley. Our next steps will be to define early consultation actions with internal and external stakeholders.

In 2025/26 we will:

- Deliver 177 new homes.
- Deliver phase one: consultation and vision setting, for Swanley master plan.
- Commence options appraisals for four older person's schemes to ensure they continue to meet the needs of current and future residents.
- Develop a West Kent land programme, prioritising garage sites and vacant land.

Our stock and development plans

Our current homes by local authority
(Figures in brackets are homes under construction)



TOTAL
8,735 (311)

	2024/25	2023/24
Rented	7,466	7,321
Low-cost home ownership	1,019	947
Total social housing homes	**8,485**	**8,268**
Leaseholders	250	248
Total owned and managed accommodation	**8,735**	**8,516**
Homes under construction	311	297

	2024/25 Less than 6 months old	2024/25 Over 6 months old	Total
For homes unsold at 31 March:			
Unsold with no offers	1	-	1
Unsold under offer	15	-	15

All but three unsold shared ownership properties at the 31 March have been sold within the first quarter of 2025/26. Of the remaining three, two are currently under offer and one has been sold.

Best in Kent

We want to be known as one of the best social housing providers in Kent.

Our performance:

- Employee Engagement 74%
- Retained Investor in People Gold
- Staff turnover 11.7% (2024: 8.1%)
- G1/V2 (Regulator Social Housing Governance and Viability Ratings)
- Operating margin 29% against a target of 30%
- £170m loans available to drawdown.

Highlights:

35 years of West Kent

Over the last year we celebrated our 35th anniversary, through our 35 years of West Kent campaign. The campaign included stories from our residents on how we have supported them in their homes and through our services. Our colleagues also shared how we given them an opportunity to develop in their careers. Our Board shared how we make a difference through the delivery and evolution of our service offer. We also held our bi-annual all staff event where almost 300 staff joined in celebrating our success of the last year and our 35th anniversary.

Investment in our IT

We continued to invest in technology in both improving our systems and continuing to focus on the resilience and security of them. We implemented new systems including better financial budgeting and planning, investment appraisal tools for our new home developments, continued to develop our housing systems and introduced new corporate credit cards.

Investment in our staff

We continued investment in our people by offering apprenticeships and supporting the professional Chartered Institute of Housing qualifications. We held several wellbeing events in relation to mental health with both colleagues and residents. We also ran events to celebrate and support equality, diversity, and inclusion such as International Women's Day and Transgender Awareness Week. These included staff and residents sharing their experiences in both face-to-face and online sessions.

Treasury activity

We secured £30m from the Affordable Homes Guarantee Scheme to support investment into our 106-home development scheme, Woodlands Place, and our regeneration scheme at Heath Close. We secured a £50m loan with Nationwide and completed loan extensions and interest rate hedges with NatWest on £75m of loans. We closed the year with 27 months of liquidity, 91% of our drawn debt on fixed rates and a weighted average cost of capital (WACC) of 4.6%.

Strategic Report

In 2024/25 we said we would:

Secure new funding of £105m, improve our securitisation administration and review our property valuation method.

We secured loan finance of £155m on rates in line with or below our business plan rate cap of 5.3%. Plans to change the valuation method for our property collateral pool have progressed and we anticipate this project will enable this change to start to take place from early 2025/26.

Agree our Sustainability Policy and Environmental, Social and Governance (ESG) framework.

We have approved the future adoption of the Sustainability Reporting Standard and appointed a partner to assist with the calculation of scope 1, 2 and 3 greenhouse gas emissions. Work on our sustainability policy is planned for 2025/26, which will be supported by the sustainability plan for new homes currently in development by the development team. We are currently awaiting the roll out of the Government's new Future Homes Standard to refine and implement the plan.

Develop our Value for Money three-year plan, setting out how our service to residents will improve and how our business operations will change.

Our Value for Money plan now captures these aspects. Our progress since the last year is covered later in this report.

Continue with phase two of our housing and finance system enhancements to support improvements in service delivery.

Being the first housing association to adopt a new housing management system has come with challenges during the year, however we have maintained our customer satisfaction and repairs performance and continued to deliver improvements to our housing and finance systems which has enabled more automation of performance and reporting.

Develop our customer training and performance management element in relation to behaviours to support the implementation of our equality, diversity and inclusion (EDI) framework.

We continued with embedding our Making the Difference Training across all teams and have started the design process for Making the Difference 2, which will support the implementation of our equality, diversity and inclusion framework. We also delivered Dignity and Respect training to our customer services teams as the precursor to a pan organisation roll out in 2025/26, to further embed our focus on EDI.

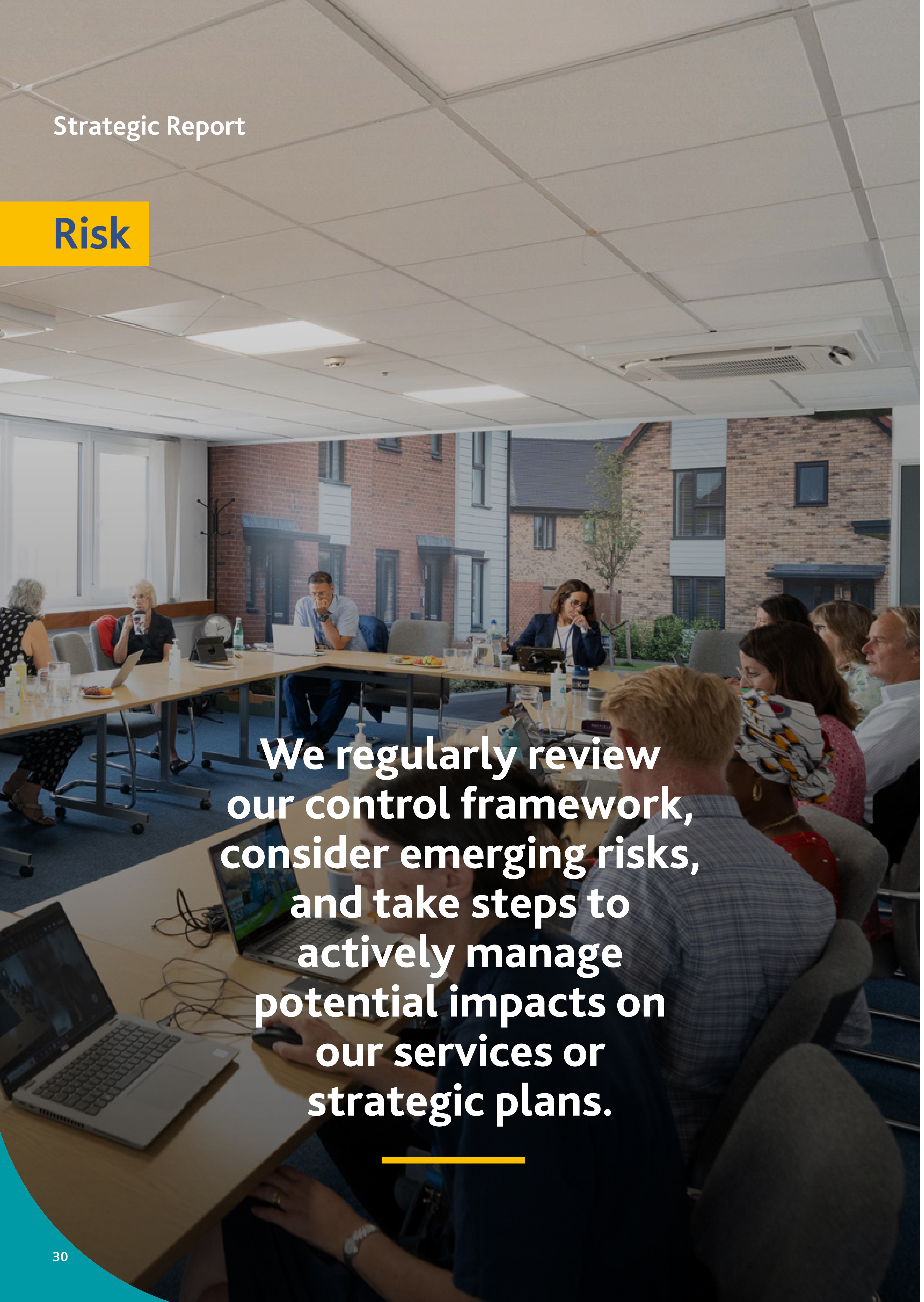
Invest in the training and skills of our staff to ensure we meet the requirements for Net Zero Carbon, Consumer Regulations, and the professionalisation of the housing sector.

As we start the process of adopting the new professionalisation standards, several employees have started their qualifications. Our iNHomes operatives are being trained to work on air source heat pumps for installation and service. We have also employed a sustainability manager to evolve our journey to Net Zero, who will undertake the required qualifications.

In 2025/26 we will:

- Establish our ESG reporting and unlock sustainable-linked funding and grants.
- Deliver our Treasury strategy to secure £30-£50m of new finance.
- Identify benefits from replacing our telephony system.
- Continue to invest in the training and skills of our staff.

Risk



We regularly review our control framework, consider emerging risks, and take steps to actively manage potential impacts on our services or strategic plans.

Overview

Effective risk management is fundamental to the successful delivery of our strategy and objectives and is a core part of our governance.

The Board is responsible for setting the overall direction of the organisation. In doing this, it ensures that West Kent has an appropriate, robust, and prudent business planning, risk, and control framework.

The Strategic Plan sets out our intentions for the future, informed by the risks we think we will face in trying to achieve them and our appetite for those risks.

The risk management framework links our vision, with the key risks and our risk appetite, in the context of our operating environment and opportunities.

The Board's oversight of West Kent's risk environment is supported by the detailed work of its committees. The Board has delegated responsibility for monitoring the effectiveness of the internal control framework to the Audit and Risk Committee and receives regular advice on financial performance and risk from the Investment and Finance Committee. This includes updates on risks to our residents and communities from the Communities and Housing Committee, and on people and culture risks from the People and Appointments Committee.

The table below sets out the risk oversight framework of our Board and Committees.

	Group Board	Audit and Risk Committee	Investment and Finance Committee	Communities and Housing Committee	People and Appointments Committee
Areas of responsibility	Strategic Plan: Strategic Risk Register; Growth and Reshape Strategy; Communications and Marketing Strategy; IT and Data Strategies.	Internal controls framework; audit and assurance.	Treasury Strategy; Financial Plan; development pipeline and investment appraisal; major programme delivery; compliance with the Economic Standards.	Resident and building safety; Resident Involvement Strategy; Customer Experience Strategy; Communities Strategy; Asset Management Strategy.	People Strategy; Board and Executive performance.
Reporting	Formal review of Strategic Risk Register on a six monthly basis, with quarterly risk and compliance reporting and annual horizon scanning. Quarterly review of delivery of annual plan.	Quarterly governance and compliance dashboard; internal audit programme; oversight of external audit and review of financial statements.	Quarterly review of management accounts and treasury. Annual review of Business Plan, including risk sensitivities.	Quarterly reporting on compliance and health and safety. Six-monthly reporting on safeguarding, ASB and communities' risk.	Annual review of Board and Executive performance. Six-monthly reviews of culture and performance, alongside delivery of the People Strategy.

The Executive Team supports Board oversight of risk through monthly monitoring of emerging issues and key areas of operational risk and quarterly recommendations to the Board on the content and scoring of the Strategic Risk Register.

Strategic Report

The Board sets our level of risk appetite, and this is reviewed and discussed on an annual basis. We have seven key risk appetite statements which guide us in how we respond to emerging issues and approach opportunities.

Risk category	Risk appetite
Legal and Regulatory Compliance: **cautious**	Compliance with the law and regulatory requirements is a key organisational objective. We only consider actions that have a low degree of inherent risk and where we are very confident that we can defend our position successfully.
How we deliver our services: **opportunistic**	We actively pursue innovation to challenge and improve on current working practices. We have appetite for transformation provided that it is well-controlled. We want to deliver change at pace provided that we manage the risks well.
Financial, Treasury and Liquidity: **balanced**	We seek safe delivery options and will consider small residual financial loss if outweighed by opportunities. We set appropriate buffer limits for liquidity and covenant headroom, seeking Board approval in advance if we intend to exceed the limits temporarily. We take steps to protect our viability rating and only take decisions that we are confident will not lead to a downgrade below V2.
Technology, data, and information security: **balanced**	Maintaining the security and resilience of our systems is very important to us. It is important that we ensure we get the basics right. We prefer incremental change to transformational change but will consider both approaches. We prefer to use market-leading technology but will consider other options as appropriate and where the degree of inherent risk is low.
Growth and diversification: **opportunistic**	We are open to expansion beyond our traditional products and footprint (geography), provided that we are confident that we can manage the risks. We will consider merger & acquisitions or partnerships working as appropriate provided that we have confidence in our partners. We will do more than our fair share of development and deliver a sizeable number of new homes.
Brand and reputation: **balanced**	We aspire to have an excellent reputation and will seek positive publicity to promote and enhance our reputation. We will proactively protect against negative attention and publicity.
Asset management: **cautious**	Resident safety in our homes is of the utmost importance; compliance with the law and regulatory requirements on building safety and stock.

The Board maintains a Strategic Risk Register, which is reviewed alongside emerging risks and compliance on a quarterly basis.

Emerging issues, mitigations and governance

Our implemented system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives will be met. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of our assets and interests.

We regularly review our control framework, consider emerging risks, and take steps to actively manage potential impacts on our services or strategic plans. The Audit and Risk Committee receives a quarterly governance and compliance update, which sets out details on the effectiveness of internal controls, and monitors key areas of compliance, including fraud. They review the effectiveness of our risk identification and management twice a year. The Board considers the external environment, emerging themes, and actions to mitigate strategic risks on a quarterly basis and undertakes an annual risk horizon scanning exercise to align with setting the annual plan.

Strategic risk

Our risks are scored using the following matrix. 2024/25 continued to be a challenging and uncertain operating environment, and this was reflected in Board discussions on risk during the period. In October 2024, the Board reviewed the effectiveness of the risk management framework, alongside horizon scanning of the risk environment, resulting in updates to the Strategic Risk Register. We currently have no red (high) rated risks.

The top three strategic risks are all medium (amber).

Risk impact:

4. Catastrophic	Medium (10)	Medium (13) SR13	High (15)	High (16)
3. Severe	Low (6)	Medium (9)	Medium (12) SR4	High (14)
2. Material	Low (3)	Low (5)	Medium (8)	Medium (11) SR5
1. Negligible	Low (1)	Low (2)	Low (4)	Medium (7)
Risk likelihood	1. Unlikely	2. Possible	3. Probable	4. Highly probable

Strategic Report

Strategic risk	Operating context	Score	Mitigation
SR4 Failure in data capture, integrity and management	Data integrity continues to be a key area of focus for us as we transition to our new systems at a time when there is heightened scrutiny and focus on data integrity coming from recent legislative changes; Awaab's Law, Consumer Standards and increased powers of the Housing Ombudsman. We have undertaken a number of external assurance exercises on our data during the period including an internal audit of GDPR and data security concluded with reasonable assurance.	**12**	Robust Data Protection and Information Security Policies are in place and regularly reviewed. We have a dedicated Data Protection Officer, who monitors compliance with the UK GDPR, including management of subject access requests and ensuring staff have appropriate training and guidance. The training programme for cyber security and data protection was refreshed in 2024/25. Legacy systems have been consolidated and replaced with new housing and finance systems. Data integrity, security, and information governance form part of the five-year internal audit programme.
SR5 Failure to sustain tenancies and safeguard rental income	We have continued to see an impact of the cost of living on our residents, compounded by the reduction in external support services. We continue to provide tailored support to residents through our Communities team and dedicated tenancy sustainment programme. We welcomed the consultation on a longer-term rent settlement from Government; however, we continue to keep under close review what investment plans form our core business plan and what need to be modelled as a scenario, subject to future funding levels.	**11**	Our proactive approach to rent collection with supportive tenancy sustainment, financial heath checks, and advice aims to limit the number of tenancies falling into arrears and maximise the direct benefit payments.
SR13 Failure to ensure reliable, secure and robust IT services	There is a heightened risk from ongoing cyber threats to the sector. Housing associations are known targets. There have been several high impact failures known to have taken place within the sector over the last two to three years. We have continued to build on work done in 2023/24 to ensure a robust infrastructure and control environment for IT, working with our external partners to test system security and resilience, including that of our software partners.	**13**	We complete independent checks on the resilience and security of our systems and monitor daily performance. We have a robust third party security operations centre and have modelled responses to various threat scenarios during the year. Data integrity, security, and information governance form part of the five-year internal audit programme. Where weaknesses have been identified in software partner solutions we have switched-off elements of functionality, until weaknesses have been remedied.

Value for Money (VfM)

This section provides information on our performance aligned to the Regulator's VfM metrics. Value for Money looks at the 'efficiency, economy, and effectiveness' of how we do things. It is how we push ourselves to do things differently so we can achieve more for the same money or effort, achieve something better for the same money or effort, or even achieve the same benefit for less money and less effort.

Our 2025-30 Strategic Plan sets out our approach to Value for Money, how we aim to achieve it, and how we will measure it against our four objectives: Excellent Services, Successful Communities, Grow and Re-Shape and Best in Kent.

At West Kent we deliver Value for Money by:

- Having a well-run business with our homes safe, fully occupied, collecting all income due and managing our business to plans within budget.
- Generating a surplus to enable us to invest in communities and new homes.
- Delivering on targets for supporting residents in successful tenancies and work to build thriving communities, set out in our Strategic Plan.
- Improving our customer experience through the delivery of our Excellent Services programme.

We measure our performance through the regulatory VfM metrics and compare our performance to peers and the sector. Alongside the Regulator's VfM metrics during 2023/24 the Board approved two internal VfM metrics that were used to monitor our operational performance; these were reconfirmed by the Board in 2024/25:

- Overall operating margin (with no exclusions) set by the budget annually and compared to peers and sector and targeting 30% over the longer term of the business plan.
- EBITDA-MRI excluding sales targeting over 100% over the longer term of the business plan.

Our Strategic Plan sets out our operational performance measures, performance against which is covered earlier in this report.

In 2024/25 we delivered Value for Money through:

- Delivering £0.8m of efficiencies against a target of £0.7m with reduced void loss and improved service charge recovery delivering the increased benefits.
- Delivering £0.5m of cashable savings against a target of £0.1m through our procurement plan and £0.15m of social value against a target of £0.05m.
- Removing a significant contingent liability from our business plan through the exit of our LGPS defined benefit scheme.
- Reducing our financial exposure to volatile market movements by fixing 91% of our drawn debt and 71% of our overall loan portfolio.

In 2025/26 we will deliver Value for Money in the following ways:

- We have £0.7m of planned efficiencies that we anticipate will be delivered through the exit of our defined benefit scheme and further planned improvements on our void loss and our service charge recovery. We will also be reviewing our approach to capitalisation during the year.
- We have planned cashable savings of £0.1m in our procurement plan and a target for £0.2m of social value.
- We will continue to drive efficiencies from the ongoing investment we are making into our housing, finance and wider system architecture.
- We will look to improve our customer experience through the launch of our Excellent Services programme.

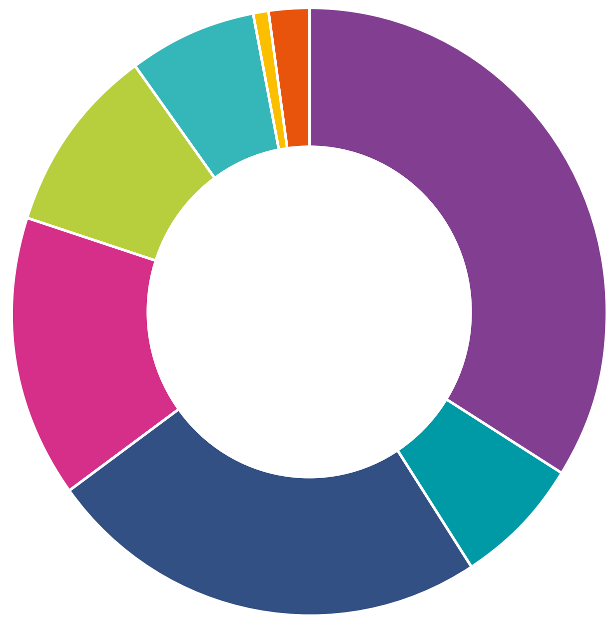
Where does our money go?:

Our rental income is used to maintain our homes and provide our housing management and community services. Any surplus is combined with loan finance and reinvested through planned maintenance of our existing homes and the construction of new homes. These graphs show the cash receipts we received and how they have been used in 2024/25.

Cash receipts:

Rent	58%
Service charges	5%
Property sales	3%
Sales shared ownership	8%
Communities income	0%
Interest received	0%
Grants	1%
Loans drawn	25%

Expenditure:



New homes	34%
Management and other expenses	7%
Planned maintenance	24%
Estate and services	10%
Routine maintenance	7%
Community engagement	1%
Purchase of IT equipment	2%
Interest on loans	15%

The charts above exclude payments provided for to exit the Local Government Pension Scheme (LGPS) defined benefit pension scheme. Our income is supplemented by loan financing to support our investment in new homes.

West Kent compares performance with our closely aligned comparator group based on geography (south-east), the number of homes in management (5k to 20k) and similar profile of types of homes (70% similarity across tenures). This has identified seven peers who we believe are similar to West Kent. The following tables compare our performance to this group.

We will continue to monitor ourselves against our own performance, that of these peers and the sector. Our target reflects our Strategic Plan 2025-30, our agreed golden rules and internal VfM key performance indicators.

In 2024/25 we replaced:

- 1,285 Doors
- 324 Boilers
- 201 Kitchens
- 89 Bathrooms
- Windows in 79 homes
- 21 Roofs
- 25 Electrical Heating Systems
- 24 Air Source Heating Systems
- We undertook: 17 Electrical Rewires

Regulatory Value for Money metrics

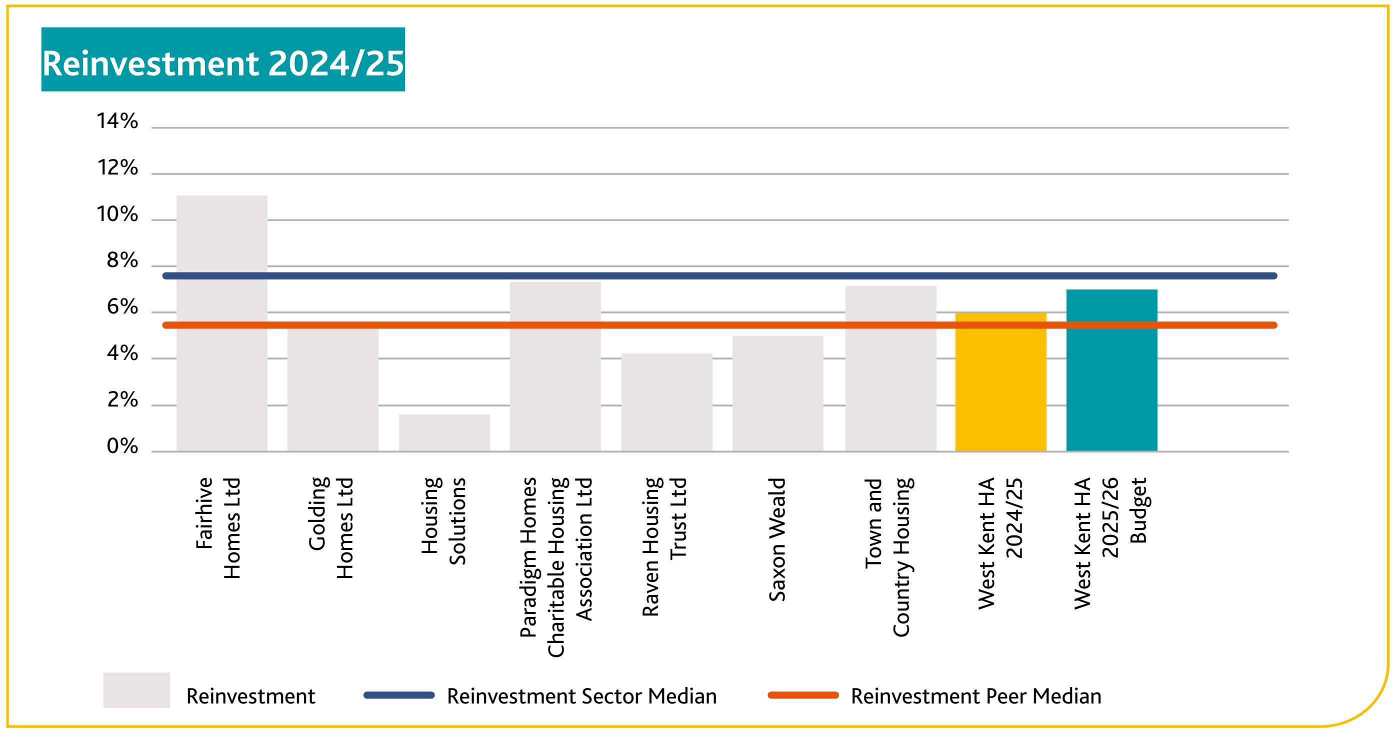
Comparator information is taken from the VfM metrics published by the Regulator of Social Housing. Metrics have been calculated to both include, and exclude, the exit costs from the exit of the LGPS defined benefit scheme.

Regulatory metric 1

Reinvestment %

This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total housing properties held. This metric is key to our ability to meet our growth objective of delivering 10,000 homes by 2030 and our investment targets for our existing homes.

RSH VfM Metrics Sector Median 2023/24	7.7%	
Global Accounts Peer Group Median 2023/24	5.5%	
West Kent Housing Association 2023/24	8.8%	
West Kent Housing Association 2024/25 (excluding pension exit)	**6.0%**	**6.7% Target**
West Kent Housing Association 2024/25 (including pension exit)	**6.0%**	
West Kent Housing Association 2025/26 budget	**7.2%**	

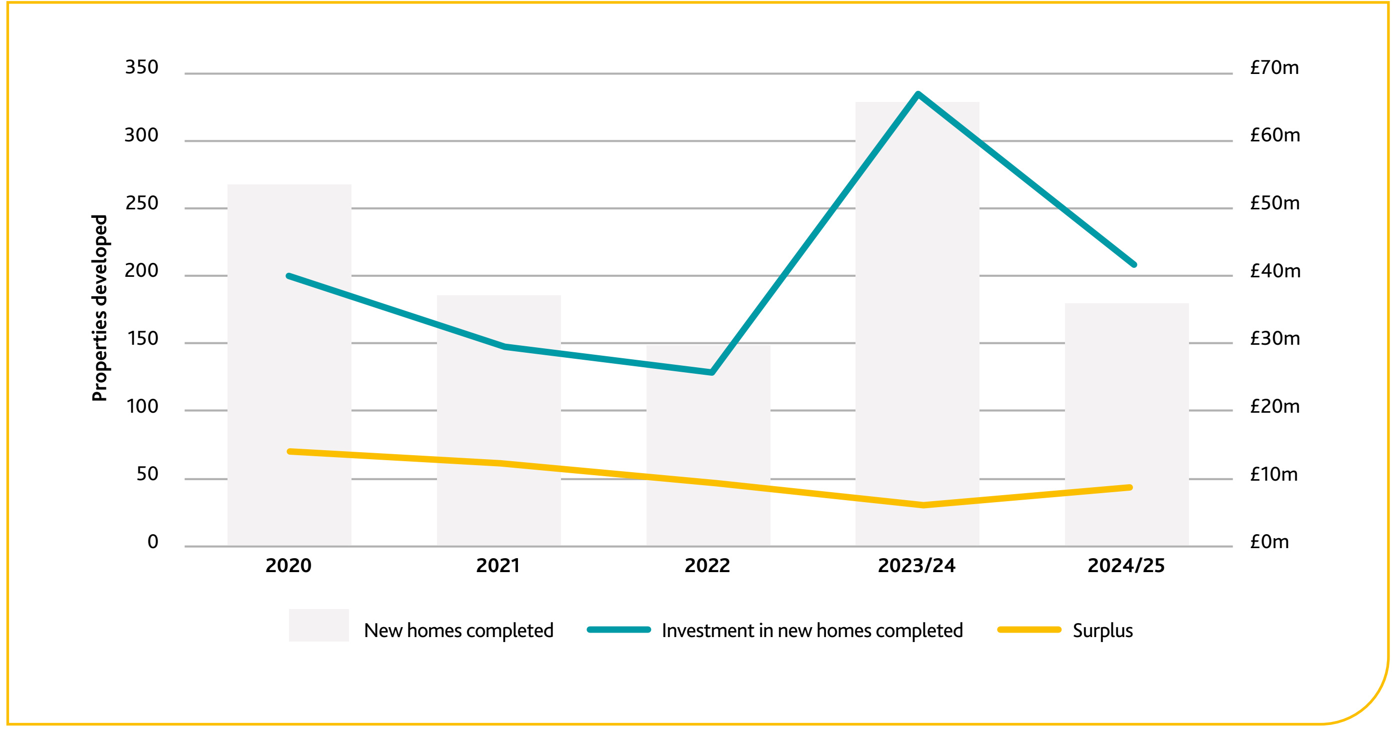


West Kent reinvested £47m in 2024/25 against an asset value of £797m, with a variance to target driven by timing shifts across financial years for planned development expenditure.

When this rate is split between investment in our existing assets and investment in new supply, we can see that we have a reinvestment rate of 1.4% in existing assets and 4.6% in new supply.

We expect to invest around £131m in our development programme for the next three years to achieve our growth ambitions to support local housing needs.

Our peers have a range of reinvestment rates; this may be due to their development cycle or due to their asset base valuation methodology. The sector median reinvestment in 2024/25 was 7.7%, the median for our peer group was 5.5%. Our reinvestment of 6.0% against an asset value of £797m in 2024/25 performs well.



Over the past five years we have spent £208m in building or acquiring new homes, we have completed 1,106 homes in this time and currently have 311 homes being built. We have received £13m over the last five years in Homes England grants and over that same period have generated £48m in surpluses. For every £1 generated in surpluses over the last five years we have spent £4.04 on building new homes.

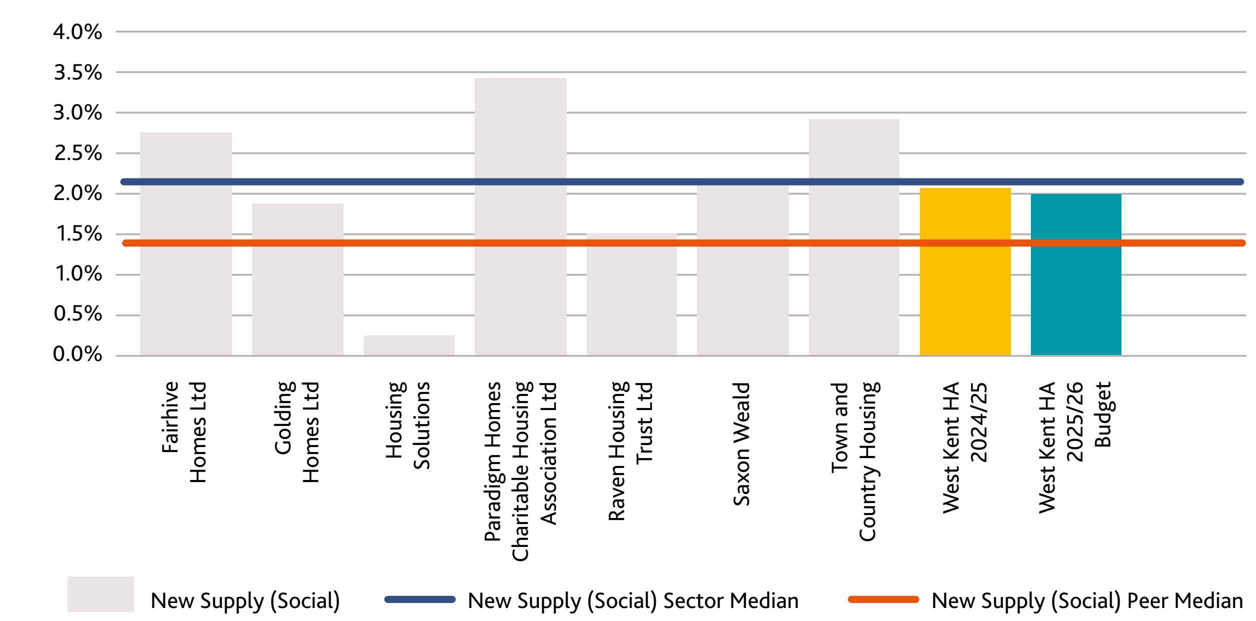
Regulatory metric 2a

New supply delivered % (social housing units)

This metric records the number of new social housing homes as a proportion of homes owned. It supports our delivery towards our growth objective to grow to 10,000 homes by 2030.

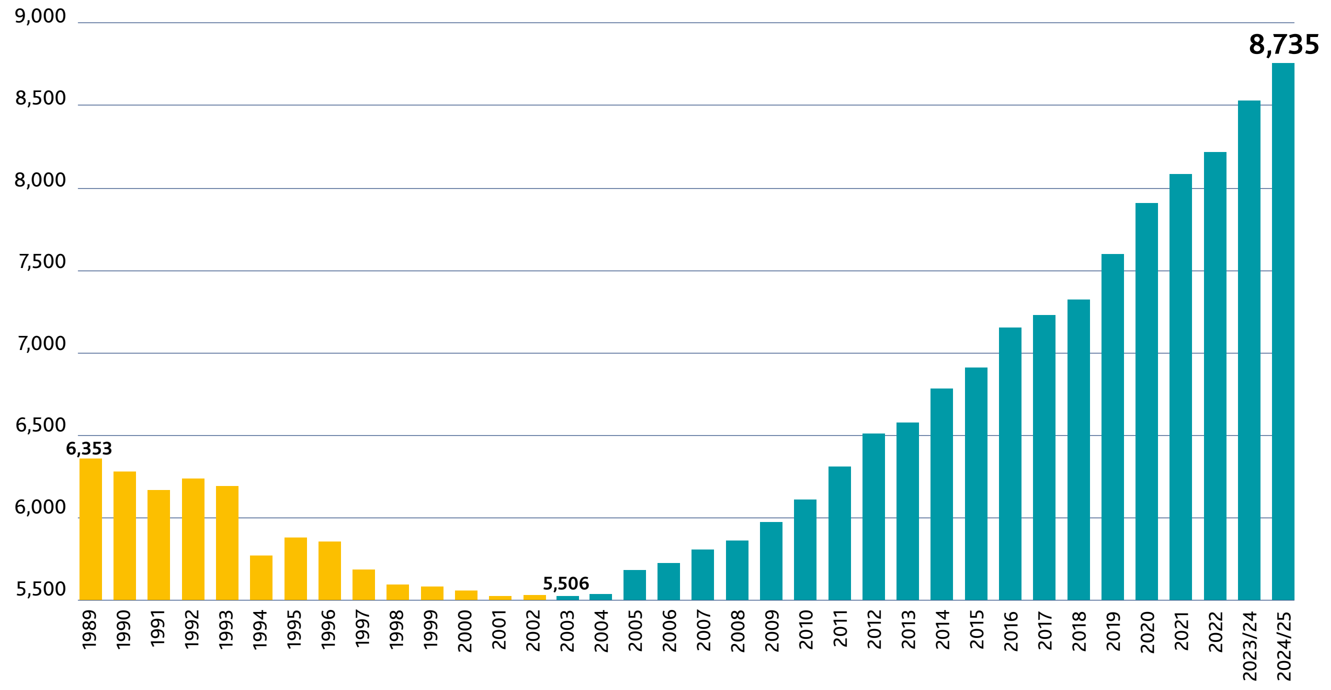
RSH VfM Metrics Sector Median 2023/24	1.4%	
Global Accounts Peer Group Median 2023/24	2.1%	
West Kent Housing Association 2023/24	4.0%	
West Kent Housing Association 2024/25 (excluding pension exit)	**2.1%**	**2% Target**
West Kent Housing Association 2024/25 (including pension exit)	**2.1%**	
West Kent Housing Association 2025/26 budget	**2.0%**	

New Supply Social Housing 2024/25



We built 180 homes in 2024/25 (2024: 327) representing 2% of our total homes owned. This included 1 for social rent, 106 for affordable rent and 73 for shared ownership. Our aim is to grow to 10,000 homes by 2030, is through new developments made up of 50% affordable or social rent, and 50% shared ownership homes.

West Kent Homes History 1989-2024/25



In 2024/25 West Kent sold two homes through Right to Buy and one through Right to Acquire. These Government schemes over the last 40 years have resulted in the loss of over 1,300 homes from West Kent's original transferred homes from Sevenoaks District Council. We anticipate, after changes to the legislation on Right to Buy during 2024/25, reducing the discount applied to the purchase, that we will have limited future cases. We now own and/or manage 8,735 homes and have plans to reach 10,000 by 2030.

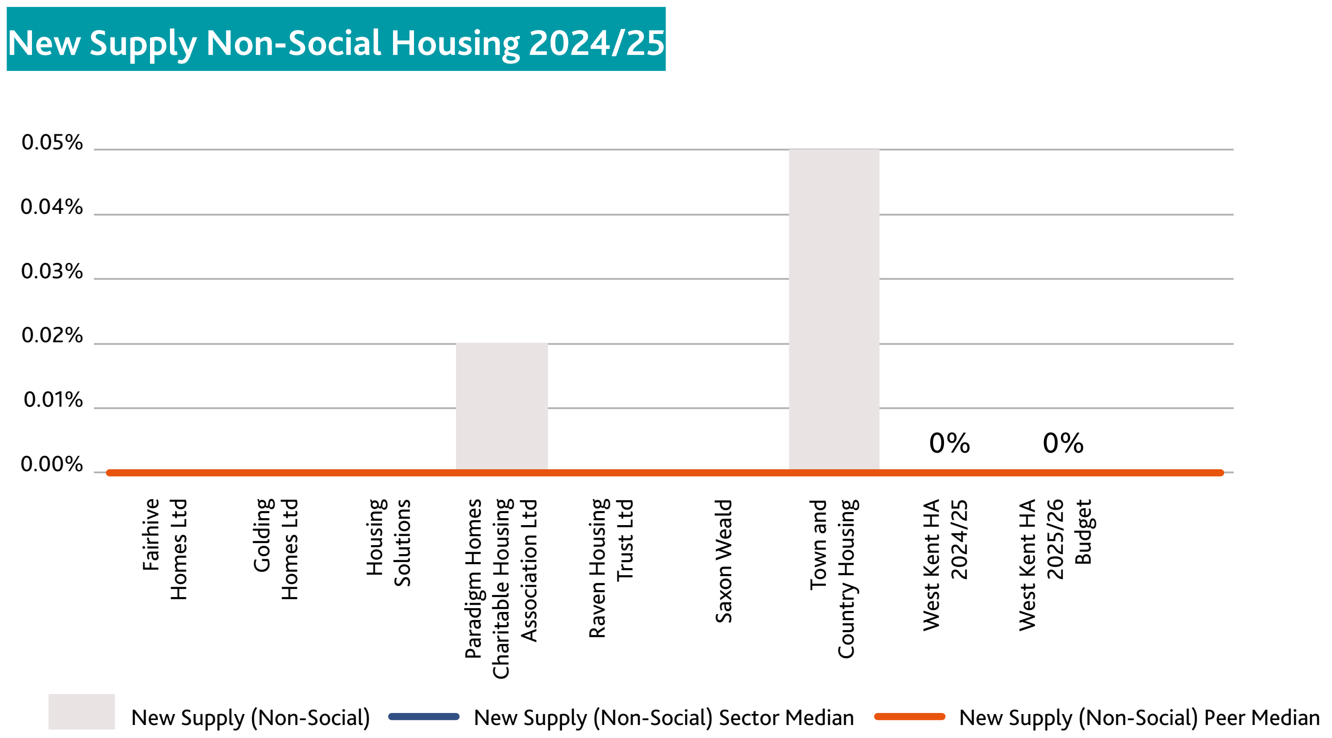
Regulatory metric 2b

New supply delivered (non-social housing) %

This metric looks at the supply of non-social housing homes as a proportion of homes owned.

RSH VfM Metrics Sector Median 2023/24	0.0%	
Global Accounts Peer Group Median 2023/24	0.0%	
West Kent Housing Association 2023/24	0.0%	
West Kent Housing Association 2024/25 (excluding pension exit)	**0.0%**	
West Kent Housing Association 2024/25 (including pension exit)	**0.0%**	**0.0% Target**
West Kent Housing Association 2025/26 budget	**0.0%**	

Our development strategy is not predicated on delivering non-social housing homes. However, we are looking at development opportunities that could include outright sale and market rent in the future, where this would assist in delivering our social housing homes target.

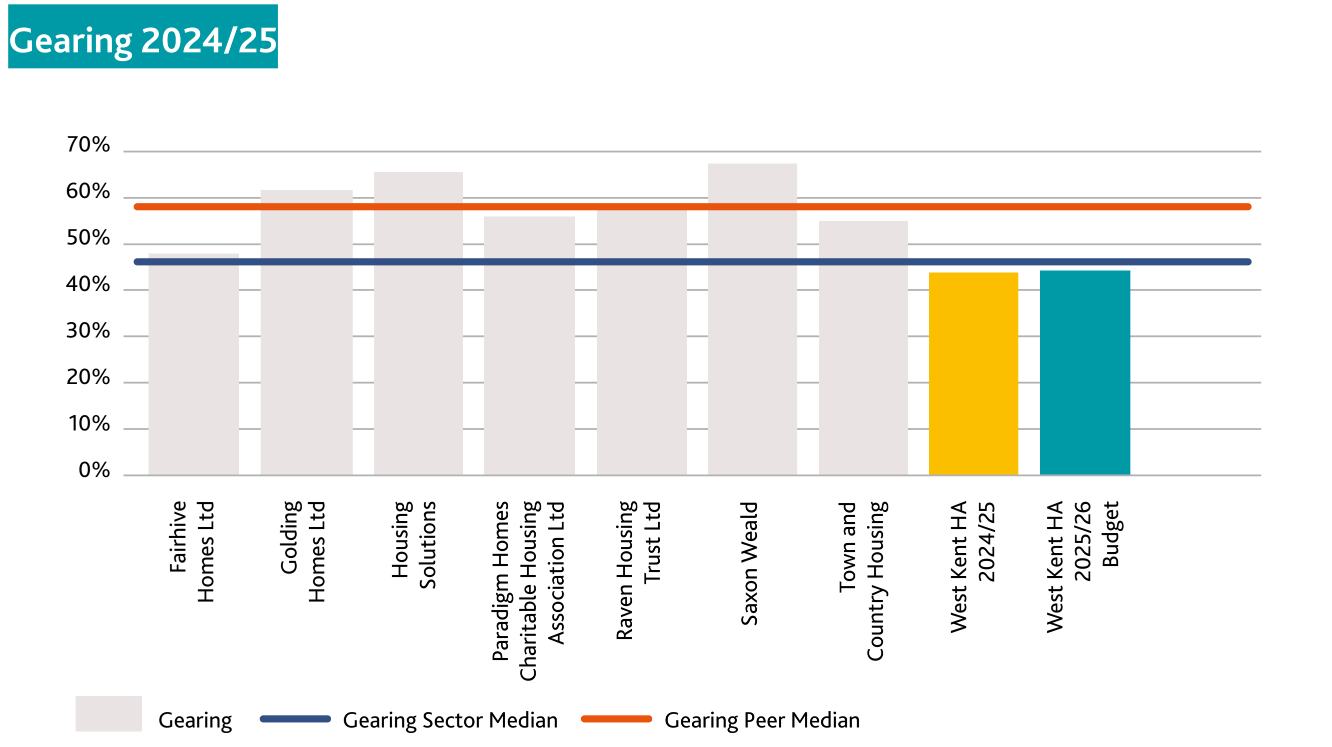


Regulatory metric 3

Gearing

This metric measures net debt as a proportion of housing asset value.

RSH VfM Metrics Sector Median 2023/24	45.6%	
Global Accounts Peer Group Median 2023/24	58.6%	
West Kent Housing Association 2023/24	44.6%	
West Kent Housing Association 2024/25 (excluding pension exit)	**42.9%**	**<55% Target**
West Kent Housing Association 2024/25 (including pension exit)	**42.9%**	
West Kent Housing Association 2025/26 budget	**44.0%**	



This is a key metric for our funders and demonstrates our capacity to borrow more from the assets we own. West Kent has sufficient debt and available loan facilities to meet our capital commitments. We also have sufficient undrawn loans to continue to commit to more new homes. Our development programme is funded from surpluses and loan finance £519m (2024: £443.5m). This measure is expected to rise over the life of the Strategic Plan and within our covenants agreed with our funders.

Strategic Report

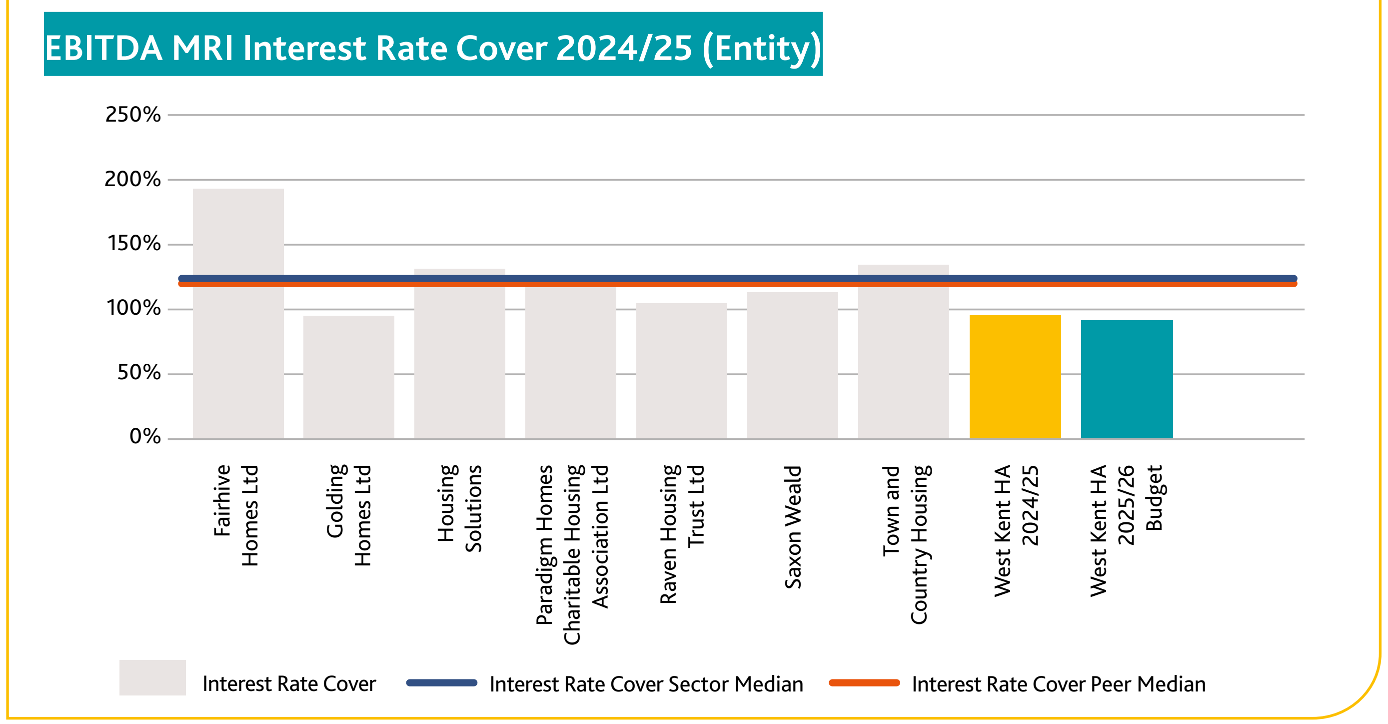
Regulatory metric 4

Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %

This metric is a key indicator for liquidity and investment capacity. It measures the level of surplus we generate compared to interest payable. We have significant headroom against our loan definition target (which our lenders monitor us against) as the table below sets out.

	VfM Definition		Loan Definition EBITDA	
RSH VfM Metrics Sector Median 2023/24	122%		N/A	
Global Accounts Peer Group Median 2023/24	124%		N/A	
West Kent Housing Association 2023/24	99%		N/A	
West Kent Housing Association 2024/25 (excluding pension exit)	**98%**	**>100% Target**	**180%**	**>150% Target**
West Kent Housing Association 2024/25 (including pension exit)	**(95%)**			
West Kent Housing Association 2025/26 budget	**90%**		**167%**	

During 2023/24 we agreed an internal VfM metric of EBITDA-MRI less sales. This KPI shows the underlying performance of our operations' ability to fund our interest costs, were sales not achieved. Our outturn position excluding the pension exit is 98%, below our target of 100%, however above the sector position of 82% as set out in their Q4 2024/25 quarterly report.



As we grow, we will borrow to fund our development programme. Over time we expect our interest cover to reduce, this represents the social value we bring to the sector as we continue to borrow to invest. We are looking at ways to limit this decline by driving efficiencies in our operations, at the same time we are looking at how we can build more homes for social rent. This metric is key to our ability to finance our loans and our internal target of 150% means we have sufficient contingency to respond to unforeseen circumstances, such as the market volatility seen over the last two years. As discussed in the Strategic Report above, the benefits we expect to realise from our IT investment and our Excellent Services Programme, over the next five years, will have a direct impact on our interest cover and our operating margins.

The decline in our interest cover over the last two financial years has been driven by the high and volatile inflationary and interest rate operating environment, and legislation changes such as the rent cap imposed by government for 2023/24. Several efficiencies have been identified in the five-year plan to help offset these new cost pressures, and our VfM Plan for 2025/26 sets out how these will be delivered.

Regulatory metric 5

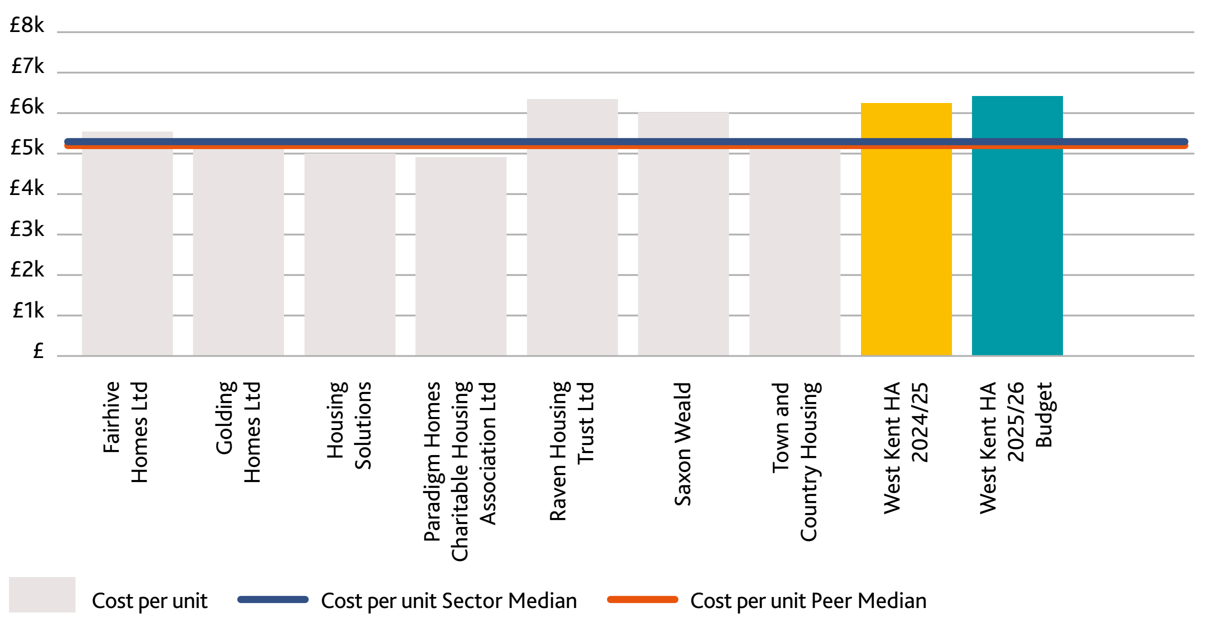
Headline social housing cost per home

This metric assesses the group headline social housing cost per home.

RSH VfM Metrics Sector Median 2023/24	£5,134	
Global Accounts Peer Group Median 2023/24	£5,230	
West Kent Housing Association 2023/24	£5,822	
West Kent Housing Association 2024/25 (excluding pension exit)	**£6,146**	**Target £5,724**
West Kent Housing Association 2024/25 (including pension exit)	**£9,770**	
West Kent Housing Association 2025/26 budget	**£6,386**	

Strategic Report

Headline Social Housing Cost Per Unit 2024/25



Costs have increased by 6% while homes have increased by 3%. Increased costs in 2024/25 are predominantly driven by increased inflation due to the current economic climate, and increased demand for our repairs services, alongside investment in our IT systems. Three of our largest costs are management, service charges and maintenance. Services include £460 per home relating to operating payments on Kent Excellent Homes for All, a Private Finance Initiative which generates a low margin for the period of the contract. Excluding this headline social housing cost per unit would be £5,686 in 2024/25.

We have exceeded our target due to increased operating costs predominantly from utility contract costs and some unplanned capital investment in our homes during the year. The utility contract costs are partially offset by service charge income.

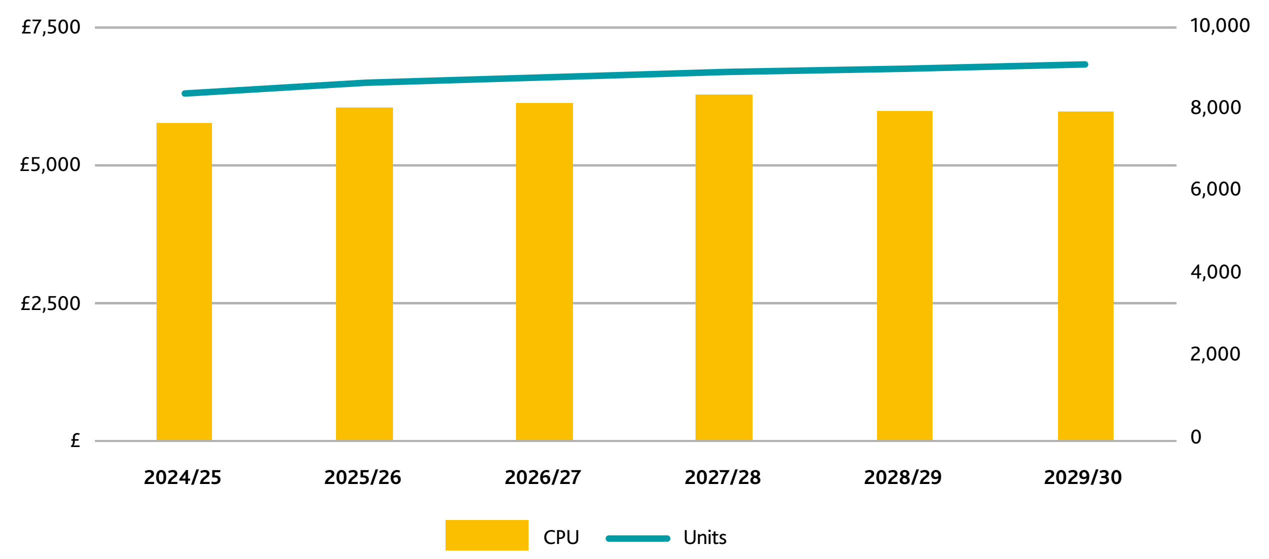
During the period we spent £6,146 per unit. Directors' remuneration equates to £128 per unit and falls within management cost per unit in the table below.

The table below shows how our costs compare to the previous financial period.

Breakdown of social housing cost per home	West Kent Group		
	2024/25	2023/24 12 months	% change
Management costs	£852	£728	17%
Services	£1,257	£1,305	(4%)
Maintenance	£3,805	£3,444	13%
Other (social housing letting) costs	£0	£0	
Development services	£9	£49	(82%)
Community/neighbourhood services	£194	£225	(14%)
Other social housing activities: other (operating expenditure)	£11	£9	15%
Other social housing activities: charges for support services (operating expenditure)	£18	£62	(71%)
Group total social housing costs	**£6,146**	**£5,822**	**9%**
Group total social housing costs (including pension exit)	**£9,770**		
Total social housing homes owned and/or managed at period end	**8,735**	**8,516**	

Our 2025/26 business plan assumes cost per unit will grow, over the next five years, reflecting our transition from 'Just in Time' to a planned approach to maintenance, investment in Net Zero Carbon EPC C, investment in our IT infrastructure, unit growth from our development programme, alongside cost increases driven by recent increases in inflation and interest rates.

CPU vs Unit Growth



Strategic Report

Regulatory metric 6a

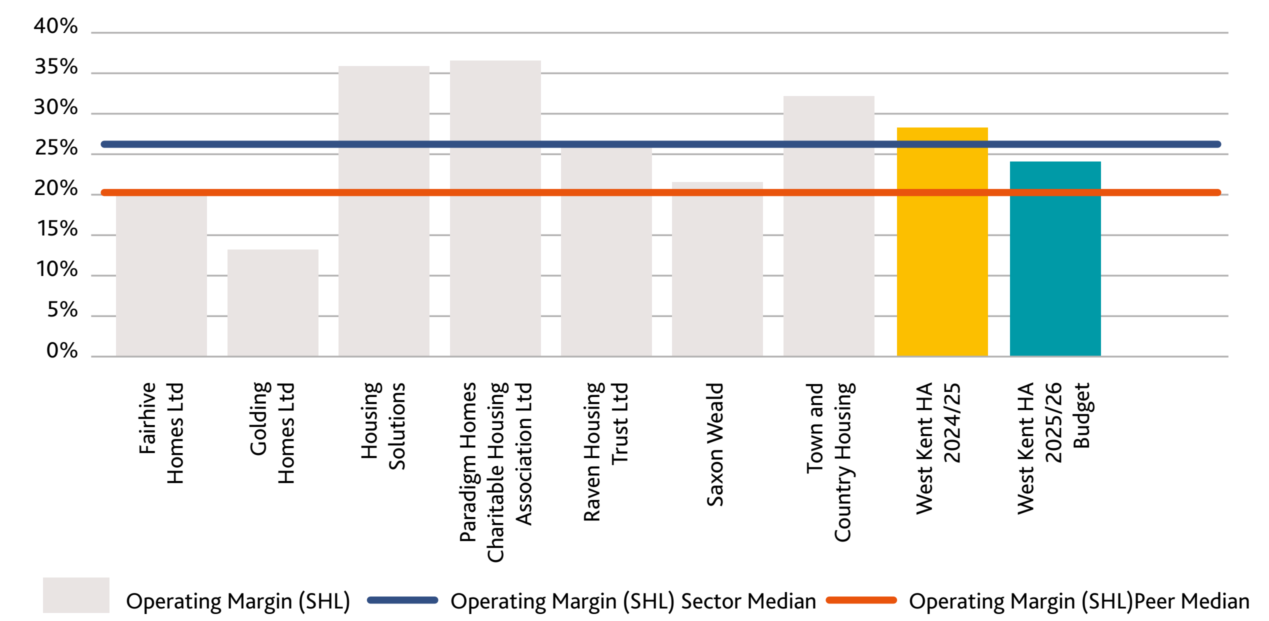
Operating Margin (social housing lettings only – SHL)

Our Operating Margin (SHL) demonstrates the profitability of West Kent's social housing activities. Increasing margins are one way to improve the financial efficiency of a business. However, how we choose to use our resources is for the Board to agree. This may mean using our social housing margin to improve the communities where we operate.

We have reviewed how overheads are apportioned between social housing and non-social housing activities during the year which has driven an improvement against target as detailed in the table below.

RSH VfM Metrics Sector Median 2023/24	20.4%	
Global Accounts Peer Group Median 2023/24	26.4%	
West Kent Housing Association 2023/24	26.0%	
West Kent Housing Association 2024/25 (excluding pension exit)	**28.2%**	**>26.5% Target**
West Kent Housing Association 2024/25 (including pension exit)	**(12.9%)**	
West Kent Housing Association 2025/26 budget	**23.9%**	

Operating Margin Social Housing Lettings 2024/25



Costs in 2024/25 have increased from previous years, reflecting the current volatile operating environment impacting interest and inflation, increased regulatory and legislative activity, and high demand for repairs and maintenance services.

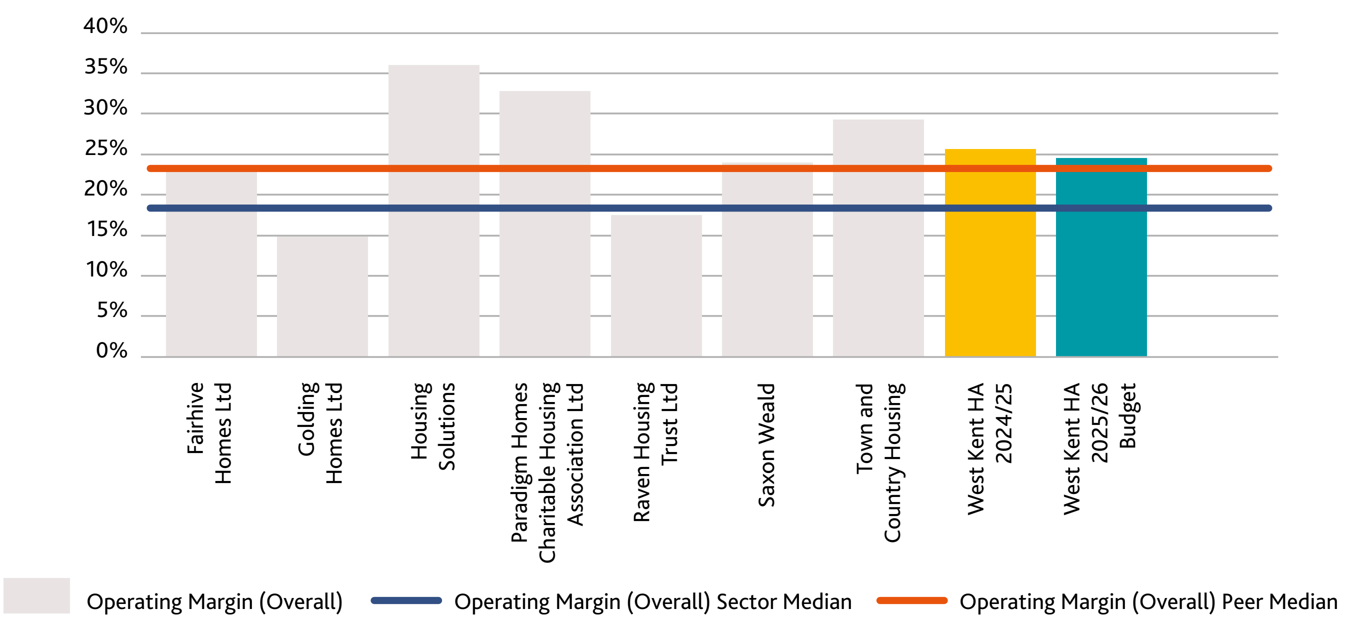
Regulatory metric 6b

Operating Margin (overall)

The Operating Margin (overall) demonstrates the profitability of West Kent's operating activities. This metric brings in our social housing activities, as stated in 6a, and our shared ownership sales, support services, community activities, and investment portfolio of garages. It excludes other disposals such as void sales.

RSH VfM Metrics Sector Median 2023/24	18.5%	
Global Accounts Peer Group Median 2023/24	23.8%	
West Kent Housing Association 2023/24	23.1%	
West Kent Housing Association 2024/25 (excluding pension exit)	**26.1%**	**>26.7% Target**
West Kent Housing Association 2024/25 (including pension exit)	**(15.1%)**	
West Kent Housing Association 2025/26 budget	**24.7%**	

Operating Margin (Overall) 2024/25



When we look at our overall business, the operating margin reduces to 24.7% compared to the social housing lettings operating margin of 28.2%. The dilution on the margin is a conscious one. We have built a strong community brand that identifies unmet needs of our West Kent communities and works with partners and residents who share our ethos to directly tackle those needs or seek to influence others to do so. These types of service cannot generate large margins and, in some areas, make a loss. We have chosen, as part of our Communities Strategy, to commit resources to this area. We understand some services we offer do not generate high levels of margin, so we target a lower margin on overall activities. We generate a margin of 24% on first tranche sales and 63% on garage investments, we use this to support our communities and support services that do not generate a margin.

Strategic Report

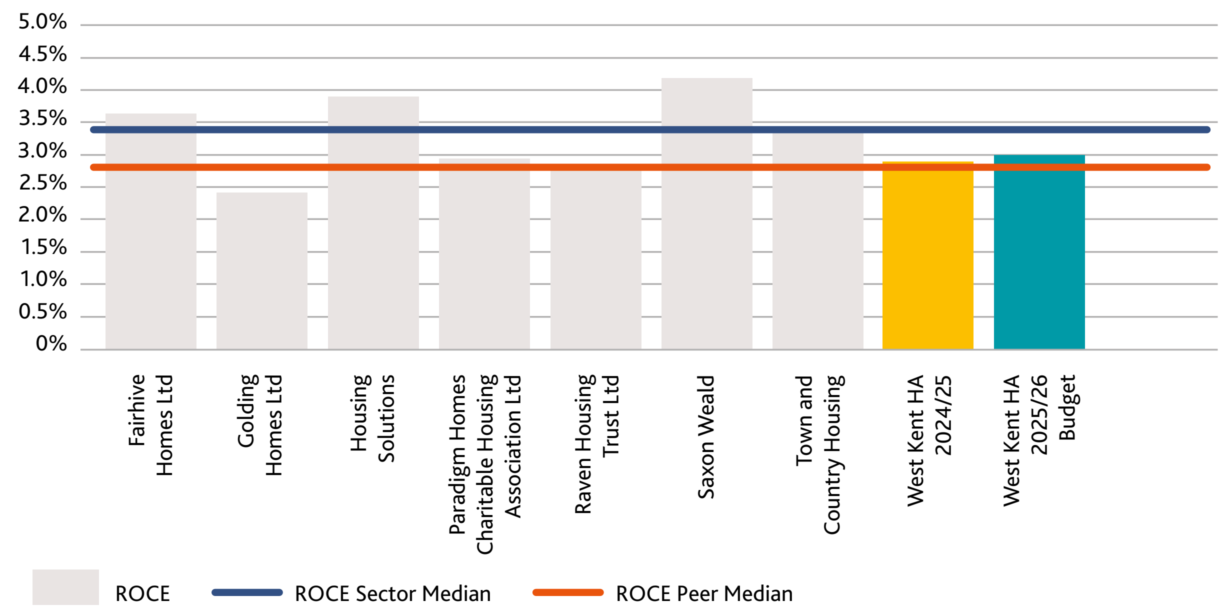
Regulatory metric 7

Return on capital employed (ROCE)

This metric compares the operating surplus to total assets, less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources.

RSH VfM Metrics Sector Median 2023/24	2.8%	
Global Accounts Peer Group Median 2023/24	3.4%	
West Kent Housing Association 2023/24	2.9%	
West Kent Housing Association 2024/25 (excluding pension exit)	**2.9%**	**3.0% Target**
West Kent Housing Association 2024/25 (including pension exit)	**(1.0%)**	
West Kent Housing Association 2025/26 budget	**3.0%**	

ROCE 2024/25



As we continue to build new homes and convert the £812m sitting on our balance sheet into increased earnings, we will see our return on capital employed grow, but we will not see a significant improvement on this measure against our peers as we build more homes for social rent or equivalent. The social return of providing homes for those in need is a key objective. Performance against this metric is impacted by a reduction in our overall surplus predicted due to the impact of the current economic climate on inflation and interest rates and while we are investing more in building new homes, improving the standards of our current homes, and transforming our IT systems.

Financial Review

West Kent's financial strength ensures we stay a vibrant, sustainable organisation. Any surplus that we make is reinvested in our existing homes and used to build new homes.

During 2024/25 we mitigated two financial risks. We exited LGPS following a staff consultation, removing a significant contingent liability from our Assets and Liabilities Register. We have also continued with our hedging strategy to fix the cost of our variable borrowing at affordable levels. These mitigations have impacted the Statement of Comprehensive Income in the year as exceptional items.

The 2024/25 financial statements include a provision for the LGPS exit valuation of £6.8m based on a 31 March 2025 estimated provided by the Kent Pension Fund. The final exit valuation will be received in 2025/26 at which point the cash payment will be made. The 2024/25 accounts show the movement from the LGPS accounting valuation (surplus £24m) which is non-cash to the exit payment (deficit £6.8m) which is cash. In addition, we have incurred £0.9m of other costs associated with the exit. Therefore, the operating loss includes an exceptional expense item of £31.7m of which the majority is a non-cash movement, with £6.8m provided for as the cash exit payment. Without this expenditure the operating surplus would be £8.7m.

The results presented in the table below are presented including and excluding the LGPS exit costs during 2024/25, due to the exceptional nature of the LGPS exit.

Group financial results

Consolidated statement of comprehensive income	2024/25 Excluding Pension £'m	2024/25 £'m	2023/24[1] £'m	2022 £'m	2021 £'m	2020 £'m
Turnover	76.8	76.8	91.3	64.5	66.0	63.2
Turnover before housing sales	68.8	68.8	77.1	55.4	53.5	50.7
Income from lettings	67.4	67.4	75.9	53.9	50.9	48.5
Property depreciation	8.7	8.7	9.2	6.7	6.7	6.2
Operating surplus before housing sales	18.1	(13.5)	17.3	12.0	11.9	16.2
Operating surplus for social housing lettings	19.0	(8.7)	19.7	13.6	12.8	17.5
Operating surplus	23.5	(8.2)	22.6	17.4	16.6	20.0
Interest and financing costs	16.5	16.5	19.4	9.3	8.2	7.8
Surplus for the financial year/period	8.6	(23.0)	6.1	9.2	11.1	13.2
Consolidated balance sheets						
Housing properties	797.2	797.2	755.3	699.2	667.1	640.3
Net current assets	1.4	1.4	7.9	4.0	6.1	8.7
Indebtedness	353.7	353.7	328.5	293.4	270.8	253.9
Total reserves	345.1	345.1	343.0	338.2	322.0	303.4

Statistics	2024/25 Excluding Pension £'m	2024/25 £'m	2023/24[1] £'m	2022 £'m	2021 £'m	2020 £'m
Operating Margin[2]	31%	(11%)	25%	27%	25%	32%
Operating Margin excluding sales on disposals	26%	(15%)	23%	23%	23%	30%
Operating Margin excluding all sales	26%	(20%)	22%	22%	22%	32%
Operating Margin social housing lettings[3]	28%	(13%)	26%	25%	25%	36%
Surplus as a % of turnover	11%	(30%)	7%	14%	17%	21%
Rent losses	0.9%	0.9%	1.3%	1.6%	1.3%	1.2%
Gearing[4]	43%	43%	45%	41%	39%	39%
EBITDA - MRI interest cover[5]	98%	(95%)	99%	128%	220%	277%

Accommodation owned and managed	Homes	Homes	Homes	Homes	Homes	Homes
Total rented	7,466	7,466	7,321	7,141	7,061	6,955
Total shared ownership	1,019	1,019	947	813	771	706
Total leasehold	250	250	248	247	237	232
Total housing	8,735	8,735	8,516	8,201	8,069	7,893

[1] 12 months data (15 month financial year)
[2] VfM 6b - operating margin
[3] VfM 6a - operating margin social housing lettings
[4] VfM 3 - gearing
[5] VfM 4 - EBITDA-MRI

Financial Review

Statement of comprehensive income

The Group financial results for 2024/25 report a surplus of £8.6m (15 months 2024: £6.1m), excluding the exceptional item of the Kent Pension Fund LGPS exit (£31.7m). During 2024/25 we spent £33.2m (15 months 2024: £35.6m) to maintain and invest our existing housing stock.

The development programme saw 180 homes handed over in the period. We delivered 73 shared ownership sales, nine void disposals and three Right to Buy / Right to Acquire (RTB/RTA) sales took place during the year. The sales team provides monthly updates for the Executive Team to monitor the sales risk, which are reviewed quarterly by the Board.

Interest and financing costs of £15.4m (15 months 2024: £17m) have stabilised following refinancing activity undertaken to fix 91% of our drawn debt portfolio. We ended the year with a weighted average cost of capital of 4.6%.

Demand for repairs and maintenance services has continued with £22m spent during the year (15 months 2024: £25m).

Balance sheet

The operating surpluses contribute to investment in our existing homes and the construction of new homes through our development programme. By the period end we had increased our housing properties assets by £36m and had 112 homes in construction. Our liquidity position is strong, with £8.7m available cash and £170m of undrawn loan facilities that we can draw on for future planned and unplanned expenditure. We have contracted capital commitments of £61m, this can be financed from cash and available loan facilities.

Approval

This Strategic Report was approved by order of the Board on 10 September 2025.

Maria Organ
Executive Director of Finance and Corporate Services

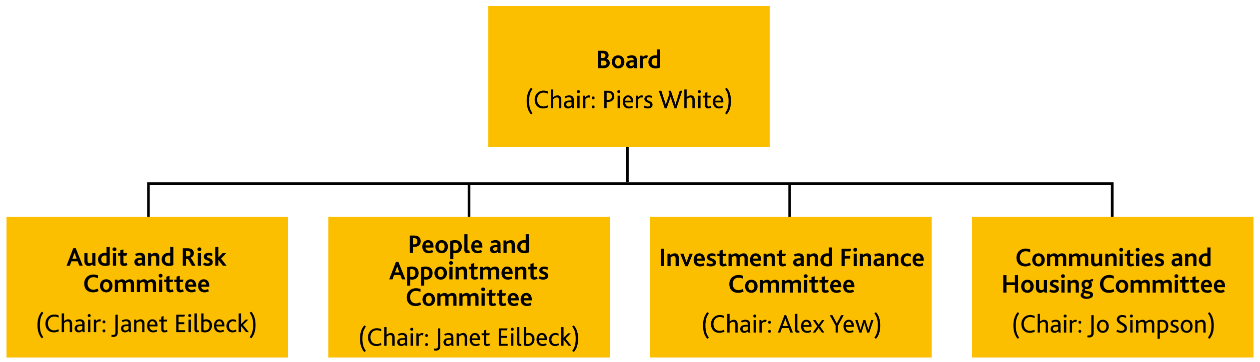
Directors' report

Principal activities

West Kent Housing Association is the parent company of the Group, which is branded as 'West Kent'. The Group is made up of West Kent Housing Association and West Kent Ventures, a dormant subsidiary. West Kent Extra, a subsidiary up until 2023/24, was wound down during the year. West Kent Housing Association is a registered provider of social housing, which is regulated by the Regulator of Social Housing. Our most recent annual review in December 2024 confirmed the highest Governance rating of G1 and a Viability rating of V2 which reflects the inflationary and interest rate pressures in the current economic environment on our business plan and level of investment contained within it. The activities of West Kent Housing Association and its subsidiaries (see note 34) have been detailed in the Strategic Report.

Our Board, two of whom are residents, is supported by specialist committees: Communities and Housing (C&H), Audit and Risk (ARC), Investment and Finance (I&F) and People and Appointments (P&A). During the year we have established two Resident Ambassador posts, these Resident Ambassadors will form part of the C&H Committee attendees from April 2025.

We have a well-established Resident Scrutiny Panel and in 2023/24 we introduced a new resident co-production group, to reflect resident feedback on key policies and resident-facing communications. We continue to develop our resident involvement model in line with good practice and the expectations of the new Consumer Standards.



Going Concern

The Board reviewed our 30-year business plan in April 2025, which includes our five-year budget (2025-2030), alongside our principal financial risks and mitigation plans. The Board has considered the potential impacts from numerous multi-variant adverse scenarios, which include a decline in sales, increase in rental arrears, increase in voids, and tightening of liquidity, among other factors. Options for mitigation to ensure the business can continue in the short and longer term have also been reviewed. Mitigations exist for all scenarios that cause the business to fail, as a precaution, to ensure compliance with all covenant and regulatory requirements. In addition to the scenarios outlined, the Board has stress-tested a number of different scenarios, which could affect West Kent's plans for the future including key contingent liabilities listed on the asset and liability register.

The 2025/26 budget has been set with the knowledge that there would be increased investment to reflect the move from 'Just in Time' to a planned asset management approach, Net Zero Carbon expenditure for EPC C and our IT and infrastructure. Alongside this investment the budget includes provision for additional costs driven by the current economic climate, most significantly impacting utility, insurance, and interest costs; the regulatory and legislative environment impacting repairs and maintenance, rent levels, and staffing costs. Efficiencies have been identified in the budget, both from our business case for investment in our IT and infrastructure, a planned update to the Asset Management Strategy and our Excellent Services programme launched in 2025/26.

Given the strength of the balance sheet and availability and liquidity from undrawn loan facilities the Board believes that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on West Kent's ability to continue as a going concern. West Kent has undrawn loans of £170m, secured against our homes on an Existing Use Value – Social Housing basis, along with capacity to borrow more, and plans to move security to Market Value - Subject to Tenancy (MV-ST) over the next few years, which would increase our borrowing capacity by around an additional £380m. So the Board is of the opinion that we will have sufficient resources to meet our liabilities as they fall due. The Board, therefore, considers it appropriate for the accounts to be prepared on a going concern basis.

Since the period end, none of the areas of key financial risk most notably; bad debt, sales margins and timings, inflation and interest rates, and demand for responsive repairs, have had a further detrimental effect from that assumed in the budget approved in March 2025.

As a key provider of affordable housing in Kent, we will continue to ensure that we keep our residents safe by maintaining their homes and completing necessary health and safety works, whilst also providing help, advice and financial support to them.

The Board will continue to review plans with the Executive Team to make the necessary changes to continue to work with our residents, customers and stakeholders to deliver exceptional services in a friendly, solution-focused way.

Qualifying third party indemnity provisions

The Housing Association has no qualifying third-party indemnity provisions in place for the directors of West Kent Housing Association.

Governance

In March 2019, the Board reviewed the agreement to adopt the National Housing Federation voluntary code on 'Mergers, Group Structures and Partnerships - A voluntary code for housing associations'. The Board has agreed criteria that would be applied in assessing a merger or partnership approach. No merger proposals have been reviewed or submitted in the 12 months to March 2025.

In March 2022, the Board agreed to adopt the 2020 National Housing Federation's Governance Code against which compliance is measured annually.

Director's Report

The Regulator of Social Housing's Governance and Financial Viability Standard (the Standard) was updated in April 2015. This was accompanied by a new Code of Practice, which provides guidance to registered providers to ensure compliance with the Standard. The overall required outcomes of the Standard are:

- To ensure that there are effective governance arrangements that deliver the aims, objectives and intended outcomes for residents and potential residents in an effective, transparent, and accountable manner.
- To manage resources effectively to ensure their viability is maintained, ensuring that social housing assets are not put at risk. The Standard requires registered providers to assess their compliance with the Standard at least annually and Boards are now required to report their compliance with the Standard within their annual accounts.

The definition of assurance means that this is not just an internal and external audit issue. Boards need to determine where they are obtaining their assurance to demonstrate to the Regulator of Social Housing:

- A clear understanding of asset values, related security, potential losses and potential chains of recourse. Note that Boards need to know exactly what information will be required in the event of distress and social housing asset exposure in order to value the assets without delay.
- Evidence of application of the principles.
- The assurance they receive on quality of records.

Compliance with the Regulator's Governance and Financial Viability Standard was reviewed by the Board in June 2025. The standard states that governance arrangements shall ensure registered providers adhere to all relevant law.

The Board has gained assurance from this review that we have complied with the Governance and Financial Viability Standard for the period ended 31 March 2025.

The Board is committed to high standards of corporate governance based on the following principles:

- The Board is effective in leading and controlling the organisation and acting wholly in its best interest. Board members must ensure that the interests of the organisation are placed before any personal interests.
- The Board is clear about its duties and responsibilities.
- Board members will receive induction on joining the Board and will regularly refresh and update their skills.
- Recruitment for Board vacancies is open and transparent, based on merit, objective selection and assessment techniques. The Board undertakes a formal and rigorous annual appraisal of its members and of the Board as a whole.
- The Board is headed by a properly appointed and skilled chair who is aware of their duties as head of the Board and the clear division of responsibilities between the Board and executive.
- The Board acts effectively, making clear decisions based on timely and accurate information.
- There are clear working arrangements between the Board and the Chief Executive and clear delegation of duties.
- Committees of the Board will provide expertise and enable the Board to scrutinise and deliver effective corporate governance and manage risk.
- The Board provides leadership in operating in an open and transparent manner, having satisfactory dialogue with key stakeholders, including residents. The Board will demonstrate accountability to shareholders and other key stakeholders.
- The Board demonstrates leadership and commitment to equality, diversity and inclusion as outlined in the Equality Act 2010, across the organisation's activities.
- The Board establishes a formal and transparent arrangement for considering how the organisation ensures financial viability, maintains a sound system of internal controls, manages risk and maintains an appropriate relationship with external and internal auditors.
- The organisation maintains the highest standards of probity and conduct.

The Board is comprised of eleven non-executive members, two of whom are residents, plus one executive member. It normally meets with the executive directors six times a year. The whole Board is remunerated; however, members have the option to elect that this remuneration is donated to charity.

Assessment of the effectiveness of internal control

The Board is the ultimate governing body and is responsible for ensuring that an adequate system of internal control is in place and for reviewing its effectiveness. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives will be met. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests. The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk.

Risks are defined as those factors that could adversely affect the achievement of West Kent's Strategic Plan and underlying business plan. The internal control framework manages and mitigates the risks by identifying those risks and ensuring that controls are in place.

To assess the effectiveness of the control systems the Board considers the major risks facing West Kent and the appropriate controls to mitigate them. The Board also routinely considers matters of compliance, including health and safety, legal and regulatory compliance, quality assurance, business continuity and insurance, and compliance with the Regulator of Social Housing's Economic and Consumer Standards.

It is the Board's assessment that for the 2024/25 financial year, West Kent has complied with the Regulator for Social Housing's Economic and Consumer Standards.

The key elements of internal control include:

- The adoption of the National Housing Federation's 2020 Code of Governance, and an annual assessment of compliance with that code.
- A dedicated governance function, led by the Head of Risk and Governance, who has responsibility for ensuring robust controls and compliance activity across the organisation.
- An annual planning process within which the Board approves strategy and business plan objectives supported by long-term financial projections and detailed treasury, procurement, and Value for Money plans.
- The preparation and review of annual budgets, which are approved by the Board; and quarterly management accounts reviewing actuals and forecasts against the approved budget by the Executive and the Board.
- Performance indicators to identify trends in current financial and non-financial data to monitor progress towards objectives and to identify changes that require intervention.
- Written financial regulations and delegated authorities which are regularly reviewed for appropriateness.
- A Risk Management Policy and Framework which is approved by the Board, supported by a Strategic Risk Register which is reviewed by the Board on a quarterly basis.
- An operational controls risk assurance framework, which identifies mitigating controls for each strategic risk. Controls are allocated to a named control owner, who undertakes quarterly assessments of effectiveness, which are reported to the Audit and Risk Committee.
- A dedicated Treasury Management Policy and Strategy which is reviewed on at least an annual basis (or more frequently as required) and reported to the Board.
- Financial control procedures to ensure accurate accounting for financial transactions including authorisation procedures, physical controls, segregation of duties and procedures to ensure compliance with laws and regulations.
- A Fraud Policy, fraud response plan and Whistleblowing Policy that have been communicated to all staff, including appropriate training.
- All major investments in existing properties, new properties, plant, equipment, and software are subject to appraisal and individual approval by the Executive Team, Investment and Finance Committee or Board, according to appropriately documented delegations.
- An internal audit function structured to deliver the Audit and Risk Committee's risk-based audit plan. West Kent used third party Beever and Struthers to provide internal audit services during 2024/25.

Director's Report

- A dedicated Data Protection Officer, who oversees compliance with the Data Protection and Retention Policy and Privacy Notices.
- A third-party Security Operations Centre and Security Event and Incident Management service, providing robust IT security and cyber defences.

The effectiveness of the controls is assured by:

- Quarterly reporting on governance and compliance, including effectiveness of operational controls, by the Risk and Governance Function to the Audit and Risk Committee.
- Independent assurance by internal auditors as to the existence and effectiveness of the risk management activities described by management, supplemented by specialist third party reviews and advice where appropriate (in 2024/25 these covered the effectiveness of controls operated by third party system providers). The internal audit opinion for the period ended 31 March 2025 was that the organisation has a reasonable level of assurance that there is an effective framework for risk management, governance and internal control. This is the highest rating that Beever and Struthers provides.
- Oversight, supported by quarterly reviews of risk levels, appetite and compliance, by the Board and Audit and Risk Committee, with clear delegations of authority.
- External audit opinion of the financial statements.
- Assurances from management.
- Specialist external advice and assurance covering a number of areas, including cyber security, insurance, business continuity, fraud, tax compliance, and treasury management.
- External regulatory and other reports.

The internal control framework, the risk management process, and the fraud register are subject to regular review by internal audit, which has responsibility for providing independent assurance to the Board via its Audit and Risk Committee. The Audit and Risk Committee considers internal controls, compliance, and risk at each of its meetings during the year. The Committee tests elements of the risk management framework during its annual workplan, looking at areas and specific higher-level risks through the use of 'deep dives' and challenging the integration of the framework into operational activity. In the case of control failures, the Board and the Audit and Risk Committee challenge the cause of control failings and process improvements needed to strengthen such failed controls.

The Board has received the annual report, conducted an appraisal of the effectiveness of the Board and its sub-committees, reviewed the effectiveness of the risk and control framework and has taken account of any changes needed to maintain the effectiveness of the risk management and control process.

The Board confirms that there is an on-going process for identifying, evaluating, and managing the significant risks faced by West Kent. This process has been in place throughout the year under review and up to the date of the Annual Report and Financial Statements and is reviewed by the Board. The Board has responsibility for the Group as a whole.

Board member responsibilities

Board members are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation requires the Board members to prepare financial statements for each financial period in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Board members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Group and Association for that period.

In preparing these financial statements, the Board members are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulation 1969, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Board members. The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditors

All current Board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Association's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Auditors

Crowe have expressed their willingness to continue. A resolution for the re- appointment of Crowe as auditors of the Association is to be proposed at the forthcoming Annual General Meeting on 24 September 2025.

By order of the Board.

Piers A White

Piers White
Chair

Date: 10 September 2025

Board Members, Executives and Advisers

West Kent Housing Association Board members	
Piers White (Chair)	
Tracy Allison (Chief Executive)	
Ben Cooper	
Kevin Corbett	
Akin Durowoju	
Janet Eilbeck	
Angela George	resigned 25 September 2024
Abdool Kara	
Megan Morvan	
Dr Joanne Simpson	
Peter Conway	appointed 25 September 2024
Alex Yew	

Company Secretary	
Georgia Bruce	resigned 17 April 2025
Maria Organ	appointed 17 April 2025

Executive team	
Tracy Allison	Chief Executive
Neil Diddams	Executive Director of Property & Asset Management
Sasha Harrison	Interim Director of Housing & Communities (appointed 18 April 2024)
Barbara Home	Executive Director of Strategic Programmes
Maria Organ	Executive Director of Finance and Corporate Services
Anabel Palmer	Executive Director of Property Development & Partnerships

Legal status

Registered under the Co-operative and Community Benefit Societies Act 2014 number 26278R.

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Statutory auditors
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Independent auditor's report to the members of West Kent Housing Association

Opinion

We have audited the financial statements of West Kent Housing Association (the "Association") and its subsidiaries (the Group) for the year ended 31 March 2025 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of financial position, the consolidated and Association statement of changes in reserves, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Board is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- a satisfactory system of controls over transactions has not been maintained; or
- the society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 60, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations applicable to a registered social housing provider in England together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

Independent auditor's report

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group and Association's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Association for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, health and safety, taxation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of variable service charge income, the classification of the Kent Excellent Homes for All contract as a Private Finance Initiative, the assumptions applied in the consideration of property asset impairment, the assumptions associated with the calculation behind the pension scheme exit and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

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 (irregularities) is from the events and transactions reflected in the financial statements, the less likely the 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 irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

JPoulter

Julia Poulter
Senior Statutory Auditor
For and on behalf of Crowe
U.K. LLP Statutory Auditor
London

Date: 15 September 2025

Consolidated and Association statement of comprehensive income for the year ended 31 March 2025

	Note	Group 2025 £'000	Group 15 months 2024 £'000	Association 2025 £'000	Association 15 months 2024 £'000
Turnover	4	**76,800**	91,310	**76,800**	90,979
Cost of sales	4	**(6,008)**	(10,118)	**(6,008)**	(10,118)
Operating costs	4	**(50,724)**	(60,125)	**(50,724)**	(59,719)
Exceptional Item - Pension Scheme Settlement Project	4,29	**(31,659)**	-	**(31,659)**	-
Surplus on disposal of fixed assets	4,11	**3,404**	1,513	**3,404**	1,513
Operating (loss) / surplus	4, 7	**(8,187)**	22,580	**(8,187)**	22,655
Movement in fair value of investment properties	18	**38**	36	**38**	36
Operating (loss) / surplus after fair value adjustment		**(8,149)**	22,616	**(8,149)**	22,691
Other interest receivable and similar income	12	**421**	413	**421**	402
Interest and financing costs	13	**(15,430)**	(16,950)	**(15,430)**	(16,950)
Gain / (loss) financial derivative	35	**133**	-	**133**	-
(Loss) / Surplus before taxation for the year / period		**(23,025)**	6,079	**(23,025)**	6,143
Taxation on surplus	14	-	-	-	-
(Loss) / Surplus for the financial year / period		**(23,025)**	6,079	**(23,025)**	6,143
Actuarial gain / (loss) on defined benefit pension scheme	29	**23,942**	(387)	**23,942**	(387)
Movement in fair value of hedged financial instrument	35	**1,331**	(1,376)	**1,331**	(1,376)
Total comprehensive income for year / period		**2,248**	**4,316**	**2,248**	**4,380**

All operations are continuing.

The accompanying notes form part of these financial statements.

Consolidated and Association balance sheet at 31 March 2025

	Note	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Fixed assets					
Tangible fixed assets – housing properties	15	**797,182**	755,333	**797,182**	755,333
Tangible fixed assets – other	16a	**3,142**	3,703	**3,142**	3,703
Intangible assets	16b	**7,096**	5,845	**7,096**	5,845
Investments		**10**	-	**10**	-
Investment properties	18	**8,224**	7,980	**8,224**	7,980
		815,654	**772,861**	**815,654**	**772,861**
Current assets					
Properties for sale	19	**6,522**	6,843	**6,522**	6,843
Stock		**97**	105	**97**	105
Debtors – receivable within one year	20	**6,262**	3,999	**6,262**	4,035
Debtors – receivable after one year	20	**4,913**	3,825	**4,913**	3,825
Cash and cash equivalents	21	**9,817**	10,337	**9,817**	10,139
		27,611	**25,109**	**27,611**	**24,947**
Creditors: amounts falling due within one year	22	**(26,244)**	(17,203)	**(26,244)**	(17,203)
Net current assets		**1,367**	7,906	**1,367**	7,744
Total assets less current liabilities		**817,021**	780,767	**817,021**	780,605
Creditors: amounts falling due after more than one year	23	**(464,548)**	(437,497)	**(464,548)**	(437,497)
Provisions for liabilities	28	**(7,361)**	(95)	**(7,361)**	(95)
Net assets excluding pension liability		**345,112**	343,175	**345,112**	343,013
Pension liability	29	-	(149)	-	(149)
Net assets		**345,112**	**343,026**	**345,112**	**342,864**
Capital and reserves					
Called up share capital	30	-	-	-	-
Income and expenditure reserve		**187,246**	185,368	**187,246**	185,206
Revaluation reserve		**157,911**	159,034	**157,911**	159,034
Cashflow hedge reserve		**(45)**	(1,376)	**(45)**	(1,376)
		345,112	**343,026**	**345,112**	**342,864**

The financial statements were approved by the Board of directors and authorised for issue on 10 September 2025 and signed on their behalf by:

P White
Chair of Board

T Allison
Chief Executive

M Organ
Company Secretary

The accompanying notes form part of these financial statements.

Consolidated statement of changes in reserves

	Note	Income and expenditure reserve £'000	Revaluation reserve £'000	Restricted reserve £'000	Cashflow hedge reserve £'000	Total £'000
Balance at 1 January 2023		175,315	163,375	20	-	338,710
Surplus for the period		6,079	-	-	-	6,079
Actuarial loss on defined benefit pension scheme	29	(387)	-	-	-	(387)
Reserves transfers:						
Transfer from revaluation reserve to income and expenditure reserve		4,341	(4,341)	-	-	-
Transfer from restricted reserve to income and expenditure reserve		20	-	(20)	-	-
Effective portion of changes in fair value of cashflow hedges	35	-	-	-	(1,376)	(1,376)
Balance at 31 March 2024		185,368	159,034	-	(1,376)	343,026
Balance at 1 April 2024		185,368	159,034	-	(1,376)	343,026
Loss for the year		(23,025)	-	-	-	(23,025)
Actuarial gain on defined benefit pension scheme	29	23,942	-	-	-	23,942
Reserves transfers:						
Transfer from revaluation reserve to income and expenditure reserve		1,123	(1,123)	-	-	-
Transfer of reserves from the subsidiary		(162)	-	-	-	(162)
Effective portion of changes in fair value of cashflow hedges	35	-	-	-	1,331	1,331
Balance at 31 March 2025		187,246	157,911	-	(45)	345,112

The accompanying notes form part of these financial statements.

Association statement of changes in reserves

	Note	Income and expenditure reserve £'000	Revaluation reserve £'000	Cashflow hedge reserve £'000	Total £'000
Balance at 1 January 2023		175,109	163,375	-	338,484
Surplus for the period		6,143	-	-	6,143
Actuarial loss on defined benefit pension scheme	29	(387)	-	-	(387)
Reserves transfers:					
Transfer from revaluation reserve to income and expenditure reserve		4,341	(4,341)	-	-
Effective portion of changes in fair value of cashflow hedges	35	-	-	(1,376)	(1,376)
Balance at 31 March 2024		185,206	159,034	(1,376)	342,864
Balance at 1 April 2024		185,206	159,034	(1,376)	342,864
Loss for the year		(23,025)	-	-	(23,025)
Actuarial gain on defined benefit pension scheme	29	23,942	-	-	23,942
Reserves transfers:					
Transfer from revaluation reserve to income and expenditure reserve		1,123	(1,123)	-	-
Effective portion of changes in fair value of cashflow hedges	35	-	-	1,331	1,331
Balance at 31 March 2025		187,246	157,911	(45)	345,112

The accompanying notes form part of these financial statements.

Consolidated statement of cashflows for the year ended 31 March 2025

	Note	2025 £'000	15 months 2024 £'000
Cash flows from operating activities			
(Loss) / surplus for the financial year / period		(23,025)	6,079
Adjustments for:			
Depreciation and impairment charges	15, 16	8,692	9,995
Amortised grant	5	(1,117)	(1,279)
Amortisation of intangible assets	16	610	-
Surplus on revaluation of investment properties	18	(38)	(36)
Fair value (gains)/losses on financial instruments	35	(133)	-
Cost of tangible assets disposed in year / period		2,152	1,267
Interest payable and finance costs	13	15,430	16,950
Interest received	12	(421)	(413)
Difference between net pension expense and cash contribution		23,804	(238)
Increase in trade and other debtors		(3,263)	(836)
(Decrease) / Increase in properties for sale and stock		329	(1,095)
Increase/(decrease) in trade and other creditors		9,648	(427)
Increase in provisions		7,266	95
Cash from operations		39,934	30,062
Taxation paid		-	-
Net cash generated from operating activities		39,934	30,062
Cash flows used in investing activities			
Purchase of fixed assets – housing properties		(52,303)	(61,136)
Purchases of other fixed assets	16a	(331)	(284)
Purchase of intangible assets	16b	(1,763)	(3,360)
Purchase of investment properties	18	(216)	(274)
Receipt of grant	24	5,730	4,565
Interest received	12	410	413
Investment in joint venture		(10)	-
Cash acquired with subsidiary undertaking		(162)	-
Net cash used in investing activities		(48,645)	(60,076)
Cash flows from financing activities			
Interest paid		(15,997)	(19,361)
Capital element of lease repaid		(311)	(333)
New loans - bank		73,000	73,000
Debt issue costs incurred		(2,001)	(1,276)
Repayment of bank loans		(46,500)	(18,000)
Net cash from financing activities		8,191	34,030
Net (decrease) / increase in cash and cash equivalents		(520)	4,016
Cash and cash equivalents at beginning of year / period		10,337	6,321
Cash and cash equivalents at end of year / period		9,817	10,337

The accompanying notes form part of these financial statements.

Consolidated net debt reconciliation

	At 1 April 2024 £'000	Cashflows £'000	Other non cash changes £'000	At 31 March 2025 £'000
Cash and cash equivalents				
Cash and cash equivalents	10,337	(520)	-	9,817
Finance Leases	(21,292)	311	-	(20,981)
Loans	(324,977)	(24,499)	(109)	(349,585)
Net debt reconciliation	(335,932)	(24,708)	(109)	(360,749)

The accompanying notes form part of these financial statements.

Notes forming part of the financial statements

1. Legal status

West Kent Housing Association is a Registered Society under the Co-operative and Community Benefit Societies Act 2014 (registration number 26278R) and with the Regulator of Social Housing (registration number LH3827). The Association is a public benefit entity.

West Kent Housing Association (the Group) consists of West Kent Housing Association (the Association), and West Kent Ventures Limited (WKV) (see note 34).

West Kent Ventures Limited is a wholly owned commercial subsidiary that is currently dormant.

West Kent Extra Limited, a previous subsidiary of West Kent Housing Association, was made dormant as at 31 March 2024 and subsequently dissolved during the year ended 31 March 2025. Its activities have been absorbed into West Kent Housing Association.

West Kent participated in a joint venture (JV), Ink Development Company Limited (Ink), which was a building contractor company which provided design and build services solely for members of the joint venture.
The joint venture was owned on a 50:50 basis, between West Kent and Southern Housing, who took the decision to dissolve the JV. The dissolution was agreed at a Board meeting of Ink on the 30 June 2025 and an application was made to Companies House to strike the company off on 1 July 2025.

All Group entities are incorporated in the United Kingdom.

2. Accounting policies

2.1. Basis of accounting

The financial statements of the Group and the Association have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice), which for West Kent Housing Association includes the Co-operative and Community Benefit Societies Act 2014 (and related Group accounts regulations), the Housing and Regeneration Act 2008, the Financial Reporting Standard applicable in the UK and Republic of Ireland (September 2024) (FRS 102), the Statement of Recommended Practice (SORP) for Registered Social Housing Providers, and 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.

The information presented for the prior period, in these financial statements is for the 15-month period from 1 January 2023 to 31 March 2024 following the change to the financial year end from 31 December to 31 March. Because of this change it is important to note that prior period amounts presented in the financial statements (including the related notes) are not entirely comparable. The current accounting period covers 12 months.

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the financial statements of the Association and the Group.

The preparation of the financial information requires management to exercise its judgement in applying the Group's accounting policies. Areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are explained in the accounting policies below.

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for investment properties.

In preparing the separate financial statements of the parent entity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the parent would be identical.
- No cash flow statement has been presented for the parent.
- Disclosures in respect of the parent's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

2.2. Basis of consolidation

The consolidated financial statements present the results of West Kent Housing Association and its subsidiaries (the Group) as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full. The Group has the right to remove the Board of West Kent Ventures Limited and therefore exercises control.

Investment in subsidiary is accounted for at cost less impairment in the West Kent's financial statements.

In the consolidated accounts, interests in jointly controlled entities are accounted for using the equity method of accounting. Under this method, an equity investment is initially recognised at the transaction price and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income, and the equity of the jointly controlled entity, 'INK'. West Kent's share of profits in 'INK' is not material and therefore has not been presented in the accounts.

2.3. Going concern

The Board, after reviewing the Group's budget for 2025/26 and its long-term financial plan, is of the opinion that the Group has adequate resources to continue to meet its liabilities over the period of at least 12 months from the date of approval of the financial statements.

In order to reach this conclusion, the Board has considered the potential impacts from numerous multi-variant adverse scenarios, which include a decline in sales, downturn in the economy, increased borrowing interest rates, increased inflation, increase and decrease in rental arrears, increase in voids, and tightening of liquidity among other factors. Options for mitigation to ensure the Group can continue in the short and longer term have also been reviewed. Mitigations exist for all scenarios as a precaution, to ensure compliance with all covenant and regulatory requirements. In addition to the scenarios outlined, the Board has stress tested a number of different scenarios which could affect the West Kent Housing Association future plans.

The Board's assessment of going concern is focused on the Group's liquidity and its compliance with loan covenants.

Given the strength of the balance sheet and availability and liquidity of undrawn loan facilities the Board believes that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on West Kent Housing Association's ability to continue as a going concern. The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis. Going concern is discussed in more detail within the Directors' report section of the annual report.

2.4. Turnover and revenue recognition

Income is measured at the fair value of the consideration received or receivable. The Group generates the following material income streams:

- Rental income receivable (after deducting lost rent from void properties available for letting).
- Service charges receivable.

Notes forming part of the financial statements

- Proceeds from the sale of land and property including first tranche sales of Low-Cost Home Ownership housing properties developed for sale.

Rental income and service charges are recognised from the point when properties under development reach practical completion and are formally let. Income from property sales are recognised at the point of legal completion of the sale.

In addition to the Association directly managing our properties, the Association owns properties in respect of some supported housing which are run by outside agencies. A management fee is received from the managing agents and represents the fee receivable. Any charges incurred by the Association are recharged to the managing agent.

2.5. Support grant income

The Group receives support grants from Kent County Council and Medway Unitary Authority. The grants receivable in the period, as well as costs incurred by the Group in the provision of support services, have been included in the Statement of Comprehensive Income. Any excess of cost over the grant received is borne by the Group where it is not recoverable from residents.

2.6. Service charges

The Group has adopted the fixed method for calculating and charging service charges to its residents and variable for leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

Where variable service charges are used, the treatment of balancing charges (surplus/deficit) arising from service charge year-end accounts is carried out in accordance with the terms of the occupancy agreement (lease) held by the resident. Based on this we provide an allowance for either the surplus or deficit from prior years, with the surplus being returned to residents in the form of a reduced charge for the following year and a deficit being recovered via a higher service charge the following year, or by alternative methods if the lease allows.

The method for charging service charges to residents is under review for 2026/27.

2.7. Management of units owned by others

Management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs.

2.8. Schemes managed by agents

Income is shown as rent receivable and management fees payable to agents are included in operating costs.

2.9. Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in income and expenditure, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of UK tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

2.10. Value Added Tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. Recoverable VAT arises from partially exempt activities and is credited to the Statement of Comprehensive Income. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset respectively.

2.11. Finance costs

Finance costs are charged to income or expense over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Interest is capitalised on borrowings to finance new housing developments. The capitalised interest is calculated on a proportional basis, using the weighted average interest rate of borrowing that has been drawn in order to finance the relevant construction or acquisition. Where housing properties are in the course of construction, finance costs are only capitalised where construction is on-going and has not been interrupted or terminated.

2.12. Pension costs

The Group participated in a multi-employer defined benefit pension scheme, as an admitted body in the Kent County Council Local Government Pension Scheme (LGPS), the Kent Pension Fund (KPF). The scheme was exited on 31 March 2025.

The Group operates a defined contribution scheme, administered by Royal London. Employees exiting the LGPS Scheme as of 31 March 2025 were enrolled in the Royal London Scheme from 1 April 2025.

Defined contribution pension scheme
Our defined contribution plan is a retirement benefit plan under which the Group 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 shown as an operating expense in the surplus for the year during which the services are rendered by employees.

Defined benefit pension scheme
Our defined benefit plan was a local government superannuation scheme. The fund was subject to the regulations of the Local Government Superannuation Scheme. The difference between the fair value of the assets held in the Group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method were recognised in the Group's balance sheet as a pension asset or liability as appropriate.

The carrying value of any resulting pension scheme asset has previously been restricted to nil, reflecting the extent that the Group was able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. At exit, this balance has been crystallised, resulting in a re-recognition of the total plan asset and liability position and release based on a cessation valuation calculated by Kent Pension Fund's actuaries Barnett Waddingham.

The current service cost and costs from settlements and curtailments were charged to income and expenditure. Past service costs were recognised in the current reporting period. Interest was calculated on the net defined benefit liability. Remeasurements were reported in other comprehensive income.

During the year, a settlement event was triggered by the Group's decision to exit the Kent Pension Fund. The settlement cost recognised in the Statement of Comprehensive Income is the difference between the Group's net pension asset at the date of exit (31 March 2025) and the exit debt due to the scheme's Trustees. See note 29 for further details.

2.13. Employee benefits

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

A liability is recognised to the extent of any unused holiday entitlement which has been accrued at balance sheet date and carried forward to future periods. Holiday pay liability is measured at the undiscounted salary cost of the future holiday entitlement.

Notes forming part of the financial statements

2.14. Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal to a formal detailed plan to terminate employment.

2.15. Tangible fixed assets – housing properties

Housing properties constructed or acquired (including land) on the open market since the date of transition to FRS 102 are stated at cost less depreciation and impairment (where applicable).

The cost of housing land and property includes the cost of acquiring land and buildings, development costs, interest capitalised during the development period, directly attributable administration costs and expenditure incurred in respect of improvements that comprise the modernisation and extension of existing properties.

Housing properties are split between the land, structure and those major components that require periodic replacement. Replacement or restoration of such major components is capitalised and depreciated over the average estimated useful life, which has been set taking into account professional advice, the Group's asset management strategy and the requirements of the Decent Homes Standard.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

Mixed development housing properties are held within fixed assets and accounted for at cost less depreciation; commercial elements of mixed developments are held as investment properties. Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to specific tenure, costs are allocated on a floor area or unit basis depending on the appropriateness for each scheme.

Housing properties in the course of construction, excluding the expected cost of the element of shared ownership properties expected to be sold in the first tranche, are included in fixed assets – housing properties and held at cost less any impairment, and are transferred to completed properties when ready for letting. Expenditure on schemes that are subsequently aborted is written off in the period in which it is recognised that the scheme will not be developed to completion.

Surplus and deficit on disposals of housing properties are determined by comparing the proceeds with the carrying amount and incidental costs of sales and are recognised within surplus/ deficit on disposal of fixed assets in the Statement of Comprehensive Income. Shared ownership, Right to Buy, Right to Acquire and voluntary disposals of fixed assets are included in operating surplus/deficit as they are part of West Kent's normal operating activities. Other disposals of fixed assets are included after operating surplus.

2.16. Deemed cost on transition to FRS 102

West Kent took in 2014, the transition option under FRS102 to elect to measure some items of housing properties at fair value and use that fair value as the deemed cost of those assets at that date.

A revaluation reserve recognised the difference between historical cost and deemed cost, with the difference between historic cost depreciation and depreciation calculated on deemed cost transferred between the revaluation reserve and income and expenditure reserve on an annual basis.

Properties initially purchased by West Kent as part of the large-scale voluntary transfer from Sevenoaks District Council are recognised in tangible fixed assets – housing properties at deemed cost. All other housing properties are recognised in tangible fixed assets – housing properties at historic cost.

2.17. Depreciation of housing properties

Housing land and property is split between the land, structure and other major components that are expected to require replacement over time with substantially different economic lives.

Land is not depreciated on account of its indefinite useful economic life.

Housing properties are split between the structure and the major components that require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life on a straight-line basis as follows:

Description	Economic useful life (years)	Description	Economic useful life (years)
Structure	100	Electrical Systems	30
Roof	100	Electrical Consumer Unit	25
Windows	35	Kitchens	23
Doors (Timber)	38	Bathrooms	35
Doors (Other Types)	25	Lifts	25
Boilers	16	CO and Smoke Detectors	15
Central Heating System	15	Lightening Conductor System	10
Air source heat pumps	16	Other scheme fixed assets	5-30
Storage Heaters	22	External bin storage	55
PV (Solar) panels	27		

During year ended 31 March 2025, the Group reviewed and updated the useful lives of kitchens and bathrooms. The change was applied prospectively from 1 April 2024.

The portion of shared ownership property retained or expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate.

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

Leasehold properties are depreciated over the term of the lease.

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

Notes forming part of the financial statements

2.18. Shared ownership properties and staircasing

Under low-cost home ownership arrangements, the Group disposes of a long lease on low-cost home ownership housing homes for a share ranging between 10% and 75% of value. The buyer has the right to purchase further proportions up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Low-cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element, "staircasing element", is classed as fixed assets and included in completed housing property at cost less any provision for impairment. Sales of subsequent tranches are treated as a part disposal of fixed assets. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in arriving at the surplus or deficit on disposal.

For shared ownership accommodation that the Group is responsible for, it is the Group's policy to maintain them in a continuous state of sound repair. Maintenance of other shared ownership properties is the responsibility of the shared owner. Any impairment in the value of such properties is charged to the Statement of Comprehensive Income.

2.19. Other tangible and intangible fixed assets

Other tangible fixed assets, other than investment properties, are stated at historic cost less accumulated depreciation and any accumulated impairment losses. Historic cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part, where its lifecycle has not expired, is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

2.20. Depreciation of other tangible and intangible fixed assets

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Description	Economic useful life (years)	Description	Economic useful life (years)
Freehold buildings	50	IT hardware	5-10
Furniture and equipment	5	IT software	10
Fixtures and fittings	5	Motor vehicles	3-5
Office Lifts	25		

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'surplus on disposal of fixed assets' in the Statement of Comprehensive Income.

During year ended 31 March 2025, the Group reviewed and updated the useful lives of IT hardware and software. The change was applied prospectively from 1 April 2024.

2.21. Government grants

Capital grants received in advance of scheme completion are held in grant in advance until completed, then transferred to deferred capital grant.

Grants received in relation to assets that are presented at deemed cost at the date of transition have been accounted for using the performance model as required by Housing SORP 2018. In applying this model, such grant has been presented as if it were originally recognised as income within the Statement of Comprehensive Income in the year it was receivable and is therefore included within brought forward reserves.

Grants received in relation to assets that are presented at historic cost at the date of transition and grant received since the transition date in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over a 60-year period for the shared ownership properties or 100-year period for the housing properties.

Where social housing grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets, any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Government grant acquired as part of the housing stock acquisition transaction, is recognised at nil value, if the fair value of the obligation to repay or recycle the government grant is reflected in the fair value of the housing properties acquired. Therefore, no additional liability is attributed to the government grant transferred. The Group is responsible for the recycling of the grant in the event of the housing properties being disposed and so a contingent liability exists for any grant recycled as a result of disposals of any of those properties.

Notes forming part of the financial statements

2.22. Recycled capital grant fund

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three-year period, it will be repayable to Homes England with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year, is disclosed in the balance sheet under 'creditors due after more than one year'. The remainder is disclosed under 'creditors due within one year'.

2.23. Investment properties

Investment properties consist of commercial properties (garages) not held for social benefit or for use in the business. They are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined biennially by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.24. Impairment of fixed assets

The housing property portfolio for the Group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option that produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options. The Group looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use.

The Group defines cash generating units as schemes except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value impairment is recorded through a charge to income and expenditure.

2.25. Properties held for sale

Properties held for sale represents the first tranche proportion of shared ownership properties under construction or completed and held for sale. Stock is stated at the lower of cost and net realisable value, cost comprises a proportion of the development construction cost.

2.26. Stock

Stock is cost of materials stated at the lower of cost and net realisable value.

2.27. Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Any losses arising from impairment are recognised in the income statement in other operating expenses.

2.28. Rent and service charge agreements

The Group has made arrangements with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

2.29. Rent received in advance

Rental debtors accounts which have a credit balance are recorded as rent received in advance, within creditors less than one year. Any credit balances remaining on former debtor accounts are investigated and where attempts to trace the former resident prove unsuccessful, these will be written off and will be offset against bad debts.

2.30. Loans, investments and short-term deposits

The majority of loans, investments and short-term deposits held by the Group have been assessed as meeting the definition of basic financial instruments as set out in FRS 102. Each facility within a loan agreement will be treated as a single financial instrument. FRS 102 requires that basic financial instruments are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses, however as the difference between this and the historic cost method is not materially different, these instruments are initially recorded at the transaction price less any transaction costs (historic cost). Loans and investments that are payable or receivable within one year are not discounted.

2.31. Derivative financial instruments

West Kent Housing Association uses derivative financial instruments to reduce exposure to interest rate movements. West Kent Housing Association does not hold or issue derivative financial instruments for speculative purposes.

The Association has entered into variable to fixed rate interest swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. The Association documents in advance the relationship between the item being hedged and the hedging instrument. These derivatives are measured at fair value at each reporting date. To the extent the hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. This amount is reclassified from the cash flow hedge reserve to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss. Any ineffective portions of those movements are recognised in profit or loss for the period.

Hedge accounting is discontinued when a floating to fixed interest rate swap expires, is sold, terminated or exercised, or when the conditions for hedge accounting are no longer met or West Kent Housing Association documents its election to discontinue hedge accounting. Any fair value gains or losses accumulated in the cash flow hedge reserve are reclassified to Statement of Comprehensive Income either when the variable interest rate expense is recognised as a surplus or deficit, or immediately on discontinuation of hedge accounting if future variable interest rate cash flows are no longer expected to occur.

2.32. Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, cash in hand, deposits and short-term investments with an original maturity of three months or less.

2.33. Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximate to ownership (finance leases), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Notes forming part of the financial statements

2.34. Leasehold sinking funds

Unexpended amounts collected from leaseholders for major repairs and cyclical decorations on leasehold schemes and any interest received are included in creditors.

2.35. Provision for liabilities

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date.

Where the effect of the time value of money is material the amount expected to be required to settle the obligation is recognised at the present value using a discount rate. The unwinding of the discount is recognised as a finance cost in income and expenditure in the period it arises.

2.36. Contingent liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

A contingent liability exists on grant repayment, related to the stock transferred, where grant liability has been recognised at nil value. The contingent liability is dependent on the disposal of related property.

2.37. Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds. Realised and unrealised gains and losses on assets held by these funds are also allocated to the fund.

The revaluation reserve is created from surpluses on asset revaluation. The depreciation charge on the revalued amount and assets disposals are charged to the revaluation reserve.

2.38. Business combinations

On 31 March 2024 West Kent Housing Association conducted a transfer to subsume the assets and liabilities of West Kent Extra Limited. The transfer follows acquisition accounting methodology in FRS 102, but no adjustments have been made to fair value because they would not be material.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

3.1. Key judgements

In preparing these financial statements, key judgements have been made in respect of the following:

- The extent to which there have been indicators of impairment triggering the performance of an impairment review of the Group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. Management have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on Existing Use Value – Social Housing (EUVSH) or depreciated replacement cost. Management have also considered impairment on the basis of their assumptions of cash or asset generating units. Had management assessed cash generating units at different levels (e.g. as individual properties within a particular scheme), the conclusion on impairment may have been different. Management considered possible alternatives and determined the possible impacts to be immaterial to the financial statements.
- The anticipated costs to complete on a development scheme are based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, management then determine the recoverability of the cost of properties developed for outright sale and/or land held for sale. This judgement is also based on management's best estimate of sales value based on economic conditions within the area of development.
- The anticipated costs recognised in the financial statements for the turnkey development schemes are based on anticipated construction costs as at year end.
- Whether leases entered into by the Group either as a lessor or a lessee are operating lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Whether the Kent Excellent Homes for All – Private Finance Initiative should be treated as a finance lease. In considering this project an assessment of Section 34 'Service concessions' of FRS 102 was conducted. A service concession arrangement is an arrangement whereby a public sector body, or a public benefit entity (the grantor), contract with a private sector entity (the operator) to construct (or upgrade), operate and maintain infrastructure assets for a specified period of time (concession period). The operator is paid for its services over the period of the arrangement. Kent County Council and West Kent have been judged to be the public sector body and public benefit entity respectively. The agreement sees West Kent making regular payments to the Special Purpose Vehicle to operate and maintain the assets for the period to 31 December 2040. A significant judgement has been made that due to the arrangements in place and the risks West Kent takes on in this arrangement West Kent have control and therefore the assets and liabilities are included in the accounts.
- Whether the Kent Excellent Homes for All – Private Finance Initiative should be depreciated over the lease term rather than the term of the Private Finance Initiative contract. There is reasonable certainty that West Kent will own the homes after the term of the Private Finance Initiative has expired. The assets are classified as land and structure as West Kent is not responsible for the replacement of components.
- The extent to which garages owned by West Kent are treated as investment properties. These assets are let on a commercial basis, both in terms of price and customer base with the aim of generating income. They are valued in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual, using a widely recognised specialist valuer and property advisor in the social housing sector. A key estimate has been made in the valuation.

Notes forming part of the financial statements

- The appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to shared ownership between current and fixed assets.
- The categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.
- The categorisation of financial instruments as basic or other and therefore whether they are held at cost or fair value.
- Recognition criteria and measurement of provisions, including identification of constructive obligations and the impact of this on the amount to provide.

3.1. Other key sources of estimation uncertainty

Tangible fixed assets

- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as major repairs profile, ability to let the property and alternative options for the site are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.
- In assessing recoverable amount, should there be an indicator of impairment of assets an estimate of current new build property build costs is applied, depreciation is calculated based on the age of the existing property to arrive at a depreciated replacement cost.
- Properties built under the Kent Excellent Homes for All - Private Finance Initiative are depreciated over their useful economic life.

Allocation of costs for mixed tenure and shared ownership developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to specific tenure, costs are allocated based on a floor area or unit basis depending on the appropriateness for each scheme.

Rental and other trade receivables (debtors)

The estimate for receivables relates to the recoverability of the balances outstanding at period end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

Future payments under the Kent Excellent Homes for All – finance lease

The finance lease sees West Kent making regular payments to the Special Purpose Vehicle to operate and maintain the assets for the period to 31 December 2040. Management's estimate of the future payments is based on critical underlying assumptions on inflation. Variation in these assumptions may significantly impact the obligations in the finance lease payments.

Defined benefit pension obligations

Defined benefit obligation is based on several critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses. Upon exit these assumptions have crystallised in the form of the cessation valuation providing certainty to the previously estimated pension obligations in the balance sheet.

Valuation of derivatives

All financial assets or liabilities are calculated using measurements based on inputs that are observable for the asset either directly or indirectly from prices. The Group has chosen to test the effectiveness of its hedges annually.

Notes forming part of the financial statements

4. Particulars of turnover, cost of sales, operating expenditure, surplus on disposal of fixed assets and operating surplus – Group

	Turnover 2025	Cost of sales 2025	Operating costs 2025	Surplus on disposal of fixed assets 2025	Operating surplus/ (deficit) 2025	Turnover 15 months 2024	Cost of sales 15 months 2024	Operating costs 15 months 2024	Surplus on disposal of fixed assets 15 months 2024	Operating surplus/ (deficit) 15 months 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (Note 5)	67,423	-	(76,119)	-	(8,696)	75,888	-	(56,166)	-	19,722
Other social housing activities										
First tranche low-cost home ownership sales	7,955	(6,008)	-	-	**1,947**	13,884	(10,118)	-	-	**3,766**
Staircasing activity on low-cost home ownership (Note 11)	-	-	-	738	**738**	-	-	-	625	**625**
Sales of other housing properties (Note 11)	-	-	-	2,666	**2,666**	-	-	-	888	**888**
Charges for support services	57	-	(130)	-	**(73)**	49	-	(360)	-	**(311)**
Supporting people	6	-	(27)	-	**(21)**	77	-	(285)	-	**(208)**
Community engagement	294	-	(1,697)	-	**(1,403)**	331	-	(2,330)	-	**(1,999)**
Development costs not capitalised	-	-	(76)	-	**(76)**	-	-	(501)	-	**(501)**
Exceptional Item - LGPS exit*	-	-	(3,947)	-	**(3,947)**	-	-	-	-	-
Other	281	-	(93)	-	**188**	186	-	(96)	-	**90**
	76,016	(6,008)	(82,089)	3,404	(8,677)	90,415	(10,118)	(59,738)	1,513	22,072
Activities other than social housing activities										
Lettings - Garages	784	-	(294)	-	**490**	895	-	(387)	-	**508**
	76,800	(6,008)	(82,383)	3,404	(8,187)	91,310	(10,118)	(60,125)	1,513	22,580

*LGPS exit costs have been apportioned across social housing lettings operating costs (see note 5) and other social housing activities (note 4 above) based on proportion of all social and non-social operating expenditure.

Notes forming part of the financial statements

4. Particulars of turnover, cost of sales, operating expenditure, surplus on disposal of fixed assets and operating surplus – Association

	Turnover 2025	Cost of sales 2025	Operating costs 2025	Surplus on disposal of fixed assets 2025	Operating surplus/(deficit) 2025	Turnover 15 months 2024	Cost of sales 15 months 2024	Operating costs 15 months 2024	Surplus on disposal of fixed assets 15 months 2024	Operating surplus/(deficit) 15 months 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (Note 5)	67,423	-	(76,119)	-	(8,696)	75,888	-	(56,166)	-	19,722
Other social housing activities										
First tranche low-cost home ownership sales	7,955	(6,008)	-	-	**1,947**	13,884	(10,118)	-	-	**3,766**
Staircasing activity on low-cost home ownership (Note 11)	-	-	-	738	**738**	-	-	-	625	**625**
Sales of other disposals (Note 11)	-	-	-	2,666	**2,666**	-	-	-	888	**888**
Charges for support services	57	-	(130)	-	**(73)**	49	-	(360)	-	**(311)**
Supporting people	6	-	(27)	-	**(21)**	77	-	(285)	-	**(208)**
Community engagement	294	-	(1,697)	-	**(1,403)**	-	-	(1,924)	-	**(1,924)**
Development costs not capitalised	-	-	(76)	-	**(76)**	-	-	(501)	-	**(501)**
Exceptional Item - LGPS exit*	-	-	(3,947)	-	**(3,947)**	-	-	-	-	-
Other	281	-	(93)	-	**188**	186	-	(96)	-	**90**
	76,016	(6,008)	(82,089)	3,404	(8,677)	90,084	(10,118)	(59,332)	1,513	22,147
Activities other than social housing activities										
Lettings - Garages	784	-	(294)	-	**490**	895	-	(387)	-	**508**
	76,800	(6,008)	(82,383)	3,404	(8,187)	90,979	(10,118)	(59,719)	1,513	22,655

* LGPS exit costs have been apportioned across social housing lettings operating costs (see note 5) and other social housing activities (note 4 above) based on proportion of all social and non-social operating expenditure.

Notes forming part of the financial statements

5. Particulars of turnover and operating expenditure from social housing lettings

Group and Association	General needs housing 2025	Supported housing (inc. housing for older people) 2025	Kent Excellent Homes for All 2025	Low-cost home ownership 2025	Leasehold 2025	Total 2025	Total 15 months 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income							
Rents net of identifiable service charges	45,710	4,259	4,078	5,891	28	59,966	67,048
Service charge income	3,707	345	830	563	124	5,569	6,892
Net rental income	49,417	4,604	4,908	6,454	152	65,535	73,940
Amortised government grants	896	83	-	138	-	1,117	1,279
Other grants	705	66	-	-	-	771	669
Turnover from social housing lettings	51,018	4,753	4,908	6,592	152	67,423	75,888
Operating expenditure							
Management	(5,631)	(525)	(203)	(868)	(213)	(7,440)	(7,521)
Services	(5,271)	(491)	(190)	(812)	(199)	(6,963)	(9,031)
Routine maintenance	(7,306)	(681)	(263)	-	-	(8,250)	(8,603)
Planned maintenance	(11,526)	(1,074)	-	-	-	(12,600)	(15,215)
Major repairs expenditure	(1,055)	(98)	-	-	-	(1,153)	(1,206)
Kent Excellent Homes for All operating service agreement	-	-	(4,020)	-	-	(4,020)	(4,451)
Bad debts	(65)	(6)	(2)	-	-	(73)	(928)
Depreciation of housing properties:							
- period charge	(6,849)	(638)	(247)	-	-	(7,734)	(9,007)
- accelerated on disposal of components	(155)	(14)	(6)	-	-	(175)	(204)
Exceptional Item - LGPS exit*	(20,976)	(1,954)	(755)	(3,233)	(793)	(27,711)	-
Operating expenditure on social housing lettings	(58,834)	(5,481)	(5,686)	(4,913)	(1,205)	(76,119)	(56,166)
Operating (deficit) / surplus on social housing lettings	(7,816)	(728)	(778)	1,679	(1,053)	(8,696)	19,722
Void losses	(362)	(151)	(91)	-	-	(604)	(1,010)

Void losses represent rental income lost as a result of property not being let, although it is available for letting.
*LGPS exit costs have been apportioned across social housing lettings operating costs (see note 5 above) and other social housing activities (see note 4) based on proportion of all social and non-social operating expenditure.

Notes forming part of the financial statements

6. Accommodation in management and development

Group and Association	2024 Number	Units developed or newly built units acquired Number	Units sold/ demolished Number	Transfers and acquisitions (to)/from other RPs Number	Other movements Number	2025 Number
Social housing ownership						
Social rent general needs	5,400	1	(10)	45	3	5,439
Affordable rent general needs	1,039	106	(1)	4	(2)	1,146
Social rent supported housing and housing for older people	749	-	(1)	-	-	748
Affordable rent supported housing and housing for older people	106	-	-	-	-	106
Shared ownership	947	73	(9)	8	-	1,019
Leasehold	248	-	-	-	2	250
Other social housing	27	-	-	-	-	27
Total social housing units owned and managed	8,516	180	(21)	57	3	8,735
Non-social rental housing units (excluding leasehold units)						
Non-social rental housing units owned	-	-	-	-	1	1
Total owned accommodation	8,516	180	(21)	57	4	8,736
Homes under construction	297					311

7. Operating Surplus

	Group 2025 £'000	Group 15 months 2024 £'000	Association 2025 £'000	Association 15 months 2024 £'000
This is arrived at after charging:				
Depreciation for the year / period				
- housing properties	7,734	9,007	7,734	9,007
- accelerated depreciation on replaced components	175	204	175	204
- other tangible fixed assets	783	988	783	988
Operating lease rentals:				
- land and buildings	161	361	161	361
- other	172	228	172	228
Auditors' remuneration (excluding VAT):				
- fees payable to the Group's auditor for the audit of the Group's accounts	88	74	88	74
- fees for audit of accounts of subsidiary entities	-	9	-	-
- fees for other non-audit services	11	-	11	-

Notes forming part of the financial statements

8. Employees

Employee costs	Group 2025 £'000	Group 15 months 2024 £'000	Association 2025 £'000	Association 15 months 2024 £'000
Staff costs (including executive management team) consist of:				
Wages and salaries	14,868	16,900	14,868	16,900
Social security costs	1,543	1,717	1,543	1,717
Cost of defined benefit pension scheme	604	761	604	761
Cost of defined contribution scheme	1,112	880	1,112	880
Less amounts recharged to Group entities	-	-	-	(279)
	18,127	20,258	18,127	19,979

Wages and salaries in 2025 include £28k of costs related to compensation for the loss of office (2024: £125k). All amounts have been fully paid during the year.

The average number of employees (including executive management team) expressed as full-time equivalents (FTE), calculated based on a standard working week of 37 hours, during the year (period) was as follows:

	2025 FTE	15 months 2024 FTE
Administration	88	88
Development	26	24
Housing, support and care	216	209
	330	321

A defined contribution pension scheme was operated by the Group on behalf of employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Group to the fund and amounted to £1,112k (2024: £880k). No contributions (2024: £nil) were outstanding for the fund at the year end.

9. Directors' and senior executive remuneration

The key management personnel are defined as the members of the Board of management, the Chief Executive and the executive management team disclosed within Executives and Advisers section of this report.

Group and Association	2025 £'000	Restated 15 months 2024 £'000
Executive directors' emoluments	1,002	1,182
Amounts paid to non-executive directors	81	116
	1,083	1,298

The Executive directors' emoluments in 2024 included costs totalling £87k related to compensation for the loss of office. This amount had been fully provided for in the prior period and was fully settled in 2025. There are no such costs reported in the Executive directors' emoluments for 2025.

The total amount payable to the Chief Executive, who was also the highest paid director in respect of emoluments excluding pension, was £171k (2024: £220k for 15 months). The pension entitlement of the Chief Executive is identical to those of other members in the defined contribution pension scheme. No enhanced or special terms apply.

There were no directors in the KCC LGPS scheme during the year, and six directors in the Group's defined contribution pension scheme (2024: six).

The cost per housing unit for directors' remuneration is £128 (2024: restated £157 for 15 months), based on total aggregate directors' remuneration including pension and National Insurance contributions, payable to directors or former directors in relation to the period of account, divided by total social housing units owned and/ or managed at period end.

The Executives emoluments presented for the prior reporting period have been restated to include pension and national insurance contributions.

The remuneration paid to executive management team and staff (including pension) earning from £60,000 upwards:

Group and Association	2025 Number	2024 Number
£60,000 - £69,999	22	36
£70,000 - £79,999	17	25
£80,000 - £89,999	7	14
£90,000 - £99,999	5	10
£100,000 - £109,999	6	2
£110,000 - £119,999	1	3
£120,000 - £129,999	-	3
£130,000 - £139,999	3	-
£140,000 - £149,999	1	1
£150,000 - £159,999	1	1
£160,000 - £169,999	-	2
£170,000 - £179,999	-	2
£200,000 - £209,999	1	-
£240,000 - £249,999	-	1
	64	100

The significant decrease in employees paid remuneration over £60,000 is mainly attributable to the comparatives being a 15-month period whereas the current year shows remuneration for a 12-month period.

Notes forming part of the financial statements

10. Board members

During the year, Board members received emoluments totalling £81k (2024:£116k) and were members of the following Board Committees:

Board members	Remuneration £	Group Board	Audit & Risk	Investment & Finance	Communities & Housing	People and Appointments Committee
Tracy Allison - Chief Executive		○				
Piers White – Chair	16,422	●				○
Janet Eilbeck	8,598	○	●			●
Dr Joanne Simpson	8,626	○			●	
Alex Yew	8,598	○	○	●		
Akin Durowoju[2]	7,461	○		○	○	
Angela George[3]	3,642	○			○	
Ben Cooper	7,461	○			○	
Abdool Kara	-	○			○	○
Kevin Corbett	7,461	○		○		○
Megan Morvan	7,461	○			○	
Peter Conway[1]	5,694	○	○	○		
	81,424					

● Chair

○ Member

[1] Appointed Independent Member of the Audit & Risk Committee on 22 April 2024 and elected to the Board at the AGM on 25 September 2024.

[2] Appointed to the Communities and Housing Committee on 5 June 2024.

[3] Resigned from the Board on 25 September 2024.

11. Surplus on disposal of fixed assets

Group and Association	2025	15 months 2024
	£'000	£'000
Proceeds from low-cost home ownership staircasing	1,831	1,228
Cost of sales (including selling costs)	(1,082)	(585)
Transfer to recycled capital grant fund	(11)	(18)
Surplus on shared ownership sales	738	625
Proceeds from Right to Buy sales	880	-
Cost of sales (including selling costs)	(249)	-
Transfer to recycled capital grant fund	(23)	-
Surplus on Right to Buy sales	608	-
Income from other housing property sales	2,934	1,164
Cost of sales (including selling costs)	(823)	(251)
Transfer to recycled capital grant fund	(32)	(25)
Surplus on other housing property sales	2,079	888
Sale of other assets	-	-
Cost of disposal (including selling costs)	(21)	-
Loss on disposal of other fixed assets	(21)	-

The loss on disposal of other fixed assets relates to the write off of out of date equipment.

Notes forming part of the financial statements

12. Interest receivable and income from investments

	Group 2025 £'000	Group 15 months 2024 £'000	Association 2025 £'000	Association 15 months 2024 £'000
Other interest receivable and similar income	410	393	410	382
Net interest on net defined benefit asset	11	20	11	20
	421	413	421	402

13. Interest payable and similar charges

Group and Association	2025 £'000	15 months 2024 £'000
Bank loans and overdrafts	15,245	18,385
Interest on finance leases	845	964
Other finance cost	347	-
Interest payable on recycled capital grant	34	50
	16,471	19,399
Interest capitalised in construction costs of housing properties	(1,041)	(2,449)
	15,430	16,950

14. Taxation on surplus on ordinary activities

The tax assessed for the year differs to the standard rate of corporation tax in the UK applied to surplus before tax. The differences are explained below:

	Group 2025 £'000	Group 15 months 2024 £'000	Association 2025 £'000	Association 15 months 2024 £'000
(Loss) / surplus on ordinary activities before tax	(23,025)	6,079	(23,025)	6,143
(Loss) / surplus on ordinary activities at the standard rate of corporation tax in the UK of 25% (2024: 19%-25%)	(5,756)	1,447	(5,756)	1,462
Effects of:				
Charitable (loss) / income	5,756	(1,447)	5,756	(1,462)
Total tax charge for period	-	-	-	-

The aggregate current and deferred tax relating to items recognised in other comprehensive income is a charge of £nil (2024: £nil).

Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value or on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Such tax would become payable only if the property was sold without it being possible to claim rollover relief. The total un-provided amount is £nil (2024: £nil). At present, it is not envisaged that any tax will become payable in the foreseeable future.

Notes forming part of the financial statements

15. Tangible fixed assets – housing properties

Group and Association	General needs completed	General needs under construction	Low-cost home ownership completed	Low-cost home ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2024	689,086	20,184	122,690	10,993	842,953
Additions	-	22,472	-	12,696	35,168
Works to existing properties	11,236	-	-	-	11,236
Completed schemes	22,673	(22,673)	11,993	(11,993)	-
Repurchase of units	330	-	210	-	540
Transfers and acquisitions from other RPs	3,887	-	992	-	4,879
Disposal of properties	(1,072)	-	(1,151)	-	(2,223)
Accelerated replacement of components	(1,276)	-	-	-	(1,276)
At 31 March 2025	724,864	19,983	134,734	11,696	891,277
Depreciation					
At 1 April 2024	(87,620)	-	-	-	(87,620)
Charge for the period	(7,909)	-	-	-	(7,909)
Eliminated in respect of disposals and components	1,434	-	-	-	1,434
At 31 March 2025	(94,095)	-	-	-	(94,095)
Net book value at 31 March 2025	630,769	19,983	134,734	11,696	797,182
Net book value at 31 March 2024	601,466	20,184	122,690	10,993	755,333

During the year West Kent Housing and London & Quadrant (L&Q) agreed a stock transfer of 77 homes in Tonbridge and Malling. The homes transferred were across a range of tenures including shared ownership, affordable rent, and freeholders.

15. Tangible fixed assets – housing properties

Group and Association	2025	2024
	£'000	£'000
The net book value of housing properties may be further analysed as:		
Freehold	759,587	717,800
Long leasehold	37,595	37,533
	797,182	755,333
Interest capitalisation		
Interest capitalised in the period	1,041	2,449
Works to properties		
Improvements to existing properties capitalised	874	1,083
Major components replacement capitalised	10,362	9,488
Major repairs expenditure to income and expenditure account	1,153	1,206
	12,389	11,777
Total Social Housing Grant received or receivable to date is as follows:		
Held as deferred income	97,012	92,509
Recycled capital grant fund	768	692
Recognised in the Statement of Comprehensive Income	1,117	1,279
	98,897	94,480

Notes forming part of the financial statements

15. Tangible fixed assets – housing properties

Finance leases

The net book value of housing properties for the Group includes an amount of £20.5m (2024: £20.6m) in respect of assets held under finance leases and hire purchase contracts. Such assets are generally classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and often the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount. The finance lease is from a Private Finance Initiative called Kent Excellent Homes for All. This is a contract between Kent County Council and Kent EHFA ProjectCo Limited. West Kent has concluded that it is the grantor due to the conditions it fulfils within the contracts. West Kent collects rents and service charges from its residents. It pays the Kent EHFA ProjectCo an operating and construction services payments over the life of the contract. At the end of the contract West Kent is likely to purchase the assets outright.

Impairment

The Group considers individual properties to represent separate cash generating units (CGUs) when assessing for impairment in accordance with the requirements of FRS 102 and SORP 2018. During the current year, the Group and Association have not recognised any impairment loss (2024: £nil) in respect of general needs housing stock.

Properties held for security

West Kent Housing Association had property with a net book value of £561m pledged as security as at 31 March 2025 (2024: £426m). There was also further property with a net book value of £6m charged as unallocated with a Security Trustee company and ready for designation to new funding at 31 March 2025 (2024: £6.1m).

16.a. Other tangible fixed assets

Group	Office buildings	Plant, machinery and vehicles	Fixtures, fittings, tools and equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2024	2,423	3,966	589	6,978
Addition	-	331	-	331
Transfers to intangible fixed assets	-	(100)	-	(100)
Disposals	-	(395)	(45)	(440)
At 31 March 2025	2,423	3,802	544	6,769
Depreciation				
At 1 April 2024	(1,005)	(1,925)	(345)	(3,275)
Charge for period	(40)	(688)	(55)	(783)
Disposals	-	386	45	431
At 31 March 2025	(1,045)	(2,227)	(355)	(3,627)
Net book value				
At 31 March 2025	1,378	1,575	189	3,142
At 31 March 2024	1,418	2,041	244	3,703

Group and Association	2025 £'000	2024 £'000
The net book value of office buildings may be further analysed as:		
Freehold	1,369	1,407
Long leasehold	-	-
Short leasehold	9	11
	1,378	**1,418**

Finance leases

The company had no 'Other tangible fixed assets' held under finance leases at either period end.

Notes forming part of the financial statements

16.b. Intangible fixed assets

Group and Association	Computer Software	Total
	£'000	£'000
Cost		
At 1 April 2024	5,845	5,845
Additions	1,763	1,763
Transfers from other tangible fixed assets	100	100
Disposals	(2)	(2)
At 31 March 2025	7,706	7,706
Depreciation		
At 1 April 2024	-	-
Charge for period	(610)	(610)
Disposals	-	-
At 31 March 2025	(610)	(610)
Net book value		
At 31 March 2025	7,096	7,096
At 31 March 2024	5,845	5,845

17. Fixed asset investments

Details of subsidiary undertakings, associated undertakings and other investments

The principal undertakings which the Association has an interest in are as follows:

Name	Accounting treatment	Country of incorporation or registration	Proportion of voting rights/ordinary share capital held	Nature of business	Nature of entity
Subsidiary undertakings					
West Kent Extra Limited (WKE) (liquidated) (Note 36)	Liquidated	England	100%	Provision of community support services	Registered charity
West Kent Ventures Limited (WKV)	Dormant	England	100%	Dormant commercial company	Incorporated company
Joint Ventures					
Ink Development Company Limited	Jointly controlled entity - Equity method	England	50%	Development company	Incorporated company

West Kent Extra was made dormant as of 31 March 2024 and subsequently dissolved during the year ended 31 March 2025. Its activities have been absorbed into West Kent Housing Association from 1 April 2024.

Ink Development Company Limited was a jointly controlled entity between Southern Housing Group and West Kent Housing Association. The equity method of accounting was adopted. West Kent's equity investment was £10,001 (2024: £1). The cumulative loss of Ink Development Company Limited as at 31 March 2025 is calculated to be £19,989 (2024: profit £6,213). West Kent's share of the loss was £9,994 (2024: profit £3,106). This has not been presented in the accounts as it is not deemed to be material. Ink Board met on 30 June 2025 and took the decision to dissolve the entity. An application to Companies House to strike the company off was made on 1 July 2025.

Notes forming part of the financial statements

18. Investment properties

Group and Association	2025	2024
	£'000	£'000
Fair Value		
At beginning of year / period	7,980	7,748
Additions	216	274
Transfer	-	(78)
Disposals	(10)	-
Movements in fair value of investment	38	36
At 31 March	8,224	7,980

The Association owns garages which are classified as investment properties. The Association engaged Jones Lang LaSalle Limited for the 31 March 2025 fair value valuation. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual.

In valuing investment properties, a discounted cashflow methodology was adopted with the following key assumptions:

	2025	2024
Discount rate	7.0%	7.0%
Management and maintenance cost	£186 per unit per annum	£125 per unit per annum
Rent loss through voids	20%-25%	25%-34%

Based on the valuation assumptions outlined above, the valuers are of the opinion that the market value of the 1,761 properties is £8,224k.

19. Properties for sale

Group and Association	2025	2024
	£'000	£'000
First tranche shared ownership properties:		
Work in progress (properties under construction)	5,521	5,919
Completed properties (properties completed and unsold)	1,001	924
	6,522	6,843

20. Debtors

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Due within one year				
Rent and service charge arrears	2,644	2,371	2,644	2,371
Less: Provision for doubtful debts	(1,040)	(1,110)	(1,040)	(1,110)
	1,604	1,261	1,604	1,261
Amounts owed by group undertakings	-	-	-	36
Other debtors	605	1,042	605	1,042
Prepayments and accrued income	4,053	1,696	4,053	1,696
	6,262	3,999	6,262	4,035
Due after one year				
Amounts held on trust	4,103	3,825	4,103	3,825
Derivative financial instruments designated as hedge	88	-	88	-
Prepayments and accrued income	722	-	722	-
	4,913	3,825	4,913	3,825
	11,175	7,824	11,175	7,860

The amounts held on trust relate to an interest servicing reserve held on loans of £4.1m (2024: £3.8m) held by The Housing Finance Corporation and Affordable Housing Finance Plc. Amounts held on trust for the loan principal where security is to be provided £nil (2024: £nil).

Notes forming part of the financial statements

21. Cash and cash equivalents

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	8,770	9,284	8,770	9,086
Leaseholder accounts	1,047	1,053	1,047	1,053
	9,817	10,337	9,817	10,139

22. Creditors: amounts falling due within one year

	2025	2024
	£'000	£'000
Group and Association		
Debt (Note 26)	4,984	4,322
Trade creditors	6,528	3,829
Rent and service charges received in advance	1,445	1,199
Obligations under finance leases (Note 26)	351	311
Other creditors	990	1,320
Recycled capital grant fund (Note 25)	261	194
Accruals and deferred income	9,308	3,982
Accrued interest	2,377	2,046
	26,244	17,203

The movement in the accruals between the two financial years is driven by the recognition of £5m of estimated costs for two "turnkey" development schemes entered into during the year.

23. Creditors: amounts falling due after more than one year

Group and Association	2025	2024
	£'000	£'000
Debt (Note 26)	344,601	320,655
Obligations under finance leases (Note 26)	20,630	20,981
Deferred capital grant (Note 24)	97,012	92,509
Recycled capital grant fund (Note 25)	507	498
Sinking fund balances	1,074	1,186
Derivative financial instruments designated as hedge	-	1,376
Capital retentions	724	292
	464,548	437,497

24. Deferred capital grant

Group and Association	2025	2024
	£'000	£'000
At beginning of year / period	92,509	88,892
Grants received during the year / period	5,730	4,565
Grants recycled from the recycled capital grant fund	194	487
Released to income during the year / period	(1,117)	(1,279)
Grant transferred to revenue	(134)	-
Grants on disposed properties	(236)	(199)
Eliminated on disposal	66	43
At 31 March	97,012	92,509

During the year West Kent Housing and London & Quadrant (L&Q) agreed a stock transfer of 77 homes in Tonbridge and Malling. The cost of the acquired properties has been measured at fair value. £2.5m of social housing grant was associated with this transaction. The fair value of the obligation to repay or recycle the government grant was reflected in the fair value of the housing properties acquired and therefore no additional value was attributed to the government grant transferred.

Notes forming part of the financial statements

25. Recycled capital grant fund

Group and Association	2025	2024
	£'000	£'000
At beginning of year / period	692	930
Inputs to recycled capital grant fund:		
- grants recycled from deferred capital grants	236	199
- interest accrued	34	50
Recycling of grant:		
- new build	(194)	(487)
At 31 March	768	692
Amounts falling due within one year	261	194
Amounts falling due after one year	507	498
	768	692
Amounts three years or older where repayment may be required	-	-

Withdrawals from the recycled capital grant fund are used for the purchase and development of new housing schemes for letting and for approved works to existing housing properties. All funds pertain to activities within areas covered by Homes England.

26. Debt analysis

Group and Association	2025	2024
	£'000	£'000
Due within one year		
Loans	5,000	4,500
Bond premium	390	307
Less: issue cost	(406)	(485)
Total due within one year	**4,984**	**4,322**
Due after more than one year		
Loans	344,000	318,000
Bond premium	4,333	5,690
Less: issue cost	(3,732)	(3,035)
Total due after more than one year	**344,601**	**320,655**

All loans are in the form of bank loans or aggregated bonds. All historic loans accrue interest at a variable or fixed rate equivalent to Sterling Over Night Index Average (Sonia) plus margin. Issue costs incurred have been deducted from the initial carrying value and will be charged to profit or loss as part of the interest charge calculated using the amortised cost method.

Notes forming part of the financial statements

26. Debt analysis

Loans are secured by specific charges on the housing properties of the Group. The loans bear interest at fixed rates ranging from 1.78% to 5.43% or at variable rates calculated at a margin above the Sonia.

At 31 March 2025 the Group had undrawn loan facilities of £170m (2024: £71m).

Based on the lender's earliest repayment date, borrowings are repayable as follows:

Group and Association	2025	Restated 2024
	£'000	£'000
Within one year	5,000	4,500
One year or more but less than two years	5,250	5,000
Two years or more but less than five years	94,500	126,450
Five years or more	244,250	186,550
	349,000	322,500
Obligations under finance leases		
Within one year	351	311
One year or more but less than two years	393	351
Two years or more but less than five years	923	831
Five years or more	19,314	19,799
	20,981	21,292

In the current reporting period, the aged debt analysis includes only the principal loan repayment schedule and excludes the amortisation of debt issue costs. The prior period figures have been restated to align with this approach, ensuring consistency and comparability.

27. Financial instruments

a. Carrying amount of financial instruments

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Financial assets measured at historic cost				
Trade receivables	1,604	1,261	1,604	1,261
Other receivables	9,571	6,647	9,571	6,683
Cash and cash equivalents	9,817	10,337	9,817	10,139
Total financial assets	20,992	18,245	20,992	18,083
Financial liabilities measured at historic cost				
Loans payable	349,585	324,977	349,585	324,977
Trade creditors	6,528	3,829	6,528	3,829
Other creditors	113,698	104,415	113,698	104,415
Finance leases	20,981	21,292	20,981	21,292
Total financial liabilities	490,792	454,513	490,792	454,513

The Group's financial assets consist of trade receivables, other receivables and cash and cash equivalents measured at historic cost. There are a limited number of agreements in place with customers to pay debts owed to West Kent, the value of the payment plans is small and have been included and continue to be held at transaction price.

The Group's financial liabilities consist of loans payable measured at historic cost as an approximation for amortised cost as the difference between them is not deemed material, and trade creditors, other creditors and finance leases are measured at historic cost.

Notes forming part of the financial statements

27. Financial instruments

b. Hedge accounting

West Kent Housing has entered into £111.3m interest rate swap contracts (2024: £87.5m) to fix the rates of £111.3m (2024: £87.5m) of its borrowing portfolio until various dates up to 2036.

The positive fair value of these swap contracts as at 31 March 2025 was £0.1m (2024: negative £1.4m). The fair value was determined by calculating the net present value of the future cashflows of the swaps discounted using an appropriate mid-market swap curve as at 31 March 2025.

The positive ineffectiveness of these swap contracts as at 31 March 2025 was £0.1m (2024: nil) and has been recognised in the Statement of Comprehensive Income as defined in the Accounting Policies.

Periods in which the forecast cash flows associated with standalone interest rate swaps are expected to occur:

Group and Association	2025 £'000	2025 £'000	2024 £'000	2024 £'000
	Receivable	Payable	Receivable	Payable
Interest rate swaps				
In one year or less	4,722	(4,467)	4,326	(3,726)
Between one and two years	4,236	(4,415)	3,434	(3,684)
Between two and five years	7,064	(7,316)	54,246	(55,187)
In five years or more	6,322	(5,982)	21,381	(22,433)
Total	22,344	(22,180)	83,387	(85,030)

Group and Association	2025 £'000	2024 £'000
Nominal value of the above Interest rate swaps	111,250	87,500

28. Provisions for liabilities and charges

Group and Association	2025 £'000	2024 £'000
At beginning of year / period	95	-
Additions	7,361	95
Amounts charged against provision	(95)	-
At 31 March	7,361	95

Group and Association	2025 £'000	2024 £'000
Termination benefit provisions	-	95
LGPS settlement provisions	6,952	-
Major works obligation provisions	231	-
Other provisions	178	-
	7,361	95

In the year the Group has recognised a provision for remedial property works and following the decision to exit LGPS on 31 March 2025, the pension cessation payment. The table in note 29 sets out the estimated costs of exit included in the SOCI.

Notes forming part of the financial statements

29. Pensions

Two pension schemes were operated by the Group until 31 March 2025.

Defined benefit pension scheme

The Group was an admitted body to the Kent County Council local government superannuation scheme, a defined benefit pension scheme. The scheme was closed to new entrants from West Kent and was subject to the regulations of the Local Government Superannuation Scheme. Contributions to the scheme were determined by a qualified actuary on the basis of valuations, using the projected unit method.

There was a stated policy for charging the net defined benefit scheme between those Group companies that were a party to the scheme and hence a proportion of the defined benefit scheme assets, liabilities, income and costs were recognised by individual Group companies in accordance with that policy.

Pension benefits depend upon age, length of service and salary level.

A full actuarial valuation of the defined benefit scheme was carried out at 31 March 2022 and updated to 31 March 2025 by a qualified independent actuary. Contributions to the scheme were made by the Group based on the advice of the actuary and with the aim of making good any deficit over the remaining working life of the employees.

The Board agreed to closing the existing defined benefit pension scheme on 10 January 2025, following staff consultation.

On 15 May 2025 the Group received the 31 March cessation valuation estimate which the provision for the final settlement is based upon. The Group is aiming to repay the pension liability during the year 2025/26.

Total exit costs comprise:	2025
	£'000
Project costs	499
Staff compensation	429
Estimated exit cost	6,582
Unfunded benefits payment	184
Non-cash net movement in defined benefit pension assets and liabilities	23,965
	31,659

29. Pensions

Reconciliation of present value of plan liabilities	2025	15 months 2024
	£'000	£'000
At the beginning of the year /period	40,166	32,917
Current service cost	553	698
Interest cost	1,933	1,972
Actuarial losses/(gains):		
- Change in financial assumptions	(5,620)	560
- Change in demographic assumptions	(99)	(511)
- Experience (gain) / loss on curtailments	(167)	5,702
Estimated benefits paid	(1,613)	(1,383)
Contributions by scheme participants	189	240
Unfunded pension payments	(24)	(29)
Effect of the settlement	(35,318)	-
At the end of the year / period	-	40,166

Notes forming part of the financial statements

29. Pensions

Reconciliation of fair value of plan assets	2025	15 months 2024
	£'000	£'000
At the beginning of the year / period	58,340	55,296
Interest income on plan assets	2,842	3,367
Return on assets less interest	(1,165)	(653)
Other actuarial gains	-	586
Administration expenses	(51)	(63)
Contributions by employer including unfunded	765	979
Contributions by fund participants	189	240
Estimated benefits paid	(1,637)	(1,412)
Effect of the settlement	(59,283)	-
At the end of the period/year	-	58,340
Fair value of plan assets	-	58,340
Present value of the defined benefit obligation	(35,193)	(40,017)
Present value of unfunded obligation	(125)	(149)
Effect of settlement	35,318	-
Asset ceiling	-	(18,323)
Net pension scheme liability	-	(149)
Amounts recognised in income and expense are as follows:		
Current service cost	553	698
Administrative expenses	51	63
Effect of the settlement	(30,547)	-
Net interest on defined asset	(11)	(20)
	(29,954)	741

29. Pensions

	2025	15 months 2024
	£'000	£'000
Analysis of actuarial (loss)/gain recognised in Other Comprehensive Income:		
Actual return less interest income included in net interest income	(1,165)	(653)
Other actuarial gains on assets	-	586
Changes in demographic assumptions	99	511
Experience gain / (loss) on the scheme liabilities	167	(5,702)
Changes in assumptions underlying the present value of the scheme liabilities	5,620	(560)
Changes in impact of asset ceiling	19,221	5,431
	23,942	(387)

Composition of plan assets	2025	2024
	£'000	£'000
Equities	34,713	33,938
Gilts	3,532	4,275
Other bonds	8,560	8,400
Property	4,672	5,234
Cash	2,039	929
Target return portfolio (Absolute return fund)	2,933	2,948
Infrastructure	2,834	2,616
Total plan assets	59,283	58,340
Actual return on plan assets	1,677	2,714

Notes forming part of the financial statements

29. Pensions

	2025	2024
Principal actuarial assumptions used at the balance sheet date		
Discount rates	5.75%	4.90%
Future salary increases	3.90%	3.95%
Future pension increases	2.90%	2.95%
Mortality rates		
for a male aged 65 now	20.7	20.8
at 65 for a male member aged 45 now	22.0	22.0
for a female aged 65 now	23.3	23.3
at 65 for a female member aged 45 now	24.7	24.7

Defined contribution scheme

A defined contribution pension scheme is operated by the Group on behalf of the employees. The assets of the scheme are held separately from those of the Association in an independently administered fund. The pension charge represents contributions payable by the Group to the fund and amounted to £1,112k (2024: £880k). Contributions totalling £nil (2024: £nil) were payable to the fund at the period end.

30. Share capital

	2025	2024
Group and Association	**£**	**£**
At beginning of year / period	23	23
Shares issued in the year / period	1	4
Shares cancelled in the year / period	(3)	(4)
At 31 March	**21**	**23**

The share capital of the Association consists of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. When a shareholder ceases to be a member, that share is cancelled and the amount paid thereon becomes the property of the Association. Therefore, all shareholdings relate to non-equity interests.

31. Contingent liabilities

The Association has entered into a residual value deed with Kent EHFA ProjectCo Limited as part of the Kent Excellent Homes For All Private Finance Initiative. The amount outstanding under the Residual Value Facility was, and at any relevant time shall not exceed, £9m save with the prior written consent of West Kent Housing Association. An overage payment is potentially payable if the Existing Use Valuation - Social Housing at the end of the contract exceeds £9m. No existing security has currently been provided by West Kent Housing Association in connection with this liability. The homes built under the contract are held as security. If this is not sufficient, further security will be used from West Kent Housing Association's £167m unencumbered stock.

During the year West Kent Housing and London & Quadrant (L&Q) agreed a stock transfer of 77 homes in Tonbridge and Malling. The cost of the acquired properties has been measured at fair value. £2.5m of social housing grant was associated with this transaction. The fair value of the obligation to repay or recycle the government grant was reflected in the fair value of the housing properties acquired and therefore no additional value was attributed to the government grant transferred.

Notes forming part of the financial statements

32. Operating leases

Amounts payable as lessee Group and Association	2025	2024
	£'000	£'000
No later than one year	254	314
Later than one year and not later than five years	467	640
Later than five years	2,992	3,152
	3,713	4,106

Amounts payable as lessee include rented housing properties and office properties and equipment in accordance with the terms of the lease where West Kent Housing Association is the leaseholder.

33. Capital commitments

Group and Association	2025	2024
	£'000	£'000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	59,342	51,254
Expenditure authorised by the Board, but not contracted	2,123	-
	61,465	51,254

These are commitments towards fixed assets which have been contracted and predominantly relate to developments where known contracts have been appointed, and which have started on site.

Capital commitments for the Group and Association will be funded as follows:	2025	2024
	£'000	£'000
Social Housing Grant	3,060	4,875
Approved loan facility	36,685	27,189
Sales of properties	21,720	19,190
	61,465	51,254

Commitments relating to joint venture included in capital expenditure that has been contracted for is £nil.

34. Related party disclosures

The ultimate controlling party of the Group is West Kent Housing Association. There is no ultimate controlling party of West Kent Housing Association.

West Kent considers the key management personnel to be the Board and Executive Team, the only transactions between West Kent and the key management personnel are remuneration which is set out in the note 10.

West Kent has assessed the declared interests of Board members and the Executive Team against the supplier listing and contracts register. Seven suppliers are connected to a member of the Board (Gartner, Peabody Housing, Vistry, Countryside Properties, DAVSS, Moat and Maidstone Council), however no decisions on the use or appointment of these six suppliers has been considered by the Board during the period and as such, we have confirmed that no related party transactions have taken place during the period.

West Kent participated in two pension schemes, the Kent County Council LGPS defined benefit pension scheme (closed) and The Royal London defined contribution scheme. The transactions with these pension schemes are set out in note 29.

The Board includes two resident members (2024: three) who hold tenancy agreements on normal terms and cannot use their position to their advantage. There are seven shareholders (2024: seven), excluding the Board members, who are also residents, or have close family that are residents, of the Association, who hold tenancy agreements on normal terms and cannot use their position to their advantage.

The aggregated transactions with the residents, Board members and shareholders are shown below:

	2025	15 months 2024
	£'000	£'000
Payment due from previous year / period	(1)	(2)
Charges in year / period	67	100
Payments in year / period	(66)	(98)
Payments due at end of year / period	-	-

Notes forming part of the financial statements

34. Related party disclosures

Joint venture

The following transactions took place between the Group and its joint venture and associated companies during the year:

	2025	15 months 2024
	£'000	£'000
Net sales and purchases of goods and services	(5)	304
Debtors due to Ink Development Company Limited	-	383
Creditor due from Ink Development Company Limited	-	262
Administration fees received by West Kent	-	12

Transactions with the joint venture are payable on demand. There are no other terms and conditions.

Transactions with non-regulated entities

In the prior period, the Association provided management services, staff and other services to its subsidiaries. The quantum and basis of those charges is set out below.

	Staff and management costs recharged		Other charges		Total	
	2025	15 months 2024	2025	15 months 2024	2024	15 months 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Payable to Association by subsidiaries:						
West Kent Extra Limited	-	279	-	-	-	279
	-	279	-	-	-	279

Intra-group charges

Intra-group charges were receivable by the Association from its subsidiaries to cover running costs incurred by the Association in managing those subsidiaries. No such charges were received during the current year, compared to £279k in the prior period.

35. Movement in fair value of financial instruments

Group and Association	2025	15 months 2024
	£'000	£'000
Fair value movements where effective through OCI	(1,331)	1,376
Fair value of ineffective cash flows	(133)	-
Total movement	(1,464)	1,376

36. Group reorganisation

On 31 March 2024, the business, assets and liabilities of subsidiary undertaking West Kent Extra Limited were transferred to West Kent Housing Association. The following assets and liabilities were transferred and included in the respective lines of the statement of financial position for West Kent Housing Association. Any adjustments that might be required to take account of the fair values of any assets and liabilities were judged not to be material and so the transaction was accounted for using the book values of assets and liabilities in the subsidiary prior to transfer.

Group and Association	2025	2024
	£'000	£'000
Stock	-	8
Debtors	-	21
Cash	162	-
Creditors	-	(29)

The comparative financial information of the entity has not been restated, and the results of the combined entity will only be reported from the transfer date onward. This is a judgement made by the management.

West Kent Extra was dissolved on the 26 December 2024.

37. Post balance sheet events

The decision was made by the Ink Board on 30 June 2025 to dissolve the joint venture through voluntary strike off (VSO). It is anticipated that the company will be struck off during the year 2025/26.

WestKent

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