

Honeycomb Group Limited
Registered Provider
Financial Statements
For the Year Ended 31 March 2026
Co-operative and Community Benefit Society

HONEYCOMB GROUP LIMITED

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HONEYCOMB GROUP LIMITED

Company Information

CHAIR:	Peter Hay CBE
NON-EXECUTIVE DIRECTORS:	Rob Wakefield – Appointed 18 September 2025
	Alice Hemsley-Myers
	Georgina Patel
	Andrew Davies
	Mark Selby
	Jessica Page
	Tim Edwards
	Tony Muir
	Phineas Hodson - Appointed 27 April 2026
	Rebecca Neill – Retired 18 September 2025
	Karl Dean – Retired 18 September 2025
SECRETARY:	Greg van Enk-Bones
REGISTERED OFFICE:	308 London Road
	Stoke-on-Trent
	ST4 5AB
AUDITOR:	Menzies LLP
	The Colmore Building
	20 Colmore Circus Queensway
	Birmingham
	B4 6AT
BANKERS:	NatWest
	1 Upper Market Square
	Hanley
	Stoke-on-Trent
	ST1 1NS
CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETY NUMBER:	17093R
REGULATOR OF SOCIAL HOUSING REGISTERED NUMBER:	LH2162

HONEYCOMB GROUP LIMITED

Chair Welcome

On behalf of the Board, I am pleased to introduce this year's Annual Report, which shows all we are doing to provide homes, services and support that make people feel safe, connected and confident.

Over the past year, the Board has remained focused on ensuring we have a clear and well-rounded understanding of the organisation's performance, the services we deliver, and the experiences of those who rely on them. This has included visiting schemes and refuges, and spending time with both customers and colleagues to gain first-hand insight into our homes and services. These experiences are invaluable, providing a deeper and more meaningful perspective on where we are making a difference and where we must continue to improve.

We have also strengthened how insight informs decision-making at Board level. Through our Customer Services Committee, we receive regular and detailed updates, including reports from the Customer Voice Chair, ensuring that customer experience and feedback are consistently reflected in our discussions. Alongside this, the Board continues to benefit from the fantastic work of our customer involvement groups, including the Customer Assurance Group and the Repairs Focus Group, whose challenge and insight are helping to shape and improve services. This breadth of engagement ensures that the customer voice is clearly heard and actively influences the decisions we make as a Board, while remaining balanced with our wider responsibilities to colleagues, partners, regulators and stakeholders.

Honeycomb Group has continued to make strong progress this year, maintaining robust governance and regulatory performance while investing in homes, services and communities. We remain committed to supporting a sustainable, resilient and forward-looking organisation that delivers positive outcomes for all those we serve.

I am incredibly proud to be Chair of Honeycomb Group, and look forward to building on this progress and delivering lasting impact for our customers, communities and stakeholders.

HONEYCOMB GROUP LIMITED

Chief Executive Welcome

Welcome to our 2025-2026 Annual Report.

At Honeycomb Group, our customers remain at the heart of everything we do, and over the past year we have strengthened how we listen and respond to their views. By expanding opportunities for involvement and engagement - through conversations, events and everyday interactions - we have gained a deeper understanding of what matters most. This insight continues to shape our priorities and inform our approach across the Group.

This has been another year of meaningful progress. We have delivered new homes, expanded vital support services, and maintained strong regulatory performance. These achievements reflect the collective effort of our colleagues, partners and stakeholders, and demonstrate the positive impact we continue to make across our communities. At the same time, we remain focused on where we can improve and the opportunities ahead.

Looking forward, our ambitions are clear. We are committed to providing homes that help people thrive - homes that are, not only safe and high-quality, but affordable to run, and places people can feel proud of. We will continue to invest in maintaining and improving existing homes, while exploring new housing solutions that strengthen quality and support long-term wellbeing.

We are equally focused on delivering high-quality, consistent customer experiences. By improving systems, strengthening communication and taking a more joined-up approach across the Group, we will ensure services are easier to access, more responsive and shaped by the people who use them.

Beyond this, we remain committed to building thriving communities. Through strong partnerships and collaboration, we will continue to connect people to opportunities, support wellbeing, and contribute to creating inclusive, resilient communities. Underpinning all of this is our ambition to be a strong, sustainable and forward-looking organisation. We will continue to invest in homes and services while carefully managing our resources, using better data, technology and innovation to deliver value and improve outcomes.

Crucially, we continue to invest in our people and culture. By supporting and empowering colleagues, and embedding a strong customer-first mindset, we are creating an organisation where people feel proud to work and where this translates into better services for those we support.

As we look ahead, our focus remains on delivering the 'brilliant basics' - building strong foundations that support long-term success. With this in mind, we have extended the build phase of our corporate plan to 2028, ensuring we continue to strengthen what matters most while maintaining momentum towards our longer-term ambitions.

Thank you to our customers, colleagues, partners and stakeholders for your continued support and collaboration. Together, we are creating homes, services and communities where people can truly thrive.

HONEYCOMB GROUP LIMITED

About Honeycomb Group

Honeycomb Group is a team of social-minded brands championing happy homes across our region. We're providing services and support that help people across Staffordshire, and its surrounding areas, feel secure, connected and confident. Whether it's developing and maintaining affordable homes, providing trusted home repairs and improvements, keeping people safe and well at home or providing support services, we're tackling the social issues that can isolate people from a happy home.

OUR BRANDS:

Staffs Housing is a leader in providing quality affordable housing in Staffordshire, Cheshire and the surrounding areas, ensuring there are no barriers to home-seekers finding a place they're proud to call home.

Revival is the local home improvement and support specialist, providing Stoke-on-Trent, Staffordshire and surrounding areas with trusted home repairs, and a range of friendly wellbeing support, making sure everyone is happy in a home they love.

Glow is a charity on a mission to end relationship abuse, campaigning for change and providing support throughout Staffordshire, Derbyshire and its surrounding areas. Through a full-circle approach, Glow seeks to address the issue from every angle, ensuring that no member of the community is vulnerable to an abusive relationship.

Concrete is a local charity, support network and campaigner leading the fight to erase homelessness within Staffordshire, East Cheshire and its surrounding areas. Through a community led approach, Concrete helps those without a plan, without a voice and without a home to build concrete futures by tackling the underlying issues that keep people from finding and securing a home of their own.

OUR VISION:

A progressive, passionate region with no barriers to a happy home.

Close your eyes and think of a city or a place that is full of life and energy. That's what we're aiming to do for every area we serve through the work we do. Happy homes mean thriving people who are building stronger communities and growing the local economy. We want to leave every place better than it was before we got there.

OUR MISSION:

Breaking barriers, building people, bettering homes.

Breaking down all of the social and physical barriers to a happy home in our region.

Elevating people by addressing the root cause from all angles: preventing, recognising, responding to and rehabilitating needs from the inside out for a long-term solution.

Bettering homes from every aspect, whether it's through the person or physical environment, so people feel secure, connected, confident and proud.

OUR VALUES:

Be dead genuine: Our customer experience is different because we're not all made from the same mould.

Never shut the door: Break down limitations with an open mind and heart

Come together: Believe in the power of collaboration, seek expertise and work together to create better solutions.

Be a leader in the field: Do what's right even when no one's looking

Chase curiosity and ambition: Whatever your passion is, be passionate about it. Fly without being afraid to fall.

HONEYCOMB GROUP LIMITED**Our Board and Executive Team****Honeycomb Group Board**

In September 2025 we said farewell to Rebecca Neill and Karl Dean, who stepped down from their positions having completed their terms of office.

We also welcomed Rob Wakefield to our Board in September 2025 followed by Phineas Hodson, who was appointed in April 2026.

Peter Hay CBE Board Chair Member of the Remuneration & Organisational Development Committee	Mark Selby Board Member Audit & Risk Committee Chair Member of the Remuneration & Organisational Development Committee	Rob Wakefield Board Member Customer Services Committee Chair Member of Audit and Risk Committee Director of subsidiary Stillness 924 Ltd	Alice Hemsley-Myers Senior Independent Director Board Member Commercial Committee Chair Member of Audit & Risk Committee Board Chair of subsidiary Honeycomb Charitable Services Ltd Director of subsidiary Stillness 924 Ltd	Andrew Davies Board Member Chair of Remuneration & Organisational Development Committee Trustee of subsidiary Honeycomb Charitable Services Ltd
Georgina Patel Board Member Member of Audit and Risk Committee Member of Commercial Committee Trustee of subsidiary Honeycomb Charitable Services Ltd	Jessica Page Member Responsible for Complaints (MRC) Board Member Member of Customer Services Committee	Tony Muir Board Member Member of Commercial Committee Member of Customer Services Committee	Timothy Edwards Board Member Member of Audit and Risk Committee Trustee of subsidiary Honeycomb Charitable Services Ltd	Phineas Hodson Board Member Member of Commercial Committee

Julie Guildford Smith Group Chief Executive	Greg van Enk-Bones Executive Director of Finance
Mary Walker Executive Director of Operations (Left 31 August 2026)	Kerry Birtles Executive Director of Support & Wellbeing

HONEYCOMB GROUP LIMITED**Financial Highlights**

Operating Surplus has reduced on both a Group and Association level due to increased investment in existing stock and other cost pressures.

Net interest costs were lower than prior year due to a restructuring of our loans and active repayment of loans throughout the year.

Investment property gains were higher in 2026 than 2025. The annual revaluation of the investment properties was positive in the subsidiary Stillness 924 Limited but a reduction in the values was seen in the commercial properties owned by Honeycomb Group Limited.

Balance sheet strength improved with better net current assets and increased reserves. Loans increased due to refinancing in year and the repayment of our Lloyds loan shown in net current assets in 2025.

	Year Ended 31 Mar 2026		Year Ended 31 Mar 2025	
	Consolidated	Association	Consolidated	Association
	£'000	£'000	£'000	£'000
Turnover	31,382	21,705	30,301	20,848
Operating Costs and Cost of Sales	(27,780)	(18,612)	(25,735)	(17,636)
Surplus on disposal of property, plant and equipment (fixed assets)	312	312	480	480
Operating surplus	<u>3,914</u>	<u>3,405</u>	<u>5,046</u>	<u>3,692</u>
Net Interest	<u>(3,341)</u>	<u>(3,428)</u>	<u>(3,524)</u>	<u>(3,585)</u>
Gift Aid	-	181	-	265
Increase in value of inv. properties	25	(5)	10	(30)
Taxation	<u>(24)</u>	<u>-</u>	<u>2</u>	<u>-</u>
Net Surplus	<u><u>574</u></u>	<u><u>153</u></u>	<u><u>1,534</u></u>	<u><u>342</u></u>

HONEYCOMB GROUP LIMITED

Financial Highlights

	Year Ended 31 Mar 2026		Year Ended 31 Mar 2025	
	Consolidated	Association	Consolidated	Association
	£'000	£'000	£'000	£'000
Intangible Assets	892	892	398	398
Housing Properties (net)	156,363	155,997	156,036 R	155,662 R
Other Fixed Assets	4,428	3,491	4,501	3,529
Investments in subsidiaries	-	1,578	-	1,578
Investment Property	3,855	2,645	3,830	2,650
Net Current Assets	1,926	(1,634)	(4,417)	(7,544)
	<u>167,464</u>	<u>162,969</u>	<u>160,348 R</u>	<u>156,273 R</u>
Loans	75,008	75,008	67,562	67,562
Deferred Capital Grant and other long term creditors	55,054	55,054	55,905 R	55,905 R
Revaluation reserve	35	-	37	-
Capital and Reserves	37,367	32,907	36,844 R	32,806 R
	<u>167,464</u>	<u>162,969</u>	<u>160,348 R</u>	<u>156,273 R</u>

HONEYCOMB GROUP LIMITED

Strategic Objectives

THRIVING FUTURES:

Thriving Futures is Honeycomb Group's five-year strategy for 2024–2029, outlining how we will deliver positive outcomes for our customers, colleagues, and communities by enhancing services and creating more opportunities for people to succeed and live well.

The strategy was informed by feedback from more than 450 customers and colleagues, whose insights helped identify the priorities that matter most, including excellent customer experiences, safe and secure homes, and services that enable people to thrive.

We recognise that the success of Honeycomb Group is closely linked to the success of our customers. Thriving Futures is focused on turning this ambition into reality through the delivery of our strategic objectives, ensuring our vision is translated into meaningful action and measurable impact.

OBJECTIVES:

Homes that help people thrive

Great quality affordable homes, that are economical to run, safe and a place that customers can feel proud of.

Thriving customers

Effective services that help break down barriers to a happy home for customers.

Thriving communities

Building partnerships to achieve our aim of creating and sustaining thriving, well-designed and connected communities, that are well-managed and sustainable.

Thriving business

Building organisational strength so we can do more for new and existing customers. A strong and resilient business, we focus on value and investing where it matters most.

Thriving culture

A 'can do' culture with a skilled and happy workforce, that goes out of their way to make things happen for customers. We are all driven by a clear vision, shared values and consistent behaviours.

HONEYCOMB GROUP LIMITED

Corporate Plan

Homes that help people thrive

Great quality, affordable homes that are safe, economical to run and a place customers feel proud of.

Over the past year, we delivered strong, measurable progress in providing homes where customers feel safe, secure and able to thrive. Safety remains our top priority, and we maintained 100% compliance across all key safety checks, including fire, asbestos and legionella - providing assurance that our homes meet the highest standards.

We strengthened our asset management approach through improved data, enhanced systems and an expanded programme of property condition surveys. This has significantly improved our understanding of our homes and enabled more targeted, evidence-based investment - ensuring resources are directed where they deliver the greatest impact for customers and long-term value for the organisation.

We also enhanced our proactive response to emerging risks, including the introduction of a dedicated damp and mould specialist team. This ensures issues are identified earlier and resolved more quickly, supporting compliance with evolving regulation and improving customer confidence in the safety of their homes.

Recognising the increasing pressure of living costs, we made good progress in strengthening our understanding of energy performance across our homes. This is enabling a more strategic approach to improving efficiency and reducing running costs for customers, while laying the groundwork for future retrofit activity.

Alongside investing in existing homes, we expanded our housing offer, delivering 25 new supported homes in Stoke-on-Trent for young people, care leavers and those rebuilding their lives following homelessness or domestic abuse. This investment has significantly increased our ability to reach people in crisis, providing safe, stable accommodation alongside tailored support that helps individuals and families move forward with confidence.

The homes include a 14-bed scheme for young people, five safe, self-contained apartments for individuals and families fleeing abuse, and a six-bed scheme offering semi-independent living for those overcoming homelessness - ensuring a diverse, needs-led response that supports people at different stages of their journey.

This programme has been delivered in partnership with socially minded local landlords and developers, demonstrating the power of collaboration in tackling complex challenges. By working with partners who share our values, we have been able to bring previously empty properties back into use, supporting both regeneration across Stoke-on-Trent and improved access to high-quality homes for those who need them most.

Importantly, these homes offer more than just accommodation. They provide a foundation for recovery, independence and long-term stability - with wraparound support helping customers rebuild their lives, develop essential skills and move towards a more positive future. As a result, this investment is not only increasing housing supply, but delivering meaningful, lasting impact for individuals, families and communities.

Performance across our repairs service also improved, with non-emergency repairs consistently completed within target timescales, strengthening reliability and customer trust. We further supported customers to access homes that meet their needs, increasing the use of mutual exchange and improving the speed at which empty homes are brought back into use.

Looking ahead, we will continue to build on these strong foundations - delivering homes that go beyond compliance to provide comfort, affordability and pride, and enable customers to thrive.

HONEYCOMB GROUP LIMITED

Corporate Plan

Thriving customers**Effective services that help break down barriers to a happy home.**

During the year, we delivered meaningful improvements in customer experience, supported by significant investment in systems, services and engagement. Our housing management system has strengthened how we manage services, track performance and communicate - contributing to increased levels of customers feeling informed and connected.

We advanced our ambition to deliver consistent, joined-up services through the development of a single, group-wide customer strategy. This is improving coordination across services and ensuring a more seamless and accessible experience for customers.

A key area of progress has been strengthening the customer voice - ensuring it is not only heard, but actively shapes how services are designed and delivered. Customers have played a direct role in influencing key services, including through our Repairs Focus Group, where customers engaged with contractors and reviewed service delivery. Their insight helped shape expectations and requirements for our repairs service, influencing the approach taken by our new contractor and ensuring it reflects real customer needs and experiences.

Structured involvement continues to play a key role in our approach. Through initiatives such as the Customer Assurance Group, void inspector programme and ASB surgeries, customers are actively involved in reviewing performance, challenging decision-making and driving accountability across our services. Customers have also taken part in workshops, events and webinars, sharing lived experience and bringing back valuable insight that is directly influencing service improvements and strategic decision-making.

Alongside this, we have increased our community engagement. Across our social housing communities we have continued to host regular scheme walkabouts, community days, coffee mornings and regular neighbourhood activities. These initiatives ensure our teams are present within communities, creating accessible opportunities for customers to speak directly to us, raise concerns and shape services in real time. Scheme walkabouts enable proactive identification of issues and improve neighbourhood standards, while community-based events help build trust, strengthen relationships and reduce barriers to engagement.

Across the wider Group, colleagues have delivered a diverse programme of activities and engagement opportunities, helping customers feel connected, supported and able to thrive. This includes practical initiatives such as cooking classes in the Concrete scheme kitchens to inclusive community activity such as marking religious and cultural celebrations in our Glow refuge communal lounges. These activities promote wellbeing, inclusion and community cohesion, ensuring customers feel valued and part of the communities in which they live.

Access to customer services has also improved. Call waiting times reduced to an average of three minutes, supported by a range of digital and face-to-face channels that make it easier for customers to contact us. Our complaints service continues to perform strongly, consistently meeting timescales and achieving improved customer satisfaction - demonstrating a responsive and transparent approach when things go wrong.

We have also strengthened our wider support offer through partnership working and volunteering, with over 70 active volunteers contributing across our services and communities, significantly extending the reach and impact of our support. Volunteering is embedded across the Group, with individuals supporting customers through a range of roles including befriending, peer mentoring, community activity and service engagement. In particular, our befriending offer is helping to tackle loneliness and isolation by providing regular, one-to-one support, offering companionship, building trust and encouraging individuals to reconnect with their communities - improving wellbeing, confidence and independence. We have also seen the powerful impact of lived experience through peer mentoring, where individuals who have previously been supported by our services now give back by supporting others, providing relatable guidance and inspiration while developing their own sense of purpose and progression.

Volunteers further support our community impact by contributing to events, activities and wider engagement, helping customers access opportunities and build meaningful connections. Collectively, this approach strengthens relationships between services and communities, reduces isolation and supports more resilient neighbourhoods - demonstrating how volunteering not only enhances individual lives, but plays a key role in delivering our wider ambition to create connected, supportive and thriving communities.

Overall, this represents a significant shift in how we engage with customers - from listening to genuine co-creation, where customers actively shape services and influence outcomes.

HONEYCOMB GROUP LIMITED

Corporate Plan

Customers remain at the heart of everything we do, and we will continue to build on this progress by delivering a more integrated, customer-centred model that reduces barriers, improves access and ensures every customer feels heard, supported and empowered.

Thriving communities

Building partnerships to create connected, resilient and sustainable communities.

Over the past year, we have strengthened our role as a leading partner and place-shaper, working alongside like-minded organisations to deliver more joined-up, effective support for local people. We recognise that the most complex challenges cannot be solved in isolation - and that by working collaboratively, we can extend our reach, deepen our impact and create more sustainable outcomes for the communities we serve.

Our partnerships are delivering transformative outcomes. A key example is our contribution to the £11.45 million homelessness pathway in Stoke-on-Trent secured in March 2026. The Destination: Home service will see Honeycomb and our homelessness provider Concrete working collaboratively with four like-minded organisations to ensure people at risk of homelessness can access the right support at the right time - reducing crisis and supporting long-term stability.

We are also delivering more integrated and holistic support for customers by aligning our work with community housing, health, wellbeing and specialist services. By doing this we are creating pathways that are easier to navigate and more responsive to individual needs - ensuring customers receive the right help, in the right place, at the right time.

We have continued to work closely with partners too. We have expanded supported housing and delivered specialist services for those who need them most, including individuals affected by domestic abuse, homelessness and wider wellbeing challenges. This collaborative approach enables us to go further than we could alone - providing wraparound support that addresses both immediate needs and the root causes of disadvantage.

Our growing reputation as a trusted and effective partner is reflected in increasing sector recognition. Over the past year, we have exceeded our targets for speaking opportunities, raised our national profile and gained recognition through awards and sector engagement - demonstrating both the strength of our approach and the impact of our partnerships.

Our impact and partnership-led approach are increasingly recognised across the sector. During the year, our homelessness service, Concrete, was shortlisted for the Successful Partnerships Award at the Homeless Link Excellence Awards, recognising the strength of our collaborative work with partners to deliver innovative, joined-up support for people experiencing homelessness and complex needs. This recognition reflects our commitment to working alongside local authorities, health services and specialist organisations to design and deliver services that respond to real need and create meaningful outcomes. It also reinforces our role as a trusted partner within the wider system, with our work contributing to improved approaches to homelessness and support provision. In addition, our governance and leadership were recognised through the shortlisting of a Honeycomb Group Trustee for the VAST Trustee Impact & Innovation Award, highlighting the strength of our leadership, the quality of our governance and our continued focus on delivering positive impact for local communities.

Alongside these recognitions, we have continued to raise our profile through sector engagement, collaboration and knowledge sharing, demonstrating the strength of our approach and the difference it is making both locally and beyond. We have maintained a strong and influential presence across the system, actively contributing to more than 60 local forums and networks. This enables us to play a key role in shaping local priorities, influencing decision-making and ensuring the voice of our customers is reflected in wider strategies and service delivery.

Through coordinated engagement and awareness activity, we have reached over 85,000 people, connecting individuals to support, services and opportunities within their communities.

Looking ahead, we will continue to strengthen our partnerships and expand our role as a system leader. By working collaboratively with local authorities, health partners, education providers and community organisations, we will increase our collective impact –

HONEYCOMB GROUP LIMITED

Corporate Plan

creating communities that are more connected, inclusive and resilient, and ensuring more people can access the support and opportunities they need to thrive.

Thriving business

A strong, resilient organisation focused on value, performance and sustainability.

Over the past year, we have continued to strengthen our organisational resilience, maintaining a stable financial position while increasing investment in homes, services and communities. Our strong interest cover and stable reserves provide assurance that we can meet our financial commitments while continuing to deliver against our long-term ambitions.

We have maintained a high standard of governance, retaining our G1 rating from the Regulator of Social Housing. This reflects the strength of our oversight, the quality of our decision-making and our continued focus on transparency and accountability.

This year, we have made a conscious decision to increase investment in our homes and services, particularly in repairs and maintenance. While this has placed pressure on operating margins, it represents a deliberate and positive shift - prioritising quality, safety and customer experience, and delivering tangible improvements in the condition and performance of our homes.

We have also accelerated our progress in data, systems and digital capability. The introduction of new platforms, including our finance system and the development of a new CRM, is transforming how we manage information and make decisions. Increased use of system-generated data is improving accuracy, reducing reliance on manual processes and enabling more timely, evidence-based insight across the organisation.

These improvements are supporting a more integrated, efficient operating model - enabling colleagues to work more effectively across services and deliver better outcomes for customers.

At the same time, we have continued to strengthen our financial planning and forecasting, ensuring we are well positioned to manage future pressures while maintaining a clear focus on value for money and sustainable growth.

Looking ahead, we will build on this strong foundation by continuing to invest in data, technology and governance. Our focus will remain on driving performance, improving efficiency and maximising the impact of every pound spent - ensuring we remain resilient, responsive and able to deliver long-term value for customers and stakeholders.

Thriving culture

A 'can do' culture with a skilled, motivated workforce that delivers for customers.

Over the past year, we have continued to strengthen our culture - recognising that our people are fundamental to delivering excellent services and meaningful outcomes for customers.

Colleague engagement has remained strong, with staff survey results showing continued improvement across key areas, reflecting increasing levels of satisfaction, engagement and connection to our purpose. Colleagues report feeling supported, empowered and part of a collaborative organisation that is committed to making a difference.

A key driver of this progress has been the role of our staff engagement forum, which continues to shape improvements across wellbeing, communication and the wider colleague experience. Through this forum, colleagues are actively influencing how we support health, wellbeing and work-life balance, ensuring our approach remains responsive, inclusive and grounded in lived experience.

We have also made significant progress in strengthening inclusion and belonging across the organisation. Our EDI forum has played a leading role in driving this agenda, empowering colleagues to shape activity, raise awareness and celebrate the diversity of our workforce. This has included creating opportunities to mark important cultural and religious occasions, alongside delivering education and awareness that builds understanding, respect and inclusion across the Group. This work is helping to foster a culture where colleagues feel safe, valued and able to bring their whole selves to work.

Throughout the year, we have continued to bring colleagues together to stay connected to our shared purpose. Regular opportunities to reflect on progress against Thriving Futures have ensured alignment across the organisation, strengthening

HONEYCOMB GROUP LIMITED

Corporate Plan

understanding of our priorities and the role every colleague plays in delivering them. This ongoing connection has supported a strong sense of collective ownership and accountability.

We also took time to celebrate our shared achievements and heritage, marking Honeycomb Group's 60th anniversary with colleagues, Board members and customers. This milestone provided an opportunity to reflect on the positive impact we have made over six decades, while reinforcing our shared commitment to the future.

Overall, this year has seen us strengthen a culture built on collaboration, inclusion and shared purpose - where colleagues are empowered to shape the organisation, stay connected to our ambitions and contribute to delivering positive change for customers.

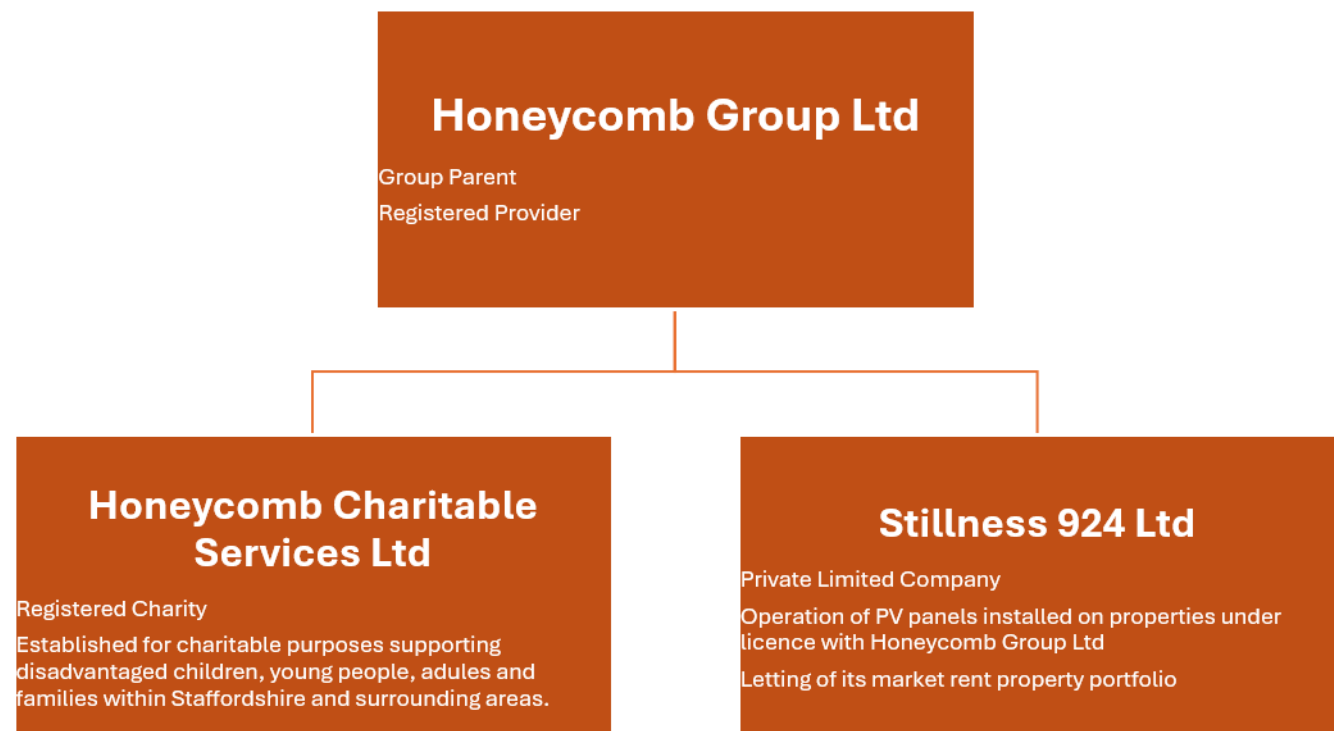
Looking ahead, we will continue to build on this progress, embedding a high-performing, customer-focused culture where colleagues feel valued, supported and inspired to make a difference every day.

HONEYCOMB GROUP LIMITED

Board Overview

The Company Structure is illustrated below. Honeycomb Group Limited is the parent company of the Group. We have two subsidiaries, Honeycomb Charitable Services Limited and Stillness 924 Limited.

There are two dormant companies, not shown below, Blue Mountain Housing Association and Search Housing Association Limited.



HONEYCOMB GROUP LIMITED

Governance

Honeycomb Group Board year ending March 2026

Peter Hay CBE, Chair	
Alice Hemsley-Myers	
Andrew Davies	
Georgina Patel	
Mark Selby	
Jessica Page	
Tim Edwards	
Tony Muir	
Rob Wakefield	<i>Appointed 18 September 2025</i>
Phineas Hodson	<i>Appointed 27 April 2026</i>
Rebecca Neill	<i>Retired 18 Sep 25</i>
Karl Dean	<i>Retired 18 Sep 25</i>

Committee Structure

Supporting the Group during 2025-26 were four committees each having delegated responsibilities.

Audit and Risk Committee	Providing assurance to the Board through independent scrutiny and challenge on the effectiveness of the Group’s financial reporting, external and internal audit, risk management and internal control.
Customer Services Committee	Providing scrutiny and oversight in support of the organisation’s commitment to continually improving the customer experience, ensuring that mechanisms are in place for customers to provide feedback and shape service delivery, and making sure that the performance and quality of services meet the needs of customers.
Commercial Committee	Providing scrutiny and oversight of commercial opportunities including the review of significant decisions around contractors and suppliers.
Remuneration & Organisational Development Committee	Overseeing matters relating to pay, benefits, terms and conditions along with organisational development and people strategies.

HONEYCOMB GROUP LIMITED

Governance

Compliance

Regulator of Social Housing's Standards and Code of Governance

We are reporting our compliance with all material aspects of the Regulatory Standards.

Our current rating following inspection is G1, V2, C2.

We adopted the National Housing Federation's 2020 Code of Governance and are reporting our compliance. Our subsidiaries are not registered providers and are not required to comply with the Standards or our adopted Code of Governance.

As part of our commitment to maintaining strong and effective governance, our subsidiary Honeycomb Charitable Services uses the Charity Governance Code as a framework of best practice.

Declarations of Interest

The Board's declarations of interest are held on our register which is available publicly. There have been no declarations of interest during the year which have had a material impact.

Treasury Management

Our Board approved and updated our Treasury Management Strategy and Policy in September 2025. This was followed by a further review of our Policy in March 2026.

Directors' Indemnity

The directors have confirmed that the Group has Directors and Officers Liability Insurance in place.

Going Concern

The Group's business plan is considered sufficiently robust and has been subject to appropriate stress testing and sensitivity analysis. No other significant concerns have been identified. Accordingly, it is appropriate to prepare the financial statements on a going concern basis, which assumes the Group will continue its operations for the foreseeable future.

Financial Instruments

The Group is not exposed to any significant or unusual risks related to price, credit, liquidity, or cash flows arising from its trading activities. It does not engage in hedging transactions, nor does it undertake any trading in financial instruments.

HONEYCOMB GROUP LIMITED**Risk**

The Board is responsible for ensuring that Honeycomb Group has effective arrangements in place to identify, assess and manage risk. Our approach is supported by the Group's Risk Management Policy, Strategic Risk Register and Board-approved Risk Appetite Statement, which together provide a framework for managing risk in line with our strategic objectives and responsibilities as a registered provider.

Risk is reviewed regularly by the Executive Team, Audit and Risk Committee and Board. This includes consideration of changes in the external environment, progress against agreed actions, the effectiveness of controls and the assurance available to support key judgements. The Audit and Risk Committee provides detailed scrutiny and challenge on risk management, internal control, audit findings and assurance reporting before matters are escalated to Board where appropriate.

During the year, the Board and Committee continued to focus on the principal risks that could affect delivery of the Group's strategy, services and regulatory obligations. These included:

- the quality, safety and investment needs of our homes;
- customer experience, service quality and compliance with consumer standards;
- data quality, systems assurance and the reliability of information used to support decision-making;
- financial resilience, treasury management and the impact of inflation and cost pressures;
- cyber security, data protection and business continuity;
- colleague recruitment, retention, capacity and culture;
- regulatory compliance, governance and preparedness for future inspection or policy change;
- growth, partnerships, supply chain resilience and reputation.

The Board recognises that some of these risks reflect wider sector challenges, including economic uncertainty, changes in regulation, skills shortages, expectations around building safety and decarbonisation, and the increasing importance of reliable data and technology. These risks are not considered in isolation and are monitored through established governance routes, including performance reporting, internal and external audit, compliance reporting, customer feedback, financial planning and regular review of improvement activity.

During the year, particular attention was given to strengthening assurance in relation to data quality, compliance reporting, business continuity and internal audit recommendations. The Group has continued to invest in improved systems, clearer processes, additional assurance activity and more regular oversight of key improvement plans. This work supports the Board's commitment to moving beyond reassurance and ensuring that decisions are supported by accurate information, clear accountability and appropriate evidence.

The Board remains satisfied that the Group has appropriate risk management and internal control arrangements in place. However, it also recognises that risk management is an ongoing process and that continued improvement is required as the operating environment changes. The Board will therefore continue to monitor the Group's principal risks closely, ensure that improvement actions are delivered, and maintain a balanced approach to risk that supports safe, sustainable and effective delivery for customers, colleagues and communities.

Risk Appetite

The Strategic Risk Register and the Board's Risk Appetite Statement are shared, reviewed and reported at every Group Board meeting, in addition to further scrutiny by the Audit and Risk Committee. Reports to the Executive Team, committees and the Board include an assessment of risk implications and links to the Board's current Risk Appetite Statement.

HONEYCOMB GROUP LIMITED

Value for Money Metrics and Targets

Regulator of Social Housing (RSH) Value for Money Metrics and Targets

Our performance is benchmarked against the RSH’s published statistics for three groups of traditional, non-LSVT organisations. Group 1 comprises organisations of a similar size to Honeycomb (2,000 to 4,000 units), shown as ‘Similar Size RPs’ in the tables below; Group 2 comprises organisations with more than 20% of their turnover from non-social housing lettings activities, shown as ‘Diverse RPs’; and Group 3 comprises organisations with at least 50% of their stock in the West Midlands, shown as ‘Local RPs’.

Board members scrutinise performance against Group targets and objectives through the quarterly balanced scorecard. Alongside the key financial and VfM performance metrics, the Board maintains oversight of additional process, customer and people key performance indicators. The Performance Framework focuses on continual improvement and is reported for each legal entity within the Group.

Reinvestment %													
This metric looks at the value of investment in our properties (existing stock as well as new supply) as a percentage of the total value of properties that we own.													
Median - RSH data			Historic Performance			2025/26 Performance				2026/27 2027/28 2028/29 2029/30			
Similar size RPs	Diverse RPs	Local RPs	22/23	23/24	24/25	Target	Actual	Against		Target	Target	Target	Target
								Target	Trend				
7.31%	6.05%	8.05%	2.73%	1.49%	0.98%	1.62%	1.94%	😊	⬆️	10.22%	12.08%	1.40%	1.76%
We exceeded our reinvestment target in 2025/26, reflecting increased spend on existing properties, including works deferred from 2024/25. Performance remains below sector medians due to our recent strategic pause in new development. From 2026/27, reinvestment is expected to increase as development activity resumes, with investment rising to c.10–12% over the medium term in line with our corporate plan.													

New Supply Delivered % (Social Housing Units)													
This new supply metric sets out the number of new social housing units that have been developed in the year as a proportion of total number of social housing units owned at the end of the year.													
Median - RSH data			Historic Performance			2025/26 Performance				2026/27 2027/28 2028/29 2029/30			
Similar size RPs	Diverse RPs	Local RPs	22/23	23/24	24/25	Target	Actual	Against		Target	Target	Target	Target
								Target	Trend				
0.94%	0.94%	0.97%	0.66%	1.16%	0.00%	0.00%	0.00%	😊	📈	1.00%	2.00%	2.90%	0.00%
Delivery remains in line with the Board’s strategic pause on development. New supply will resume from 2026, with 192 homes planned through to 2029, aligning with our renewed focus on growth alongside investment in existing stock.													

HONEYCOMB GROUP LIMITED

Value for money Metrics and Targets

Gearing %

This metric assesses how much our adjusted assets are made up of debt and the degree of our dependence on debt finance. It is also often used as a key indicator of appetite for growth.

Median - RSH data			Historic Performance			2025/26 Performance				2026/27 2027/28 2028/29 2029/30			
Similar size RPs	Diverse RPs	Local RPs	22/23	23/24	24/25	Target	Actual	Against Target	Trend	Target	Target	Target	Target
37.6%	40.0%	51.4%	45.3%	45.1%	43.5%	47.5%	43.7%	😊	↑	44.60%	45.00%	46.00%	45.60%

Gearing is below target, reflecting prudent debt levels and active repayment during the year. While slightly above some peer benchmarks, this remains consistent with our strategy to balance investment with financial resilience.

Gearing is expected to increase over the medium term as development activity resumes.

EBITDA-MRI Interest Cover

The EBITDA MRI interest cover measure is a key indicator for our liquidity and investment capacity. It measures our level of surplus generated against our interest payments.

Median - RSH data			Historic Performance			2025/26 Performance				2026/27 2027/28 2028/29 2029/30			
Similar size RPs	Diverse RPs	Local RPs	22/23	23/24	24/25	Target	Actual	Against Target	Trend	Target	Target	Target	Target
95.1%	108.3%	122.1%	113.7%	122.0%	154.4%	119.3%	93.1%	😞	↓	104.8%	132.6%	121.7%	113.0%

EBITDA-MRI interest cover is below target following increased investment in existing properties and wider cost pressures.

Covenants have been updated to reflect this strategy, with performance now monitored on a 5-year average basis above 100%, supporting a more flexible approach to investment while maintaining lender confidence.

Headline Social Housing Cost Per Unit (£'s)

The unit cost metric assesses the headline social housing cost per unit as defined by the regulator, being "Total costs associated with the delivery of social housing activities divided by the total number of social housing units owned".

Median - RSH data			Historic Performance			2025/26 Performance				2026/27 2027/28 2028/29 2029/30			
Similar size RPs	Diverse RPs	Local RPs	22/23	23/24	24/25	Target	Actual	Against Target	Trend	Target	Target	Target	Target
7,075	8,308	6,210	6,279	7,266	6,994	7,906	7,918	😊	↑	8,863	8,767	9,001	9,469

Cost per unit is slightly above target and higher than some benchmarking groups, primarily reflecting the inclusion of our Charity's support services, which have relatively few units but higher support costs.

This skews comparison with traditional landlords, although costs remain lower than more diversified providers with similar non-housing activity.

HONEYCOMB GROUP LIMITED

Value for money Metrics and Targets

Return on Capital Employed (ROCE) %

This metric compares our operating surplus to our total assets less current liabilities. It assesses how efficient we are in the investment of our capital resources.

Median - RSH data			Historic Performance			2025/26 Performance				2026/27	2027/28	2028/29	2029/30
Similar size RPs	Diverse RPs	Local RPs	22/23	23/24	24/25	Target	Actual	Against Target	Trend	Target	Target	Target	Target
2.68%	2.47%	3.13%	1.85%	2.54%	3.43%	2.62%	2.34%	☹️	↓	2.50%	2.70%	2.80%	2.90%

ROCE is below target and sector benchmarks, driven by the reduction in operating margin and continued investment in existing stock. Performance is expected to improve as margins recover and new development activity resumes.

Operating Margin % – Social Housing Lettings

Operating margin % measures the amount of surplus generated from turnover on our social housing activities. It is a key measure of our operational efficiency as it is influenced by both income and expenditure.

Median - RSH data			Historic Performance			2025/26 Performance				2026/27	2027/28	2028/29	2029/30
Similar size RPs	Diverse RPs	Local RPs	22/23	23/24	24/25	Target	Actual	Against Target	Trend	Target	Target	Target	Target
15.8%	14.8%	19.0%	12.2%	14.7%	15.8%	11.3%	16.5%	😊	↑	11.7%	13.3%	15.0%	15.6%

This measure of our core operational efficiency has continued to improve year on year for the third year in a row and exceeded our target for 2025/26.

Looking ahead, we have set prudent targets and forecasts to slowly grow our margins from Social Housing Lettings, and in 2026/27 we expect to invest in services and major repairs that are not capitalised, which will temporarily reduce our margins in the next few years.

Operating Margin % – Overall

Operating margin % - Overall measures the amount of surplus generated from turnover. It is a key measure of our operational efficiency as it is influenced by both income and expenditure.

Median - RSH data			Historic Performance			2025/26 Performance				2026/27	2027/28	2028/29	2029/30
Similar size RPs	Diverse RPs	Local RPs	22/23	23/24	24/25	Target	Actual	Against Target	Trend	Target	Target	Target	Target
16.1%	13.2%	18.2%	9.7%	12.1%	16.7%	13.6%	12.5%	☹️	↓	12.1%	13.2%	14.3%	14.9%

Performance continues to reflect the Group structure, including the impact of charitable activities. Following improvements in 2023/24 and 2024/25, operating margin in 2025/26 is slightly below target at 12.5% (target: 13.6%), driven by continued investment in services, major repairs and wider cost pressures.

HONEYCOMB GROUP LIMITED

Statement of the Board's Responsibilities

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Income and Expenditure for the period of account.

In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it 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) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the Group's websites. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board is responsible for ensuring that arrangements are made for keeping proper books of account with respect to the Group's transactions and its assets and liabilities and for maintaining a satisfactory system of control over the Group's books of account and transactions. The Board is also responsible for ensuring that arrangements are made to safeguard the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to the Auditor

In the case of each of the persons who are directors of the Group at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make them aware of any relevant audit information (as defined) and to establish that the Group's auditor is aware of that information.

Approved by the Board on 21 September 2026 and signed on its behalf by:



Peter Hay CBE

Chair of the Board

HONEYCOMB GROUP LIMITED**Report of the Independent Auditor****Opinion**

We have audited the financial statements of Honeycomb Group Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2026 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 the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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's and of the Association's affairs as at 31 March 2026 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, 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 Group and Association 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's or the 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 other information comprises the information included in the Strategic Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

HONEYCOMB GROUP LIMITED

Report of the Independent Auditor

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 Cooperative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- the Association has not maintained a satisfactory system of control over transactions; or
- the Association has not kept proper accounting records; or
- the Association's financial statements are not in agreement with 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 Statement of the Board's Responsibilities set out on page 23, 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 Group's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or the Association or to cease operations, or has 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Group and Association, focusing on those that had a direct effect on the financial statements or a fundamental effect on operations. Key laws, regulations and guidance identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risks of fraud and non-compliance with laws and regulations were discussed within the audit team, and tests were planned and performed to address these risks. We identified the potential for fraud in the following area: laws relating to the construction and provision of social housing, recognising the regulated nature of the Group's activities.

HONEYCOMB GROUP LIMITED

Report of the Independent Auditor

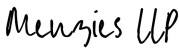
- We reviewed financial statement disclosures and tested them against supporting documentation to assess compliance with the relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, 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 fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Association'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 Association'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 Group and the Group's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed by:


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Menzies LLP
Statutory Auditor
The Colmore Building 20 Colmore
Circus Queensway
Birmingham
B4 6AT
Date: 30-Sep-2026

HONEYCOMB GROUP LIMITED

Statement of Comprehensive Income

	Notes	Year Ended 31 Mar 2026		Year Ended 31 Mar 2025	
		Consolidated	Association	Consolidated	Association
		£'000	£'000	£'000	£'000
Turnover	2	31,382	21,705	30,301	20,848
Cost of sales	2	-	-	(17)	(17)
Operating expenditure	2	(27,780)	(18,612)	(25,718)	(17,619)
Surplus on disposal of property, plant and equipment (fixed assets)	2/6	312	312	480	480
Operating surplus		<u>3,914</u>	<u>3,405</u>	<u>5,046</u>	<u>3,692</u>
Interest receivable		<u>120</u>	<u>33</u>	<u>120</u>	<u>59</u>
Interest and financing costs	7	(3,461)	(3,461)	(3,644)	(3,644)
Gift Aid		-	181	-	265
Increase / (Decrease) in valuation of investment properties	14	<u>25</u>	<u>(5)</u>	<u>10</u>	<u>(30)</u>
Surplus before tax	8	598	153	1,532	342
Taxation		(24)	-	2	-
Surplus for the year after tax		<u>574</u>	<u>153</u>	<u>1,534</u>	<u>342</u>
Total comprehensive income for the year		<u>574</u>	<u>153</u>	<u>1,534</u>	<u>342</u>

The financial statements on pages 27 to 59 were approved and authorised for issue by the Board on 21 September 2026 and were signed on its behalf by:

Board Member:
Peter Hay CBE

Board Member:
Mark Selby

Secretary:





The consolidated and parent results relate wholly to continuing activities, and the notes on pages 31 to 59 form an integral part of these accounts.

HONEYCOMB GROUP LIMITED

Statement of Financial Position

		Year Ended 31 Mar 2026		Year Ended 31 Mar 2025	
	Notes	Consolidated £'000	Association £'000	Consolidated £'000	Association £'000
Fixed assets					
Intangible Assets	12	892	892	398	398
Tangible fixed assets:					
Properties	13 (a&b)	156,363	155,997	156,036 R	155,662 R
Other	13 (c&d)	4,428	3,491	4,501	3,529
Investment properties	14	3,855	2,645	3,830	2,650
Investment in subsidiaries	15	-	1,578	-	1,578
		165,538	164,603	164,765 R	163,817 R
Current assets					
Stock	16	455	455	655	655
Trade and other debtors	17	2,363	1,663	2,577	1,741
Investments	18	30	30	30	30
Cash and cash equivalents	19	7,381	2,739	7,581	3,610
		10,229	4,887	10,843	6,036
Less: Creditors: amounts falling due within one year	20	(8,303)	(6,521)	(15,260)	(13,580)
Net current assets		1,926	(1,634)	(4,417)	(7,544)
Total assets less current liabilities		167,464	162,969	160,348 R	156,273 R
Less: Creditors: amounts falling due after more than one year	21a	(130,062)	(130,062)	(123,467) R	(123,467) R
Total net assets		37,402	32,907	36,881 R	32,806 R
Reserves					
Non-equity share capital	24	-	-	-	-
Revenue Reserve		37,179	32,732	36,656 R	32,631 R
Revaluation Reserve		35	-	37	-
Restricted Reserve		188	175	188	175
Total Reserves		37,402	32,907	36,881	32,806 R

The financial statements on pages 27 to 59 were approved and authorised for issue by the Board on 21 September 2026 and were signed on its behalf by:

Board Member:
Peter Hay CBE



Board Member:
Mark Selby



Secretary:
Greg van Enk-Bones



The consolidated and parent results relate wholly to continuing activities and the notes on pages 31 to 59 form an integral part of these accounts.

HONEYCOMB GROUP LIMITED

Statement of Changes in Reserves

Consolidated	Revenue reserve £'000	Restricted reserve £'000	Revaluation reserve £'000	Total £'000
Balance as at 1 April 2024	35,120 R	188	39	35,347 R
Surplus from Statement of Comprehensive Income	1,534	-	-	1,534
Transfer from Revaluation Reserve	2	-	(2)	-
Balance at 31 March 2025	36,656 R	188	37	36,881 R
Surplus from Statement of Comprehensive Income	574	-	-	574
Transfer to Restricted Reserves	-	-	-	-
Transfer from Revaluation Reserve	2	-	-2	-
Prior year adjustment	(53)	-	-	(53)
Balance at 31 March 2026	37,179	188	35	37,402

Association	Revenue reserve £'000	Restricted reserve £'000	Revaluation reserve £'000	Total £'000
Balance as at 1 April 2024	32,289 R	175	-	32,464 R
Surplus from Statement of Comprehensive Income	342	-	-	342
Transfer from Revaluation Reserve	-	-	-	-
Balance at 31 March 2025	32,631 R	175	-	32,806 R
Surplus from Statement of Comprehensive Income	153	-	-	153
Transfer to Restricted Reserves	-	-	-	-
Transfer from Revaluation Reserve	-	-	-	-
Prior year adjustment	(52)	-	-	(52)
Balance at 31 March 2026	32,732	175	-	32,907

HONEYCOMB GROUP LIMITED

Consolidated Statement of Cash Flows

	Year ended 31 Mar 2026 £'000	Year ended 31 Mar 2025 £'000
Net cash generated from operating activities (see Note i)	6,118	7,273
Cash flow from investing activities		
Purchase of intangible fixed assets	(629)	(203)
Purchase of tangible fixed assets	(3,482)	(1,865)
Purchase of investment properties	-	-
Purchase of equity investment	-	-
Proceeds from sale of tangible fixed assets	798	892
Proceeds from sale of OFA	-	483
Grants received	135	-
Interest received	120	120
Cash flow from financing activities		
Interest paid	(3,461)	(3,644)
New secured loans	10,750	(300)
Repayment of borrowings	(10,498)	(735)
Taxation		
UK Corporation tax paid	(51)	(25)
Net change in cash and cash equivalents	(200)	1,996
Cash and cash equivalents at beginning of the year	7,581	5,585
Cash and cash equivalents at end of the year	7,381	7,581

Note i

Cash flow from operating activities

Surplus for the year	574	1,534
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	3,288	3,168
Amortisation of intangible fixed assets	135	150
Amortisation of Grant	(887)	(978)
Decrease / (Increase) in stock	(323)	(246)
(Increase) / Decrease in trade and other debtors	214	206
Increase / (Decrease) in trade and other creditors	499	1,309
Revaluation of Investment Properties	(25)	(10)
Carrying amount of tangible fixed asset disposals	488	400
Corporation Tax	24	(2)
Other creditor movements	(410)	(405)
Adjustments for investing or financing activities:		
Proceeds from the sale of tangible fixed assets	(800)	(894)
Proceeds from sale of OFA	-	(483)
Interest payable	3,461	3,644
Interest received	(120)	(120)
Net cash generated from operating activities	6,118	7,273

HONEYCOMB GROUP LIMITED**Notes to the financial statements for the year ended 31 March 2026****Legal Status**

Honeycomb Group Limited is a society registered in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 308 London Road, Stoke on Trent, Staffordshire ST4 5AB.

Honeycomb Group Limited is a Public Benefit Entity whose primary objective is to provide goods or services for community or social benefit rather than for a financial return to equity holders.

The Group comprises the following entities:

Name	Incorporation	Registered/Non-registered
Honeycomb Group Limited	Co-operative and Community Benefit Societies Act 2014	Co-operative and Community Benefit Society and Regulator of Social Housing /Registered Provider
Blue Mountain Housing Association Limited (Dormant)	Co-operative and Community Benefit Societies Act 2014	Non-registered
Stillness 924 Limited	Companies Act 2006	Non-registered
Honeycomb Charitable Services Limited	Companies Act 2006	Non-registered
Search Housing Association Limited (Dormant)	Companies Act 2006	Non-registered

1. Principal Accounting Policies**Basis of Accounting**

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group accounts.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The accounts are prepared on the historical cost basis of accounting as modified by the revaluation of investments and financial instruments and are presented in sterling £ and rounded to the nearest thousand.

The Group's financial statements have been prepared in compliance with FRS 102.

Basis of consolidation

The consolidated financial statements incorporate the results of Honeycomb Group Limited and all of its subsidiary undertakings as at 31 March 2026. Intra group transactions and balances are eliminated on consolidation.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

HONEYCOMB GROUP LIMITED

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

- a. **Development expenditure.** The Group capitalises direct development expenditure.
- b. **Categorisation of housing properties.** The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that market rented properties are investment properties.
- c. **Depreciation.** The Association depreciates its assets on a straight-line basis over management's estimation of their Useful Economic Life (UEL). These UEL's are disclosed below in Note 1.
- d. **Impairment.** The Group has identified that a cash generating unit for impairment assessment purposes is at a scheme level.
- e. **Going concern**
The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future.

Other key sources of estimation and assumptions:

- a. **Bad Debt Provision**
Bad Debts are provided for based on a 100% provision for all former tenants and specific current tenant debts where arrears balances are unlikely to be settled.
- b. **Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate.

Revaluation of investment properties. The Group carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. The Group engaged independent valuation specialists to determine fair value at 31 March 2026. The valuer used a valuation technique based on a discounted cash flow model. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in note 13.

- c. **Impairment of non-financial assets.** Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use.

Following a trigger for impairment, the Group perform impairment tests based on a value in use calculation using a discounted cash flow model. The cash flows do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

HONEYCOMB GROUP LIMITED

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

1. Principal Accounting Policies (continued)

Turnover and Revenue Recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities and Homes England, income from the sale of shared ownership and other properties developed for outright sale and other income and are recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion. Supporting People Income is recognised under the contractual arrangements.

Support income and costs including Supporting People income and costs

Supporting People (SP) contract income received from Administering Authorities is accounted for as SP income in the Turnover as per note 2. The related support costs are matched against this income in the same note. Support charges included in the rent are included in the Statement of Comprehensive Income from social housing lettings note 3 and matched against the relevant costs.

Service charges

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges on a scheme-by-scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the Statement of Financial Position.

Where periodic expenditure is required, a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

Value Added Tax

The Group charges VAT on some of its income and can recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the Group and not recoverable.

HONEYCOMB GROUP LIMITED**Notes to the financial statements for the year ended 31 March 2026****1. Principal Accounting Policies (continued)****Tangible fixed assets and depreciation****Housing properties**

Tangible fixed assets are stated at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses. Donated land/assets or assets acquired at below market value from a government source, i.e. local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UEs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Group depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

Useful Expected Lives for identified components are as follows:

	Years
Boilers	15
Communal Door	40
Door – Front or Rear	20
Electrical Consumer Unit (ECU)	20
Fire Doors	15
Heating systems	20
Kitchens	20
Lifts	25
Bathrooms	30
Electric Storage Heaters	30
Windows	30
Rewire	30
Roofs – Newbuild	70
Roofs – Rehab	50
Roofs – Flat	30
Smoke/CO2 Alarm	10
Shower	10
Storage Heater	15
Structure – new build	100
Structure – rehab	50-60
Structure – shared ownership	65
Structure – combined health	25

The Group depreciates housing properties held on long term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

HONEYCOMB GROUP LIMITED**Notes to the financial statements for the year ended 31 March 2026****Other fixed assets**

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives which are as follows:

	Years
Plant & machinery	2
Office Freehold Property	50
Fixtures and Fittings	5-10
ICT Equipment	3
Motor Vehicles	4-5
PV Panels	20-25

Intangible assets

Amortisation is charged on intangible assets on a straight-line basis over the expected economic useful lives which are as follows:

	Years
Intangible assets exc. systems	3
New systems	10

HONEYCOMB GROUP LIMITED

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

1. Principal Accounting Policies (continued)**Low-cost home ownership properties – Shared Ownership**

The costs of low-cost home ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets.

Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development and asset management capital investment activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

Property managed by agents

Where the Group carries most of the financial risk on property managed by agents, income arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries most of the financial risk, income includes only that which relates solely to the Group.

In both cases, the assets and associated liabilities are included in the Group's Statement of Financial Position.

Leasing

Payment for operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease. The only material leases in place for the Group are as a lessee.

Investment property

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually 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.

Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the Statement of Comprehensive Income.

Properties held for sale

Properties developed for outright sale are included in current assets as they are intended to be sold at the lower of cost or estimated selling price less costs to complete and sell.

Short-term debtors and creditors

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

Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as Turnover.

HONEYCOMB GROUP LIMITED

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

1. Principal Accounting Policies (continued)**Social Housing (SHG) and other government grants**

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income is included as part of Turnover.

When SHG in respect of housing properties during construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Non-monetary government grant

On disposal of assets for which non-monetary government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is derecognised and recognised as income in the Statement of Comprehensive Income.

Recycling of Capital Grant

Where Social Housing Grant is recycled, as described above, the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties, where recycled grant is known to be repayable it is shown as a creditor within one year.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the year end and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the year end.

Retirement benefits

The Group operates a defined contribution pension scheme with contributions charged to the Statement of Comprehensive Income based on salary each month.

Revaluation Reserve

The revaluation reserve represents the difference on transition between the fair value of social housing properties and other assets and the historical cost carrying value, where deemed cost transitional relief was taken.

Restricted Reserve

Restricted funds comprise funding which has been received for the provision of specified services and contractual obligations. Any unspent funds are carried forward until they are spent or are returned to the funder.

HONEYCOMB GROUP LIMITED

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

1. Principal Accounting Policies (continued)

Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through the Statement of Comprehensive Income, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

Financial instruments held by the Group are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method,
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method,
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method; and
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment.

Categorisation of debt

The Group's debt has been treated as "basic" in accordance with paragraphs 11.8 and 11.9 of FRS 102. The Group has a £15 million fixed rate loan with RBS which has a two-way break clause (i.e. in addition to compensation being payable by a borrower to a lender if a loan is prepaid where the prevailing fixed rate is lower than the existing loan's fixed rate, compensation could be payable by the lender to the borrower in the event that a loan is prepaid and the prevailing fixed rate is higher than the existing loan's fixed rate). The Financial Reporting Council (FRC) issued a statement on 2 June 2016 in respect of such loans with no prescriptive direction as to whether they should be classified as "basic" or "non basic". On the grounds that the Group believes the recognition of each debt liability at cost provides a more transparent and understandable position of the Group's financial position and that each loan still satisfies the requirements of paragraphs 11.8 and 11.9 of FRS 102, the Group has retained its "basic" treatment of its debt following the FRC announcement.

HONEYCOMB GROUP LIMITED

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

2(a). Turnover, cost of sales, operating expenditure and operating surplus

Group	2026			
	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
	£000	£000	£000	£000
Social housing lettings (note 3a)	18,914	-	(15,789)	3,125
Other social housing activities				
First tranche low-cost home ownership sales	-	-	-	-
Support services	10,673	-	(10,422)	251
Other: Development services	-	-	-	-
Other: Regeneration	6	-	(1)	5
Activities other than social housing				
Other – Market Rent	465	-	(244)	221
Other – Revival Home Improvement Agency	638	-	(655)	(17)
Other – Green energy	376	-	(123)	253
Other	310	-	(546)	(236)
	31,382	-	(27,780)	3,602
Surplus on disposal of property, plant, and equipment (fixed assets)	800	(488)	-	312
Total	32,182	(488)	(27,780)	3,914

Group	2025			
	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
	£000	£000	£000	£000
Social housing lettings (note 3a)	18,065	-	(15,207)	2,858
Other social housing activities				
First tranche low-cost home ownership sales	56	(17)	-	39
Support services	10,276	-	(9,145)	1,131
Other: Development services	-	-	(17)	(17)
Other: Regeneration	1	-	(1)	-
Activities other than social housing				
Other – Market Rent	444	-	(183)	261
Other – Revival Home Improvement Agency	753	-	(634)	119
Other – Green energy	288	-	(118)	170
Other	418	-	(413)	5
	30,301	(17)	(25,718)	4,566
Surplus on disposal of property, plant and equipment (fixed assets)	894	(414)	-	480
Total	31,195	(431)	(25,718)	5,046

HONEYCOMB GROUP LIMITED

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

2(b). Turnover, cost of sales, operating expenditure, and operating surplus

Association	2026			
	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
	£000	£000	£000	£000
Social housing lettings (note 3b)	18,914	-	(15,789)	3,125
Other social housing activities				
First tranche low cost home ownership sales	-	-	-	-
Other: Development services	-	-	-	-
Other: Property services	-	-	-	-
Other: Regeneration	6	-	(1)	5
Activities other than social housing				
Other – Market Rent	401	-	(230)	171
Other – Revival Home Improvement Agency	638	-	(655)	(17)
Other - Feed-in tariffs	73	-	(29)	44
Other	1,673	-	(1,908)	(235)
	21,705	-	(18,612)	3,093
Surplus on disposal of property, plant and equipment (fixed assets)	800	(488)	-	312
Total	22,505	(488)	(18,612)	3,405

Association	2025			
	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
	£000	£000	£000	£000
Social housing lettings (note 3b)	18,065	-	(15,207)	2,858
Other social housing activities				
First tranche low cost home ownership sales	56	(17)	-	39
Other: Development services	-	-	(17)	(17)
Other: Regeneration	1	-	(1)	-
Activities other than social housing				
Other – Market Rent	383	-	(176)	207
Other – Revival Home Improvement Agency	753	-	(634)	119
Other - Feed-in tariffs	33	-	(30)	3
Other	1,557	-	(1,554)	3
	20,848	(17)	(17,619)	3,212
Surplus on disposal of property, plant and equipment	894	(414)	-	480
Total	21,742	(431)	(17,619)	3,692

HONEYCOMB GROUP LIMITED

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

3(a). Turnover and operating expenditure

Association and Group	General Housing £'000	Supported Housing and Housing for Older People £'000	Low Cost Home Ownership £'000	Total 2026 £'000	Total 2025 £'000
Income					
Rent receivable net of identifiable service charge	11,833	3,301	443	15,577	14,856
Service charge income	644	1,516	248	2,408	2,332
Amortised government grants	785	75	27	887	877
Other Income	2	40	-	42	-
Turnover from Social Housing Lettings	13,264	4,932	718	18,914	18,065
Operating expenditure					
Management	(3,251)	(1,247)	(177)	(4,675)	(4,259)
Service charge costs	(852)	(1,187)	(155)	(2,194)	(2,492)
Routine maintenance	(3,277)	(840)	(42)	(4,159)	(3,425)
Cyclical maintenance	(830)	(794)	(6)	(1,630)	(1,788)
Major Repairs	(150)	(17)	(31)	(198)	(510)
Bad debts	(90)	(35)	(5)	(130)	(54)
Depreciation of Housing Properties	(2,131)	(594)	(80)	(2,805)	(2,674)
Other Costs	(1)	-	3	2	(5)
Operating expenditure on Social Housing Lettings	(10,582)	(4,714)	(493)	(15,789)	(15,207)
Operating Surplus on Social Housing Lettings	2,682	218	225	3,125	2,858
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	200	91	14	305	174

HONEYCOMB GROUP LIMITED

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

3(b). Turnover from activities other than social housing

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Lettings				
Market Renting	465	444	401	383
	465	444	401	383

4. Accommodation owned, managed and in development

At the end of the year accommodation in management for each class of accommodation was:

Group	2026		2025	
	No. of properties Owned	Managed	No. of properties Owned	Managed
Social Housing				
General needs housing	2,269	-	2,271	17
Supported housing and housing for older people	647	213	651	172
Low-cost home ownership	195	-	198	-
Leasehold	43	-	43	-
	3,154	213	3,163	189
Non-Social Housing				
Key worker accommodation	-	25	-	25
Market Rent	36	-	35	-
	36	25	35	25
Total owned and managed	3,190	238	3,198	214
Social Housing under development at end of year:				
General needs housing affordable rent	-	-	-	-
Low-cost home ownership	-	-	-	-
	-	-	-	-
Association	2026		2025	
	No. of properties Owned	Managed	No. of properties Owned	Managed
Social Housing				
General needs housing	2,269	-	2,271	17
Supported housing and housing for older people	632	18	636	-
Low-cost home ownership	195	-	198	-
Leasehold	43	-	43	-
	3,139	18	3,148	17
Non-Social Housing				
Key worker accommodation	-	25	-	25
Market Rent	29	7	28	7
	29	32	28	32
Total owned and managed	3,168	50	3,176	49
Social Housing under development at end of year:				
General needs housing affordable rent	-	-	-	-
Low-cost home ownership	-	-	-	-
	-	-	-	-

HONEYCOMB GROUP LIMITED**Notes to the financial statements for the year ended 31 March 2026****5. Accommodation managed by others**

The Association and Group own property managed by other bodies.

	Group		Association	
	2026	2025	2026	2025
	No. of	No. of	No. of	No. of
	properties	properties	properties	properties
Supported housing and housing for older people	89	98	170	146
	89	98	170	146

6. Surplus / (Deficit) on disposal of property, plant and equipment (fixed assets)

	Shared Ownership Staircasing Sales	Others	Total 2026	Total 2025
	£'000	£'000	£'000	£'000
Proceeds of sales	522	278	800	894
Less: Costs of sales	(281)	(142)	(423)	(369)
Less: Write back of Amortised Grant	-	(65)	(65)	(45)
Surplus / (Deficit)	241	71	312	480

7. Interest and financing costs

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
On loans wholly or partly repayable in more than five years	3,239	3,465	3,239	3,465
Costs associated with financing	222	179	222	179
Less: interest capitalised on housing properties under construction	-	-	-	-
	3,461	3,644	3,461	3,644

The weighted average interest on borrowings of 4.39% (2025: 4.49%) was used for calculating capitalised finance costs.

HONEYCOMB GROUP LIMITED**Notes to the financial statements for the year ended 31 March 2026****8. Surplus before tax**

	Group		Association	
The surplus is stated after charging/(crediting):	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Auditors' remuneration				
Audit of the group financial statements	57	48	57	48
Audit of subsidiaries	-	4	-	4
Fees payable to the company's auditor for other services to the group:				
Taxation compliance services	1	1	-	-
Operating lease rentals:				
- Land and buildings	349	301	22	22
- Office equipment	59	60	59	60
Depreciation of housing properties	2,774	2,682	2,765	2,674
Depreciation of other fixed assets	512	486	326	333
Amortisation of intangible assets	135	150	135	150
Amortisation of Grant applied to housing properties	(887)	(877)	(887)	(877)
Surplus on sale of property, plant and equipment	(312)	(480)	(312)	(480)
Surplus on sale of other fixed assets	-	(3)	-	(3)

HONEYCOMB GROUP LIMITED

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

9. Directors' remuneration

The Chief Executive is an ordinary member of the pension scheme. The pension scheme is a defined contribution scheme funded by annual contributions by the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by Honeycomb Group of £22k (2025 - £16k) was paid in addition to the personal contributions of the Chief Executive. Honeycomb Group adopts a salary exchange approach to its employee pension contributions; contributions shown above are based on contractual employer's contributions only.

Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other person who is a member of the Senior Management Team or its equivalent.

	2026 £'000	2025 £'000
The aggregate emoluments paid to or receivable by non-executive Directors and former non-executive directors (excluding highest-paid director)	71	55
The aggregate emoluments paid to the highest paid Director including pension contributions	176	165
The aggregate emoluments paid to or receivable by Directors (key management personnel)	547	477
The emoluments paid to the highest paid Director excluding pension contributions	154	149

The Board of Management received emoluments for their duties amounting to £71,875 (2025: £63,648). These were paid as shown below.

	Emoluments	Expenses	Total 2026
	£	£	£
Alice Hemsley-Myers	7,419	-	7,419
Georgina Patel	5,299	-	5,299
Jessica Page	5,299	-	5,299
Mark Selby	6,439	266	6,705
Timothy Edwards	5,299	-	5,299
Anthony Muir	5,299	358	5,657
Robert Wakefield	6,123	-	6,123
Peter Hay	12,543	226	12,769
Rebecca Neill	3,709	-	3,709
Karl Dean	3,709	308	4,017
Andrew Davies	9,579	-	9,579
	70,717	1,158	71,875

HONEYCOMB GROUP LIMITED

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

10. Employee information

	Group 2026 No.	2025 No.	Association 2026 No.	2025 No.
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:				
Office staff	267	233	123	98
Wardens, caretakers and cleaners	21	28	20	27
	<u>288</u>	<u>261</u>	<u>143</u>	<u>125</u>

	£'000	£'000		
Staff costs				
Wages and salaries	8,234	7,591	4,447	3,955
Social Security costs	999	686	546	373
Other pension costs	554	518	422	392
Redundancy	22	20	-	8
	<u>9,809</u>	<u>8,815</u>	<u>5,415</u>	<u>4,728</u>

Aggregate number of full-time equivalent staff whose remuneration exceeded £60,000 in the period:	2026 No.	2025 No.	2026 No.	2025 No.
£60,000 - £70,000	6	5	5	3
£70,000 - £80,000	1	2	1	2
£80,000 - £90,000	0	0	0	0
£90,000 - £100,000	0	0	0	0
£100,000-£110,000	0	1	0	1
£110,000-£120,000	2	0	2	0
£120,000-£130,000	0	0	0	0
£130,000-£140,000	1	1	1	1
£140,000-£150,000	0	0	0	0
£150,000-£160,000	0	0	0	0
£160,000-£170,000	0	1	0	1
£170,000-£180,000	1	0	1	0

11. Pension obligations

The Group operates a defined contribution scheme for employees, the assets of which are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Association to the fund and amounted to £422,177 (2025: £391,974) for the year; and contributions payable to the fund by the Group amounted to £554,313 (2025: £517,758).

HONEYCOMB GROUP LIMITED

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

12. Intangible Assets

----- Intangible assets -----

Group & Association	Intangibles £'000	Intangibles under construction £'000	Total Intangibles £'000
Cost			
At start of the year	382	188	570
Additions	-	629	629
Transfers to/from construction	815	(815)	-
At end of the year	1,197	2	1,199
Amortisation and impairment			
At start of the year	172	-	172
Charge for the year	135	-	135
Disposals	-	-	-
At end of the year	307	-	307
Net Book Value			
At 31 March 2025	210	188	398
At 31 March 2026	890	2	892

HONEYCOMB GROUP LIMITED

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

13(a). Tangible fixed assets

Group	----- Housing Properties -----				Total Housing Properties £'000
	Social Housing Properties for Letting Completed £'000	Social Housing Properties for letting under Construction £'000	Low cost home ownership Properties completed £'000	Low cost home ownership properties under construction £'000	
Cost					
At start of the year	187,970 R	904	8,582	1	197,457 R
Additions to properties acquired	-	-	-	-	-
Acquisitions within the year	-	-	-	-	-
Works to existing properties	3,101	-	(64)	-	3,037
Reclassification	21	(20)	-	(1)	-
Schemes completed	-	-	-	-	-
Transfers to/from Stock	419	-	-	-	419
Disposals	(723)	-	(71)	-	(794)
At end of the year	190,788	884	8,447	-	200,119
Depreciation and impairment					
At start of the year	40,324 R	-	1,097	-	41,421 R
Charge for the year	2,691	-	82	-	2,773
Disposals	(444)	-	(3)	-	(447)
Reclassification	9	-	-	-	9
At end of the year	42,580	-	1,176	-	43,756
Net Book Value					
At 31 March 2025	147,646 R	904	7,485	1	156,036 R
At 31 March 2026	148,208	884	7,271	-	156,363

Completed Housing Properties comprise:	2026 £'000	2025 £'000
Freeholds	154,934	154,924 R
Long leaseholds	126	338
Short leaseholds	-	-
NBV	155,060	154,962 R

Cost of properties includes £0k (2024: £0k) for direct administrative costs capitalised during the year	2026 £'000	2025 £'000
Works to existing properties in the year:		
Components capitalised	3,037	1,197
Amounts charged to expenditure	198	510

Note - The cost figure for properties acquired in year above is net of grant liability at transfer amounting to £0k (2025 - £28k).

HONEYCOMB GROUP LIMITED

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

13(b). Tangible fixed assets

Association	----- Housing Properties -----				
	Social Housing Properties for Letting Completed £'000	Social Housing Properties for letting under Construction £'000	Low cost home ownership Properties completed £'000	Low cost home ownership properties under construction £'000	Total Housing Properties £'000
Cost					
At start of the year	187,510 R	904	8,582	1	196,997 R
Additions to properties acquired	-	-	-	-	-
Acquisitions within the year	-	-	-	-	-
Works to existing properties	3,101	-	(64)	-	3,037
Reclassification	21	(20)	-	(1)	-
Schemes completed	-	-	-	-	-
Transfer to/from Stock	419	-	-	-	419
Disposals	(723)	-	(71)	-	(794)
At end of the year	190,328	884	8,447	-	199,659
Depreciation and impairment					
At start of the year	40,238 R	-	1,097	-	41,335 R
Charge for the year	2,683	-	82	-	2,765
Disposals	(444)	-	(3)	-	(447)
Reclassification	9	-	-	-	9
At end of the year	42,486	-	1,176	-	43,662
Net Book Value					
At 31 March 2025	147,272 R	904	7,485	1	155,662 R
At 31 March 2026	147,842	884	7,271	-	155,997

Completed Housing Properties comprise:	2026 £'000	2025 £'000
Freeholds	154,568	154,419 R
Long leaseholds	126	338
Short leaseholds	-	-
NBV	154,694	154,757 R

Cost of properties includes £0k (2024: £0k) for direct administrative costs capitalised during the year	2026 £'000	2025 £'000
Works to existing properties in the year:		
Components capitalised	3,037	1,197
Amounts charged to expenditure	198	510

Note - The cost figure for properties acquired in year above is net of grant liability at transfer amounting to £0k (2025 - £28k).

HONEYCOMB GROUP LIMITED

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

13(c). Tangible fixed assets

----- Other fixed assets -----			
Group	Freehold offices £'000	Furniture and office equipment £'000	Total fixed assets £'000
Cost			
At start of the year	3,316	7,615	10,931
Additions	-	445	445
Disposals	(4)	(1,093)	(1,097)
At end of the year	3,312	6,967	10,279
Depreciation and impairment			
At start of the year	885	5,545	6,430
Charge for the year	65	449	514
Disposals	-	(1,093)	(1,093)
At end of the year	950	4,901	5,851
Net Book Value			
At 31 March 2025	2,431	2,070	4,501
At 31 March 2026	2,362	2,066	4,428

13(d). Tangible fixed assets

----- Other fixed assets -----			
Association	Freehold offices £'000	Furniture and office equipment £'000	Total other fixed assets £'000
Cost			
At start of the year	3,316	5,167	8,483
Additions acquired	-	290	290
Disposals	(4)	(806)	(810)
At end of the year	3,312	4,651	7,963
Depreciation and impairment			
At start of the year	885	4,069	4,954
Charge for the year	65	263	328
Disposals	-	(810)	(810)
At end of the year	950	3,522	4,472
Net Book Value			
At 31 March 2025	2,431	1,098	3,529
At 31 March 2026	2,362	1,129	3,491

HONEYCOMB GROUP LIMITED

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

14. Investment properties held for letting and commercial letting

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Investment Properties held for letting				
Valuation at start of year	3,380	3,370	2,200	2230
Additions	-	-	-	-
Gain on transfers from Social Housing Lettings	-	-	-	-
Gain on valuation of investment properties	50	10	20	(30)
At end of year	3,430	3,380	2,220	2,200
	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Commercial Investment Property				
At start of year	450	450	450	450
Gain / (Loss) on valuation of investment properties	(25)	-	(25)	-
At end of year	425	450	425	450
Total Investment Properties	3,855	3,830	2,645	2,650

The company has adopted the provisions under sections 16.1 and 16.2 of FRS102 in relation to the revaluation of their investment properties with fair value movements taken to the Statement of Comprehensive Income. The valuation was carried out by Louis Taylor Limited, a firm of RICS registered valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation – Global Standards 2017 using qualified chartered surveyors who had sufficient current local knowledge of the particular market and skills and understanding to undertake the valuation competently.

HONEYCOMB GROUP LIMITED

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

15. Fixed asset investments

Group Companies

The Group comprises the following entities, all registered in England:

Name	Incorporation and ownership	Nature of Business
Stillness 924 Limited	Companies Act 2006 – 100%	Building works, Market Rent and PV panels
Honeycomb Charitable Services Limited	Companies Act 2006	Social inclusion
Blue Mountain Housing Association Limited	Co-operative and Community Benefit Societies Act 2014 – 100%	Dormant
Search Housing Association Limited	Companies Act 2006	Dormant

None of the subsidiaries are regulated by the Regulator of Social Housing.

Association

	Stillness 924 Limited £'000	Blue Mountain Limited £'000	Honeycomb Charitable Services Limited £'000	Search Housing Association £'000
Cost				
At start of year	1,578	-	-	-
Repayment	-	-	-	-
At end of year	1,578	-	-	-

16. Stock

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Properties held for sale				
Shared ownership properties:				
Under construction	-	-	-	-
Completed	455	655	455	655
	455	655	455	655

HONEYCOMB GROUP LIMITED
Notes to the financial statements for the year ended 31 March 2026
17. Trade and other debtors

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Rent arrears	1,210	1,358	732	714
Less: provision for bad debts	(605)	(630)	(347)	(253)
Subtotal	605	728	385	461
Social Housing Grant receivable	-	-	-	-
Other debtors	424	761	174	462
Amounts owed from group undertakings	-	-	122	117
Prepayment and accrued income	1,334	1,088	909	628
Debtors due within one year	2,363	2,577	1,590	1,668
Debtors due after one year – due from Group undertakings	-	-	73	73
	2,363	2,577	1,663	1,741

18. Investments

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Listed on a recognised investment exchange	30	30	30	30
	30	30	30	30

19. Cash and cash equivalents

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Deposit Accounts	7,222	7,493	2,633	3,575
Cash at bank	159	88	106	35
	7,381	7,581	2,739	3,610

In the above are balances are:

Money held in trust for leaseholder sinking funds	280	263	280	263
Security Interest THFC	820	753	820	753

HONEYCOMB GROUP LIMITED
Notes to the financial statements for the year ended 31 March 2026
20. Creditors: amounts falling due within one year

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Loans and overdrafts (Note 20b)	750	8,189	750	8,189
Trade creditors	1,900	1,338	1,839	1,114
Amounts owed to group undertakings	-	-	-	-
Rents and service charges paid in advance	760	746	668	631
Other taxation and social security payable	151	186	5	85
Accruals and deferred income	2,627	2,758	1,726	2,087
Deferred Capital Grant (Note 21)	850	887	850	887
Recycled Capital Grant Fund (Note 22)	589	510	589	510
Other creditors	677	646	94	77
	8,304	15,260	6,521	13,580

21(a). Creditors: amounts falling due after more than one year

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Loans (Note 20b)	63,929	56,237	63,929	56,237
Debenture Stock less loan issue costs plus premium on bond issue (Note 20b)	11,079	11,325	11,079	11,325
	75,008	67,562	75,008	67,562
Leaseholder sinking funds	280	263	280	263
Recycled Capital Grant Fund (Note 22)	239	316	239	316
	75,527	68,141	75,527	68,141
Deferred Capital Grant (Note 20)	54,535	55,326R	54,535	55,326 R
	130,062	123,467R	130,062	123,467 R

21(b). Debt analysis

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Loans repayable by instalments:				
In less than one year	750	8,189	750	8,189
In one year or more but less than two years	7,995	463	7,995	463
In two years or more and less than five years	973	8,037	973	8,037
In five years or more	55,672	48,498	55,672	48,498
Loans not repayable by instalments:				
In less than one year	-	-	-	-
In one year or more but less than two years	-	-	-	-
In two years or more and less than five years	-	-	-	-
In five years or more	11,000	11,000	11,000	11,000
Less: loan issue costs	(633)	(436)	(633)	(436)
Total loans	75,757	75,751	75,757	75,751

HONEYCOMB GROUP LIMITED

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

21(b). Debt analysis (continued...)

Housing loans, other loans and debenture stock are secured by specific charges on the Group's individual housing properties and bear interest rates ranging between 2.38% and 11.72%.

The loans are repayable monthly/quarterly at varying rates of interest and are due to be repaid between 2026 and 2050.

The interest rate profile of the Group at 31 March 2026 was:

	Total £'000	Variable Rate £'000	Fixed rate £'000	Weighted Average rate %	Weighted average term Years
Instalment loans	64,757	13,981	50,776	4.07	14
Non-instalments loans	11,000	-	11,000	4.99	15
	<u>75,757</u>	<u>13,981</u>	<u>61,776</u>	<u>4.21</u>	<u>14</u>

At 31 March 2026 the Group has the following borrowing facilities:

£'000

Undrawn committed facilities
Undrawn facilities

-
30,158
30,158

21(c). Debt analysis – Movement in Net Debt - Group

	At 31 March 2025 £'000	Cash Flows £'000	Non-Cash Movement £'000	At 31 March 2026 £'000
Cash and bank balances	7,581	(200)	-	7,381
Bank overdrafts	-	-	-	-
	<u>7,581</u>	<u>(200)</u>	<u>-</u>	<u>7,381</u>
Housing loans – due within one year	(8,189)	8,190	(751)	(750)
Housing loans – due after one year	(67,562)	(8,442)	997	(75,007)
Current asset investments	-	-	-	-
	<u>(75,751)</u>	<u>(252)</u>	<u>246</u>	<u>(75,757)</u>
Total Net Debt	<u>(68,170)</u>	<u>(452)</u>	<u>246</u>	<u>(68,376)</u>

HONEYCOMB GROUP LIMITED

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

22. Deferred capital grant

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
At start of the year	77,290R	77,479 R	77,290R	77,479 R
Grant received in the year	135	-	135	-
Re-categorisation	1	-	1	-
Eliminated in respect of disposals	(105)	(189)	(105)	(189)
At the end of the year	77,321	77,290R	77,321	77,290R
Amortisation of Grant at start of the year	(21,077)R	(20,288)R	(21,077)R	(20,288)R
Amortisation in the year	(887)	(877)	(887)	(877)
Eliminated in respect of disposals	32	88	32	88
Recategorisation	(4)	-	(4)	-
Amortisation at the end of the year	(21,936)	(21,077)R	(21,936)	(21,077)R
Net deferred capital grant	55,385	56,213R	55,385	56,213R
Falling Due Within One Year	850	887	850	887
Falling Due After More than One Year	54,535	55,326R	54,535	55,326R
Net deferred capital grant	55,385	56,213R	55,385	56,213R

23. Recycled capital grant fund

Group and Association	2026	2025
	£'000	£'000
At the start of the year	825	666
Inputs: Grants recycled	106	126
Interest accrued	32	33
Recycling: New build	(135)	-
Major repair and works to existing stock		
At the end of the year	828	825
Falling due within one year	589	510
Falling due after more than one year	239	315

24. Non-equity share capital

	2026	2025
	£	£
Group and Association		
Allotted Issued and Fully Paid:		
At the start of the year	10	10
Issued during the year	-	3
Eliminated during the year	(1)	(3)
At the end of the year	9	10

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding-up and are not redeemable. Each share has full voting rights. All shares are fully paid.

HONEYCOMB GROUP LIMITED

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

25. Capital commitments

	2026 £'000	2025 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	57
Capital expenditure that has been authorised by the Board but has not yet been contracted for	-	-
	<u>-</u>	<u>57</u>
The Group expects these commitments to be financed with:		
Social Housing Grant	-	-
Proceeds from the sales of properties	-	-
Committed loan facilities	-	57
	<u>-</u>	<u>57</u>

The above figures include the full cost of shared ownership properties contracted for.

26. Operating leases

The Group holds properties and office equipment under non-cancellable operating leases. At the end of the year the Group had commitments of future minimum lease payments as follows:

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Land and buildings:				
Within one year	491	278	22	22
In one year or more but less than two years	392	505	-	-
In two years or more and less than five years	436	-	-	-
In five years or more	-	-	-	-
Others:				
Within one year	64	65	59	60
In one year or more but less than two years	54	26	54	26
In two years or more and less than five years	-	25	-	25
In five years or more	-	-	-	-
	<u>1,437</u>	<u>899</u>	<u>135</u>	<u>133</u>

HONEYCOMB GROUP LIMITED**Notes to the financial statements for the year ended 31 March 2026****27. Related parties**

Honeycomb Group Limited is the Parent entity in the Group and ultimate controlling party.

Transactions with registered and non-registered elements of the business

The Association provides a long-term loan of £73k to Honeycomb Charitable Services Ltd. (2025: £73k)

The Association provides management services to its subsidiaries.

The Association also receives charges from its subsidiaries. The quantum and basis of those charges is set out below:

Payable to Association from subsidiaries and other Group members:

	Management charges		Other charges		Interest charges	
	2026	2025	2026	2025	2026	2025
	£'000	£'000	£'000	£'000	£'000	£'000
Non-registered entities:						
Blue Mountain Housing Association Ltd	-	-	-	-	-	-
Stillness (924) Limited	14	15	(64)	(65)	-	-
Search Housing Association Limited	-	-	-	-	-	-
Honeycomb Charitable Services Limited	1,260	1,058	342	333	-	-
	1,274	1,073	278	268	-	-

Intra Group management fees

Intra-group management fees are receivable by the Association from subsidiaries to cover the running costs the Association incurs on behalf of managing its subsidiaries and providing services.

The costs are recharged in accordance with the relevant Intra Group Agreements.

Stillness (924) Limited declared a gift aid payment of £181k to the Association this year (2025: £265k).

HONEYCOMB GROUP LIMITED

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

28. Financial instruments

The Group's and Company's financial instruments may be analysed as follows:	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Financial assets				
(a) Financial assets measured at amortised cost	9,314	9,755	3,654	4,723
(b) Financial assets that are equity instruments measured at cost less impairment	-	-	1,578	1,578
Financial liabilities				
(a) Financial liabilities measured at amortised cost	138,366	138,911 R	136,583	137,047 R

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors and other creditors.

29. Tax on profit on ordinary activities Group

	2026 £	2025 £
Analysis of charge in the year		
Current year charge	49,729	25,103
Prior year charge	(25,954)	(27,147)
Total tax charge	23,775	(2,044)
Reconciliation of tax expense		
Profit on ordinary activities before taxation	266,579	222,731
Profit on ordinary activities by rate of tax @ 25% (2025: 25%)	66,645	54,519
Effect of capital allowances and depreciation	8,614	7,473
Effect of gift aid payment to parent	(18,030)	(27,667)
Effect on unrealised fair value adjustment	(7,500)	(9,222)
Tax on profit on ordinary activities	49,729	25,103