

INNISFREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

For the year ended

31 MARCH 2026

INNISFREE HOUSING ASSOCIATION LIMITED

BOARD	Sean McLaughlin Chair Nick Yandle (Resigned 16/09/25) Brian Brady (Resigned 16/09/25) Gerry Doherty John Fitzsimons Jahanara Rajkoomar Ali Shah Aisling Conboy (Resigned 20/10/25) Rebecca O'Donnell John Weir Susan French (Joined 01/01/26) Daniel Mensah (Joined 01/01/26) Roch Ottaway-Schollij (Joined 01/01/26) N'jaindeh Lungoci (Joined 01/01/26)
CHIEF EXECUTIVE	John Delahunty
SECRETARY	Edward O' Riordan
BANKERS	Barclays Bank 28 Hampstead High Street Hampstead London NW3 1QB
AUDITORS	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
REGISTERED OFFICE	190 Iverson Road London NW6 2HL
STATUTORY REGISTRATIONS	Community Benefit Society No. 24847 Registered Housing Association No. LH3829

CONTENTS **Pages**

Board Report	4 –9
Statement of the Board's Responsibilities	10
Auditor's Report on Financial Statements	11-13
Statement of Comprehensive Income	14
Statement of Changes in Reserves	14
Statement of Financial Position	15
Statement of Cashflows	16
Notes to the Financial Statements	17 – 36

INNISFREE HOUSING ASSOCIATION LIMITED

BOARD REPORT

The Board presents its report together with the audited financial statements for the year ended 31 March 2026 for Innisfree Housing Association.

Principal Activities

Innisfree Housing Association provides and manages high quality affordable housing in London. We meet the needs of people from a range of backgrounds with nearly half of our tenants from an Irish background.

Review of the business year

The pace of change in the housing sector has continued this year, with significant Government legislative and policy announcements. With the significant resources for housing development announced in the Comprehensive Spending Review, the confirmation of the commencement date for the requirements of Awaab's Law, and the Budget announcements including resources for the Warm Homes Plan and a rent settlement to include rent convergence from 2027, there have been significant operational and longer term strategic discussions about the opportunities and challenges presenting.

Additionally, consideration has been given to the impact of world events with fresh conflict in Iran having the potential to significantly affect the world economy.

Through this time, the organisation has continued to deliver high quality services, with tenants expressing high levels of satisfaction and good progress has also been achieved at a strategic level in the organisation.

Following a successful period delivering additional new homes, whilst maintaining our aspiration to provide more homes, the Board determined to prioritise investment in our existing homes, particularly given the ambition to progress towards net zero.

That progress towards net zero, using the opportunity of being part of a consortium for Social Housing Decarbonisation Funding, has been slower than expected, and we will give this continued focus in the coming years.

We successfully concluded our Treasury activity during the year, to prepare for some refinancing in the year and assessing the future capacity for further new developments as well as investment in our current homes. We agreed with THFC a £3.4M loan to refinance our existing borrowing with them and with Triodos we agreed a £4m facility to support our investment requirements, as well as refreshing the terms of our other borrowing with them.

In common with other housing associations, we have continued to put a lot of emphasis on maintaining the condition of our existing homes, and our Landlord Property Compliance remains strong.

We continued to survey our tenants, using the framework of the Tenant Satisfaction Measures (TSMs), and we had achieved a headline satisfaction rate of 89%, ranking well in comparison to all landlords.

The Board continued to express the importance of our relationships with our tenants, and during the year there were a number of opportunities for Board Members to meet tenants in person.

We have continued to develop our strategic thinking about our use of IT. The Housing IT system introduced in 2023 has allowed us to implement a range of automated processes, workflows and data compliance practices bringing greater efficiency and process assurance as a result. We have given early consideration to the safe deployment of AI, have continued to develop our

cyber resilience, having undertaken a Business Continuity exercise based on a cyber-attack, and have developed a refreshed strategic technology road map for activities over the next three years.

Some other highlights of the year have included:

- deploying the first Switchee environmental monitoring devices into tenants' homes as a pilot to better understand the value they might deliver for both tenants and Innisfree;
- actively working with other BME National organisations, the group of landlords around the UK, in the work the Alliance for Justice is doing to respond to the heightened concerns about the prevalence of racism;
- delivering a research report in collaboration with Irish in Britain to address the end-of-life care needs of the Irish communities, following an extensive national consultation;
- engaging with the Irish Embassy in the consultation for the review of the Irish Government's Global Diaspora Strategy.

Innisfree complies with the National Housing Federation (NHF) Code of Governance 2020.

Associations are expected to report annually on:-
- the obligations of board members
- the required skills, qualities and experience of board members &
- the details of our policy for admitting new shareholders.

These are set out in summary below.

Board members act in the best interests of the Association and adopt the highest standards of probity, integrity and good behaviour when representing Innisfree. They have a high record of attendance at formal meetings and regularly attend meetings and other functions as required. They read and scrutinise reports and contribute to the effective control of the Association. All members subscribe to the shared values of Innisfree.

Board members evidence a proper understanding of the issues facing the communities we serve and, using their wide knowledge and experience, collectively steer the Association so that it fulfils its mission.

Shareholding membership is open to Board Members, following the adoption of new Rules in September 2021, without affecting the status of Shareholders appointed before the new Rules were adopted.

Board

The Board of Management consists of 11 members, following appointment of new Board Members in January 2026. Board members are non-executive and, for legal purposes, are regarded as directors. The Board is responsible for strategy and the policy framework and delegates day-to-day management to the Senior Management Team.

Following an external Governance Review, the Board decided that from 1 January 2021, Board Members would be remunerated.

Business Plan

The Board reviews the Corporate Plan and associated action plan regularly.

The plan uses the themes: Providing more Homes; Delivering for our Communities; Making Best use of our Resources; Speaking up with the Communities we Serve. These continue to provide the best route of progress for delivering our mission.

We have clearly expressed the distinctive offer we make to our communities, and this includes acting as an advocate and a place shaper. The Corporate Plan clearly defines approaches and projects to demonstrate this.

Senior Management Team

This comprises Chief Executive, Finance Director and Operations Director. The members of the Senior Management Team act as the executive officers within the authority delegated to them by the Board of Management.

Value for money

Board has established a clear long-term vision for Innisfree, with our mission statement reflecting how we intend to bring that vision to life. Our Corporate Plan, and the supporting annual plans contributing to this three-year strategy, are reviewed and approved each year by the board. We monitor progress against our targets on an ongoing basis to ensure strategic delivery and inform future planning.

Our current plan has four main strands :-

- Providing more homes
- Delivering for our communities
- Making best use of our resources
- Speaking up with the communities we serve.

We use the objectives and expected outcomes in the business plan to drive what is required by each area of the business. This approach ensures that the resources and assets needed to meet service, quality and other non-financial goals are recognised in our budgets and operational delivery. Our business planning process therefore helps ensure that resources and assets are used in the most appropriate way to deliver value for money. The Board consider the social value of the work we do to be important, and this is particularly reflected in the Delivering for our Communities business plan strand.

To measure our progress, we look at our internal performance against set budgeted measures such as operating margin and benchmark ourselves externally against other housing associations. A key tool for this is the Value for Money metrics provided by the Regulator of Social Housing as part of the annual Global Accounts publication. The regulator has defined a suite of seven standard metrics that allows individual providers to compare themselves to other organisations.

Metrics	2024/25 Innisfree	2025/26 Innisfree	2025 Global Accounts Value for Money Metrics	2025 Global Accounts London Region Value for Money Metrics
Reinvestment %	1.5%	0.8%	7.5%	4.7%
New Supply Delivered %	1.5%	0.0%	1.3%	1.3%
Gearing %	23.1%	23.7%	46%	42.3%
EBITDA-MRI Interest Cover %	148%	161%	113%	70%
Social Housing Cost Per Unit	£6,363	£6,329	£5,690	£8,720
Operating Margin %	25%	25%	20%	14%
Return on Capital Employed %	2.3%	2.1%	3.0%	2.1%

The key performance measure for Innisfree is the operating margin percentage. A higher operating margin suggests an organisation is generating more from its resources, which fits in with Innisfree's value for money aims. In this financial year Innisfree's performance of 25% remains consistent with the previous year's result of 25%. Innisfree's performance remains above the sector and London region averages. London based associations have comparatively lower margins due to the higher operating costs of working in the capital.

The social housing cost per unit outturn is above the 2025 global accounts figure of £5,690 but if we compare it to the London Region figure of £8,720 the outturn is favourable. For this measure there is again an impact from operating in London. London based associations due to a number of factors such as higher labour and operational costs have a higher social housing cost per unit.

One of the business plan targets is to provide more homes and is an important measure for the association. Following a number of years of development the Association did not deliver new units in this financial year. Development is particularly challenging in London, and this is reflected in the 2025 global accounts were just under half of London providers developed no new social homes in the year.

The gearing level remains low compared to the average but highlights the capacity Innisfree have to fund future developments or investment in existing stock. Additional borrowing in the year generated the upward movement in this measure compared to last year.

Return on capital employed (ROCE) is a measure used to assess the efficient investment of capital resources. This year the measure has decreased slightly. Innisfree appear to underperform on this metric against the sector average of 3%. On this measure there is a "London effect" and for London focused associations the average performance was 2.1% which the Association has matched. The lower measure for London based associations is due to asset values being considerably higher than the sub-market rents housing associations offer in London.

The Association's re-investment percentage decreased in 2025/26. The decrease is a reflection of decreasing development capital spend following an active few years. The reinvestment level in existing stock was £529,433. Innisfree see this continued investment crucial to achieving value for money. Maintaining stock investment is essential for long term stewardship of our assets and ensuring Innisfree provide quality homes appropriate to our residents' needs. This measure will increase in 2026/27 as a result of higher reinvestment in existing stock than in 2025/26.

The EBITDA-MRI interest cover level is an indication of the level of headroom on meeting interest payments on outstanding debt. The London region associations are particularly struggling with this measure due to the unique pressures of operating in the capital, additional spending demands from existing properties combined with relatively high interest rates. The

Association saw an increase in cover primarily due to the refinancing work carried out in the year which resulted in lower interest costs.

Internal Controls

The Board of Innisfree has overall responsibility for establishing and maintaining the system of internal controls and for reviewing its effectiveness.

The system of internal controls is designed to manage, rather than eliminate, risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Association is exposed and is consistent with good practice principles outlined in regulatory and other guidance.

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

Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. The senior management team regularly considers these significant risks, creating a risk map which is reviewed and approved by the Board. The Chief Executive is responsible for reporting to the Board any significant changes affecting key risks.

Monitoring arrangements

A process of control, self-assessment and regular management reporting on control issues provides assurance to management and to the Board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues. This covers all operational areas and is not limited to those with a material impact on the financial statements. This is supplemented by regular Internal Audit reviews.

In addition, following specialist consultancy support our risk management framework was refreshed and this will provide additional assurance for the Board.

Control environment and control procedures

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy, new investment projects, the setting of standards for health and safety, data protection and fraud prevention and detection.

Financial reporting procedures include detailed budgets for the year ahead, cash flow projections and forecasts for subsequent years. These are reviewed, approved and monitored throughout the year by the Board. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

Information and financial reporting systems

Key policies

The Board retains responsibility for reviewing and approving the key strategies and policies that are designed to provide effective internal control. Innisfree has a full set of policies and procedures which contribute to our approach to safeguarding the Association against all forms of risk, including fraud and corruption.

The internal control framework and the risk management process are subject to regular review by Innisfree's internal auditors who are responsible for providing independent assurance to the Board.

The Board confirms that there is an on-going process for identifying, evaluating and managing significant risks faced by the Association. This process has been in place throughout the year under review, up to the date of this report, and is reviewed regularly by the Board.

Governance and Viability Standard

The arrangements for governance, business planning, risk and internal controls described above satisfy the Governance and Viability Standard of the Regulator of Social Housing.

Annual General Meeting

The Association's annual general meeting will be held on the 15th September 2026.

Auditors

Buzzacott have expressed a willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.



Sean McLaughlin
Chair

STATEMENT OF THE BOARD'S RESPONSIBILITIES

The board members are responsible for preparing the Board Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; 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 members are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNISFREE HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Innisfree Housing Association Limited (the 'Association') for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the 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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2026, and of the income and expenditure of the Association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 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 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 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 Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Board members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the Association; or
- a satisfactory system of control has not been maintained over transactions; or
- the Association's financial statements are not in agreement with the accounting records and returns; 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 of Management Responsibilities set out on page 10, 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 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 directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. 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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the association and its industry and in identifying and addressing the risks of material misstatements in respect of irregularities, including fraud, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect

on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations applicable to a registered social housing provider in England together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Discussions with management about actual or potential litigation and claims;
- Challenging assumptions made by management in their significant accounting estimates;
- Identifying and testing the appropriateness of journal entries and assessing whether the judgements made in making accounting estimates were indicative of a potential bias;
- Reviewing minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility; and
- Reviewing financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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/auditors responsibilities. This description forms part of our auditor's report.

This report is made solely to the Association's members as a body in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed

Buzzacott Audit LLP

Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

24 July 2026

INNISFREE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 MARCH 2026

	Notes	2026 £	2025 £
Turnover	3	5,669,785	5,903,218
Operating costs	3	(4,239,931)	(4,402,624)
Operating surplus	10	1,429,854	1,500,594
Interest receivable and similar income	8	14,634	13,837
Interest payable and similar charges	9	(915,232)	(1,010,590)
Surplus for the year		529,256	503,841
Pension scheme actuarial gain/(loss)		14,000	63,000
Total comprehensive income for the year		543,256	566,841

The results relate wholly to continuing activities. All amounts are included at historic cost. The notes on pages 17 to 36 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES for the year ended 31 MARCH 2026

	Notes	Share capital £	Revenue reserve £	Total
Balance at 1st April 2024		21	14,497,372	14,497,393
Net repayment of shares	17	(1)	-	(1)
Surplus for the year		-	566,841	566,841
Balance at 31 March 2025		20	15,064,213	15,064,233
Balance at 1st April 2025		20	15,064,213	15,064,233
Net repayment of shares	17	-	-	-
Surplus for the year		-	543,256	543,256
Balance at 31 March 2026		20	15,607,469	15,607,489

INNISFREE HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION as at 31 MARCH 2026

	Notes	2026 £	2025 £
Fixed assets			
Tangible assets:			
Housing properties : cost less depreciation	11	70,203,396	70,561,061
Other tangible fixed assets	12	67,668	70,069
		70,271,064	70,631,130
Current assets			
Debtors	13	326,462	371,732
Cash and cash equivalents		929,731	481,602
		1,256,193	853,334
Creditors: Amounts falling due within one year	14	(2,190,674)	(5,816,079)
Net current liabilities		(934,481)	(4,962,745)
Total assets less current liabilities		69,336,583	65,668,385
Creditors: Amounts falling due after more than one year	15	16,527,113	12,934,598
Deferred grant income	16	37,004,055	37,356,626
Pension - defined benefit liability	21	197,926	312,928
		53,729,094	50,604,152
Net assets		15,607,489	15,064,233
Capital and reserves			
Share capital	17	20	20
Revenue reserve		15,607,469	15,064,213
		15,607,489	15,064,233

The financial statements were approved by the Board and authorised for issue on 21st July 2026 and signed on their behalf by:

Sean McLaughlin		Board member
Ali Shah		Board member
Edward O'Riordan		Secretary

INNISFREE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS for the year ended 31 MARCH 2026

	Notes	2026 £	2025 £
Net cash generated from operating activities	18	1,575,418	2,204,536
Cash flow from investing activities			
Purchase of housing properties		(529,433)	(1,601,525)
Purchase of other fixed assets		(19,875)	(20,725)
Grant received		-	1,059,733
Interest received		14,634	13,837
		(534,674)	(548,680)
Cash Flow from Financing activities			
Interest paid		(955,209)	(995,300)
Repayments of borrowings		(3,630,799)	(814,424)
New borrowing		4,400,000	-
Share Capital (Repaid)/Received		-	(1)
Loan issue cost/premium		(406,607)	-
		(592,615)	(1,809,725)
Net change in cash and cash equivalents		448,129	(153,869)
Cash and cash equivalents at 1 April		481,602	635,471
Cash and cash equivalents at 31 March		929,731	481,602

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2026

1 Accounting policies

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

The Association is registered with the Homes and Communities Agency. It is incorporated under the Cooperative and Community Benefit Societies Act 2014 in England. The Association is a public benefit entity.

Basis of preparation

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Innisfree Housing Association includes the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, FRS 102 “the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, “Accounting by registered social housing providers” 2018, the Accounting Direction for Private Registered Providers of Social Housing 2019.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the association’s accounting policies.

Going Concern

The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. These financial statements are prepared on a going concern basis. The Board have reviewed cash flow projections to 30 September 2027 and have agreed detailed budgets for the year ended 31 March 2027. Both sources of income and types of expenditure have been reviewed. The Board have also considered the Association’s working capital and capital expenditure requirements. As a result of the foregoing the Board are satisfied that it is appropriate to prepare the accounts on a going concern basis.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as completed 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 (UELs), each component is accounted for separately and depreciated over its individual useful economic life. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Association depreciates freehold housing properties by component on a straight-line basis over the estimated useful economic lives of the component categories. Useful economic lives for identified components are as follows:

1 Accounting policies (Continued)

Structure	125 years
Bathroom	30 years
Boilers	12 years
Electricals	30 years
Kitchens	20 years
Windows & Doors	30 years
Lifts	25 years
Roofs-Pitched / Flat	60 years/ 20 years
Mechanical Systems	30 years

The Association depreciates housing properties held on long 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.

Other fixed assets are included at cost to the Association less depreciation, which is provided on a straight-line basis on the net cost over the periods shown below:

Leasehold improvements	over the life of the lease
Computer equipment	25% straight line
Office furniture and equipment	25% straight line
Supported housing furniture and equipment	25% straight line

Social housing grant

Social housing grant (SHG) to fund capital expenditure is recognised over the useful life of the housing property structure and, where applicable, its individual components under the accrual model.

Where SHG is received on items treated as revenue expenditure, e.g.: elements of major repair expenditure, it is treated as a revenue grant and credited to the income and expenditure account.

If housing properties are disposed of, Social Housing Grants are repayable to the Homes Communities Agency or held as a creditor pending recycling into another scheme; if grant held in the recycled capital grant fund is not used within three years, it becomes repayable.

Rental and other trade receivables

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

Finance costs

Finance costs on a mortgage loan financing a development are capitalised up to the date of practical completion of the scheme. Finance costs are allocated to periods over the term of the debt at a constant rate on the carrying amount.

1 Accounting policies (Continued)

Cyclical maintenance and internal decorations

The costs of repairs, cyclical maintenance and internal decorations are recognised when work is performed.

Restricted funds

Where funds are received or generated which are held for use limited by restrictions determined by third parties, these are shown as restricted reserves.

Turnover

Turnover comprises rental income, grants and income from service charges. All income is recognised on a receivable basis.

Operating leases

Rental costs under operating leases are charged to the income and expenditure account in equal annual amounts over the period of the lease.

Managed projects

The income collectable and expenditure incurred by Innisfree relating to projects managed by Innisfree but owned by other associations is accounted for by Innisfree.

Major repairs

The Association capitalises expenditure on housing properties which enhances the economic benefits of the property beyond those assessed when the property was first acquired or constructed. All other major repair expenditure is charged to the income and expenditure account.

Taxation

The Association has charitable status and is therefore not subject to Corporation Tax on surpluses derived from charitable activities.

Pension costs

The Association participates in the Social Housing Pension Scheme (SHPS). The Association offers new and existing employees access to the defined contribution scheme provided by SHPS. Obligations for contributions to defined contribution benefit plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

1 Accounting policies (Continued)

The Association previously offered access to a defined benefit scheme operated by SHPS. Access to this scheme is closed. In accordance with FRS102 there is a recognition of the Association's liability for its obligations under the scheme, net of assets and the net change in that liability during the accounting period as the cost of the defined benefit scheme during the period.

Impairment

Annually housing properties are assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

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

• whether there are indicators of impairment of the association's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The association have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost.

• what constitutes a cash-generating unit when indicators of impairment require there to be an impairment review.

• whether leases entered into by the group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

• the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.

3 Turnover and surplus analysis

All turnover and operating costs arose from social housing activities as shown.

	Year ended 31 March 2026		
	Turnover	**Operating Costs**	**Operating Surplus**
	£	**£**	**£**
Social housing activities: Lettings	5,669,785	(4,239,931)	1,429,854
Total	5,669,785	(4,239,931)	1,429,854

	Year ended 31 March 2025		
	Turnover	**Operating Costs**	**Operating Surplus**
	£	**£**	**£**
Social housing activities: Lettings	5,427,968	(4,064,972)	1,362,996
Sale of shared ownership 1st tranche	475,250	(337,652)	137,598
Total	5,903,218	(4,402,624)	1,500,594

4 Income and expenditure from lettings

	General needs housing	Supported housing	2026 Total	2025 Total
	£	£	£	£
Income from lettings				
Rent net of service charges	4,520,924	372,620	4,893,544	4,704,860
Service charges receivable	273,734	149,636	423,370	371,804
Social housing grant amortised	316,777	35,794	352,571	351,158
Net rental Income	5,111,435	558,050	5,669,485	5,427,822
Other income	130	170	300	146
Total turnover from social housing lettings	5,111,565	558,220	5,669,785	5,427,968
Expenditure on letting activities				
Management	1,035,312	404,147	1,439,459	1,386,399
Service Charge Costs	416,623	73,875	490,498	415,197
Routine maintenance	942,116	17,257	959,373	981,700
Planned maintenance	352,117	64,937	417,054	381,504
Rent losses from bad debts	42,609	3,840	46,449	39,094
Depreciation of housing properties	830,443	56,655	887,098	861,078
Total expenditure on social housing lettings	3,619,220	620,711	4,239,931	4,064,972
Operating surplus/(deficit) on social housing lettings before interest	1,492,345	(62,491)	1,429,854	1,362,996
Rent losses from voids	(55,674)	(70,401)	(126,076)	(122,672)

5 Emoluments of the Chief Executive and senior management team

	2026 £	2025 £
The emoluments of the Chief Executive and senior management team were:		
Gross salary	280,327	272,977
Social security costs	39,797	33,905
Employer's pension contributions	25,851	19,395
	345,975	326,277

	£	£
Highest paid director		
Aggregate emoluments	104,546	101,804
Company pension contributions	10,455	7,629
	115,001	109,433

The remuneration paid to staff earning £70,000 upwards:	2026 No.	2025 No.
£70,000 - £80,000	-	-
£80,000 - £90,000	2	2
£90,000 - £100,000	-	-
£100,000 - £110,000	1	1
£110,000 - £120,000	-	-

The chief executive is a member of the association pension scheme, on standard terms.

6 Employee information

The average monthly number of persons (excluding Board members) employed during the year was:

	2026 No.	2025 No.
Staff (full time equivalents)	15	14
Total number of staff	17	16

6	**Employee information (continued)**	**2026**	**2025**
		£	**£**
	Staff costs (including the Chief Executive)		
	Wages and salaries	723,548	682,359
	Social security	97,572	79,418
	Pension costs	71,617	52,621
	Temporary Staff	-	-
		892,737	814,398

7	**Board member Remuneration**	**2026**	**2025**
		£	**£**
	Sean McLaughlin	5,000	5,000
	Ali Shah	2,500	2,500
	Nick Yandle (Resigned)	688	1,500
	Brian Brady (Resigned)	688	1,500
	Gerry Doherty	1,500	1,500
	John Fitzsimons	1,500	1,500
	Jahanara Rajkoomar	1,500	1,500
	Ciara Chivers (Resigned)	-	665
	Aisling Conboy (Resigned)	831	1,500
	Rebecca O'Donnell	1,500	1,500
	John Weir	1,500	1,500
	Susan French	375	-
	Daniel Mensah	375	-
	Roch Ottaway-Schollij	375	-
	N'jaindeh Lungoci	375	-
		18,707	20,165

	£	**£**
The total expenses reimbursed to the Board not chargeable to United Kingdom income tax was:	-	415

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2026 (Continued)

8	**Other interest receivable and similar income**	**2026**	**2025**
		£	**£**
	Bank interest receivable	14,634	13,837

9	**Interest payable and similar charges**	**2026**	**2025**
		£	**£**
	On housing loans repayable in more than five years	900,232	990,590
	Unwinding of discount factor on pension liability	15,000	20,000
		915,232	1,010,590

10	**Operating Surplus**		**2026**	**2025**
			£	**£**
	The operating surplus is stated after charging:			
	Depreciation of tangible fixed assets	- housing properties	887,098	861,078
		- other fixed assets	22,276	43,333
	Auditors' remuneration (excluding VAT)	- as auditors	22,000	21,580
	Operating lease charges		57,500	65,000
	Amortisation of Social Housing Grant		(352,571)	(351,158)

11 **Housing properties**

	Freehold housing properties held for letting £	Long leasehold housing properties £	Completed Shared Ownership Properties £	Work in Progress £	Total £
Cost					
At 1 April 2025	45,334,589	34,859,065	865,212	68,408	81,127,274
Additions Components	201,391	72,389	-	255,653	529,433
Transfers	-	-	-	-	-
Disposals Components	(37,236)	(20,575)	-	-	(57,811)
At 31 March 2026	45,498,744	34,910,879	865,212	324,061	81,598,896
Depreciation					
As at 1 April 2025	7,010,149	3,543,089	12,975	-	10,566,213
Charge for the year	500,507	377,431	9,160	-	887,098
Eliminated on replacement of components	(37,236)	(20,575)	-	-	(57,811)
At 31 March 2026	7,473,420	3,899,945	22,135	-	11,395,500
Net book value					
At 31 March 2026	38,025,324	31,010,934	843,077	324,061	70,203,396
At 31 March 2025	38,324,440	31,315,976	852,237	68,408	70,561,061

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2026 (Continued)

12 **Other fixed assets**

	Leasehold improvements £	Computer equipment £	Office furniture and equip £	Housing furniture and equip £	Motor vehicles £	Total £
Cost						
At 1 Apr 2025	206,948	150,331	150,744	355,382	22,050	885,455
Additions	-	3,149	-	16,726	-	19,875
Disposals	-	-	-	-	(22,050)	(22,050)
At 31 Mar 2026	206,948	153,480	150,744	372,108	-	883,280
Depreciation						
At 1 April 2025	206,948	147,773	134,861	303,754	22,050	815,386
Charge for year	-	2,662	1,455	18,159	-	22,276
Disposals	-	-	-	-	(22,050)	(22,050)
At 31 Mar 2026	206,948	150,435	136,316	321,913	-	815,612
Net book value						
At 31 Mar 2026	-	3,045	14,428	50,195	-	67,668
At 31 Mar 2025	-	3,558	15,883	51,628	-	71,069

13 **Debtors**

	2026	2025
	£	£
Rental & service charge arrears	253,008	249,784
Less provision for doubtful debts	(156,482)	(112,982)
	96,526	136,802
Prepayments and accrued income	229,936	229,617
	326,462	366,419

14 **Creditors:** Amounts falling due within one year

	2026	2025
	£	£
Loans repayable	642,007	3,871,511
Other creditors	197,302	190,853
Deferred grant income (Note 16)	352,571	352,571
Rent in advance	218,374	220,348
Trade creditors	399,819	743,087
Accruals	380,601	437,709
	2,190,674	5,816,079

15 **Creditors:** Amounts falling due after more than one year

	2026	2025
	£	£
Finance by Instalments due one year to two years	706,247	941,637
Finance by instalments due two years to five years	2,571,730	3,312,967
By instalments in five years or more	10,255,743	8,679,994
Otherwise than by instalments	3,400,000	-
Loan issues costs	(406,607)	
	16,527,113	12,934,598

	£	£
Sources of finance		
The Housing Finance Corporation Limited	3,400,000	3,000,000
Orchardbrook Limited	300,006	301,840
Dexia Public Finance Bank	4,904,437	5,485,794
Triodos Bank	8,971,283	8,018,475
	17,575,726	16,806,109

15 **Creditors: Amounts falling due after more than one year** (**Continued)**

The Orchardbrook Limited loan is secured by fixed charges on the Association's housing properties and repayable in instalments at a rate of interest of 11.5%. The loan will be fully repaid by 2052.

The loan from The Housing Finance Corporation Limited ("THFC") consists of £3,400,000 debenture stock bearing interest at 5.2% on this nominal value. It is repayable in full in 2043. The loan is stated at the value of the net proceeds of the issue. The finance cost charged in these accounts attributable to the loan includes an appropriate proportion of these costs amortised over the life of the loan.

Dexia Public Finance Bank loans are secured by fixed charges on the Association's housing properties and are repayable in instalments at rates of interest varying from 4.16% to 4.26%. The loan will be fully repaid by 2033. The loan is stated at the value of the net proceeds of the loan. The finance cost charged in these accounts attributable to the loan includes an appropriate proportion of these costs amortised over the life of the loan.

The Triodos Bank loans are secured by fixed charges on the Association's housing properties and are repayable in instalments at a rate of interest between 2.70% and 5.67%. The loans will be fully repaid by 2050.

16 **Deferred Grant Income**

	2026 **£**	**2025** **£**
As 1st April 2025	37,709,197	37,000,622
Grant Received	-	1,059,733
Released to income in the year	(352,571)	(351,158)
At 31st March 2026	37,356,626	37,709,197

	2026 **£**	**2025** **£**
Amounts to be released within one year	352,571	352,571
Amounts to be released in more than one year	37,004,055	37,356,626
	37,356,626	37,709,197

17 **Share capital**

	2026 Shares (of £1 each) £	2025 Shares (of £1 each) £
At 1st April 2025	20	21
Repaid during year	(4)	(1)
Issued during year	4	-
At 31st March 2026	20	20

The shares have limited rights. They carry no entitlement to dividend, they are not repayable and do not participate in a winding up. They carry the following voting rights: to approve the financial statements and to appoint members of the Board and the auditor.

18 **Cashflow from operating activities**

	2026 £	2025 £
Operating surplus (SoCI)	1,429,854	1,500,594
Depreciation charges (Note 11 & 12)	909,374	904,411
Amortised grant (Note 4)	(352,571)	(351,158)
Pension liability movement (Note 21)	(120,800)	(113,890)
(Increase)/Decrease in debtors (Note 13)	39,957	(75,655)
Decrease in stock	-	288,404
(Decrease)/increase in creditors excluding interest accruals	(330,396)	51,830
	1,575,418	2,204,536

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2026 (Continued)

19 **Capital commitments**

	2026	2025
	£	£
Expenditure contracted for but not provided in the Accounts	888,884	-
	888,884	-

20 **Operating Leases**

	2026	2025
	£	£
Payments due:-		
-within one year	50,000	32,321
-between one and five years	24,863	-
-after five years	-	-
	74,863	32,321

21 Pension scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out at 30 September 2023. The valuation revealed a deficit of £693m. A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2026 £(000s)	31 March 2025 £(000s)
Fair value of plan assets	2,001	1,925
Present value of defined benefit obligation	2,199	2,238
Deficit in plan	(198)	(313)
Unrecognised surplus	-	-
Defined benefit liability to be recognised	(198)	(313)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2026 (Continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period Ended 31 March 2026 £(000s)
Defined benefit obligation at start of period	2,238
Current service cost	-
Expenses	5
Interest expense	127
Actuarial gains due to scheme experience	(29)
Actuarial gains due to changes in demographic assumptions	19
Actuarial gains due to changes in financial assumptions	(28)
Benefits paid and expenses	(133)
Defined benefit obligation at end of period	2,199

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period Ended 31 March 2026 £(000s)
Fair value of plan assets at start of year	1,925
Interest income	112
Experience on plan assets	(24)
Contributions by the employer	121
Benefits paid and expenses	(133)
Fair value of plan assets at end of year	2,001

The actual return on the plan assets (including any changes in share of assets) for the period ended 31 March 2026 £88,000.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2026 (Continued)

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCI)

	Period from 1 April 2025 to 31 March 2026 (£000s)
Current service cost	-
Expenses	5
Net interest expense	15
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	20

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2026 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(24)
Experience gains and losses arising on the plan liabilities - gain (loss)	29
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(19)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	28
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	14
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income - gain (loss)	14

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2026 (Continued)

KEY ASSUMPTIONS

	31 March 2026 % per annum	31 March 2025 % per annum
Discount Rate	6.14%	5.85%
Inflation (RPI)	3.29%	3.09%
Inflation (CPI)	3.03%	2.79%
Salary Growth	4.03%	3.79%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2026 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2026	20.9
Female retiring in 2046	23.2
Male retiring in 2046	22.2
Female retiring in 2046	24.6

22 **Analysis of accommodation**

	Units under management	
	2026	**2025**
Housing accommodation:		
Owned and managed	533	533
Supported housing owned and managed	73	73
	606	606

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2026 (Continued)

23. Related party transactions

There are none to disclose for the year ending 31 March 2026 or the year ended 31 March 2025.