
STONEWATER (5) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

STONEWATER (5) LIMITED

COMPANY INFORMATION

Board members	Sheila Collins (Chairman) Barry Hoffman Jennifer Bennet Heather Bowman Chris Edis Nicholas Harris (until 23 June 2025) Hursh Shah Martin Large Juliana Crowe Andrew Lawrence Angus Michie Jane Scott (appointed 01 October 2024) Claire Kearney (resigned 30 September 2024)
Company secretary	Anne Harling
Community Benefit Society Number	IP031527
Regulator of Social Housing Number	4717
Registered office	Suite C, Lancaster House Grange Business Park Enderby Road Leicester LE8 6EP
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Barclays Bank Level 27 1 Churchill Place London E14 5HP
Principal Solicitors	Devonshires Solicitors London EC2M 7DT
Solicitors (for Governance)	Trowers and Hamlins LLP 55 Princess Street Manchester M2 4EW

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STONEWATER (5) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2025

Introduction

The Board presents its report and audited financial statements for Stonewater (5) Limited (the 'Association') for the year ended 31 March 2025.

Nature of the business and principal activities

Stonewater (5) Limited is a Registered Society under the Cooperative and Community Benefit Societies Act 2014, with charitable status, and a Registered Provider with the Regulator of Social Housing (RSH). Its parent is Stonewater Limited ('Stonewater').

The principal activity of the Association is a not-for-profit organisation, which owns, lets and manages rental housing. Our revenue is mainly acquired through rent and is ploughed back into the acquisition, development of new-affordable homes and the maintenance of property.

Business review

The turnover of £11.6 million is £0.2m higher than last year primarily due to a rent increase of 7.7% for the majority of tenures. The Association made an operating deficit of £(0.2)m. With the interest receivable and investment income, the Association had total comprehensive income of £4.4m.

As part of its wider growth strategy, Stonewater (5) Limited took on 75 flats in the Greater Bristol area from Bristowe (Fair Rent) Housing Association via a Transfer of Engagements that was completed in September 2024. Additionally, on 30 September 2024, the activities of Greenoak Housing Association Limited, along with all of its assets and liabilities, were transferred to Stonewater (5) Limited via a Transfer of Engagements.

Our Vision

For everyone to have the opportunity to have a place that they can call home.

Our Mission

To offer quality homes and services for people whose needs are not met by the open market.

Our Values

Our Values are the principles that guide us and set the tone for the way we behave.

Ethical – We are an ethical housing services provider.

Listening to and understanding the needs of every individual is paramount to delivering homes and services that make a difference to people's lives. We do this by maintaining a professional approach, being honest and open and treating everyone with the equality they deserve. It is our place to help by being friendly, considerate and supportive of everyone that needs us. We will always ensure our actions are inclusive, accountable and fair.

Ambitious – We are a progressive organisation that dares to dream.

Never content to sit back and rest on our laurels, we are the fresh face of the sector, pro-active in our approach to growth. We are not here to make up the numbers. It's our goal to be the leader, to challenge, enhance and be radical, confident in our abilities and clear of our direction. Through strong leadership we are driven to succeed. A competitive streak keeps us focused on being modern and ground-breaking.

Passionate – We will always go the extra mile in everything we do.

We are one team working together, committed to providing a truly personal experience. Our love for what we do comes from the heart and being the best we can be energises us and makes us proud of our achievements. We are motivated by our enthusiasm and empowered to give everyone we work with the confidence that they are working with the most enthusiastic and loyal people in the sector.

Agile – We are on a journey, so we make sure we never stand still.

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STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Our business dictates that change is both regular and rapid, so as an organisation we always stay one step ahead. Our approaches are flexible, adapting to evolve to individual people's needs or the latest legislation. We pride ourselves on high performance so we expect innovation and initiative to be a part of our every day. We are the smart housing services team, dynamic and slick enough to respond whenever and however change dictates it.

Commercial – We understand the importance of commercial viability.

To remain competitive and effective at what we do, we are prepared to make decisions that maintain value for our residents, our partners and ourselves. From the homes we build to the services we provide, we are open to opportunity and strive to maintain a reputation for knowledge, efficiency and an ability to sustain our business. We benchmark our approach to ensure we are relevant, respected and most importantly, successful in all we do.

Stonewater's Strategic Plan 2022-30

Our Strategic Plan 2022-30 reflects the Board's current priorities and insight from customers. It has been developed with colleagues and Board members, responding to the insight we have drawn from our customers and operating environment, and how we believe we can maximise the value we provide.

We will review the Plan annually to ensure that we continue to focus on the things that will add most value for our customers and that we adapt to changes in our operating environment.

We continue to operate amidst a sustained period of multiple challenges for our customers and society as a whole.

In navigating these challenges, we have made significant enhancements to our operating model, enabling us to continue to develop and provide quality services to our customers.

We have re-evaluated how we work, what matters to our customers and partners, the value we bring as a provider of safe and secure affordable homes, and the responsibility we have to minimise our environmental impact.

It has been a team effort, and colleagues have adapted to the challenges faced, embodying our values and ensuring customers are at the heart of all we do.

Our Strategic Plan 2022-30, in essence, will see Stonewater lead on building quality, affordable homes, offering inclusive, efficient services, while championing sustainable practice and communities. It further documents our long term commitments to align with our current development and investment programme and sets out how we will deliver our Vision and Mission, under three overarching strategic objectives:

- **Provide customer-centred Services** - that are proactive and efficient, and that help us to retain and attract customers
- **Supply, manage and maintain homes and Neighbourhoods** - that are safe, connected, efficient, affordable, and flexible
- **Maximising Value** – maximise the values we provide to our customers and communities through decision-making and initiatives that support environmental and social sustainability.

The delivery of our objectives is supported by a number of strategic enablers that provide the tools, principles, and practices required to succeed. By 2030:

Governance and Viability

- We will practice strong governance and we will continue to deliver our legal and regulatory responsibilities
- through effective performance and assurance frameworks.
- Our financial viability will enable us to respond to our operating environment and deliver our Mission of offering quality homes and services for people whose needs are not met by the open market.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

People and Culture

- As an exceptional place to work, we will have the organisational capability required to deliver our strategic objectives. Our organisational design will enable agility, responding effectively to an ever-changing operating environment and embracing the opportunities offered through innovation and new technology.
- Our values-based culture will be embedded across all areas of operations, ensuring our Customer Promise and Values are at the heart of decision making.

Data and Technology

- Technology will continue to play a pivotal role in delivering consistently good services and a great customer experience.
- Our homes, old and new, will benefit from the use of technology to increase environmental sustainability and customer wellbeing.
- Data will support effective decision making and actions that enhance the homes and services we provide to our customers.

Partnerships and Innovation

- We will develop sustainable, value adding partnerships across all areas of our business based on a culture of mutual trust and collaboration.
- As thought leaders, we will continue to innovate with partners across the housing sector and beyond.

Performance against these objectives is set out in the Value for Money and performance sections of this report.

External environment

Over the last year we have settled into a new political climate, with Labour having been in government for almost a year. While the Government's ambitions on housing and development are very welcome, and will hopefully pay dividends in the coming years, the global environment also means that we need to have an eye on the challenges facing the UK, Stonewater and our sector.

As ever, we are alert to how societal challenges – the economy, housing crisis, energy security and more – affect our customers and employees, and will always put their needs at the centre of what we do – providing support where we can enable them to live and work as they want to.

Reform and focus on delivery

Labour was elected with an ambition to 'Get Britain Building', and housing has become a central tenet of the Government's agenda for growth. Since the election we have already seen reforms to the National Planning Policy Framework with the reintroduction of mandatory housing targets, proposed changes to the way that planning committees work, and the beginning of a devolution agenda that will overhaul how housing is delivered in local areas.

Funding and regulation

While there has been much focus on new reforms to support delivery, the sector is also managing the implementation of the Social Housing Regulation Act, including key measures that will have a major impact on our service to customers. Among them are:

1. The implementation of 'Awaab's Law', which requires landlords to fix reported health hazards within specified timeframes.
2. Timeframes on how long landlords will have to investigate and make repairs, which will be written into tenancy agreements.
3. Instructions by the Housing Ombudsman on service measurement and guidance on a variety of issues such as damp and mould.
4. Requirements for all senior social housing managers to gain a housing management qualification.

We are also expecting details on the long-awaited Future Homes Standard and Decent Homes Standard 2. Both of these will have significant implications for the business in terms of the standards expected of both existing and new homes, but also for customers in terms of the level of quality they will be entitled to expect.

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STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

For Stonewater and the sector, the big question will be about funding and whether additional grant funding will be made available from the Government to allow the sector to meet these new requirements.

Beyond this, long-term rent settlements and the grant funding replacement for the Affordable Homes Programme have given the sector some certainty over funding for the next few years. However, we need to ensure that we watch the national and global economy – the sector's financial sustainability has long been affected by inflation and interest rates, but we will also need to be aware of the impacts that global tariffs might have on the availability of supplies. We not only need grant funding to deliver, we also need the Government to stabilise the economy to keep inflation under control and foster an environment which allows interest rates to fall, giving us greater flexibility with the finances we have.

With this in mind, Stonewater will continue to engage with government and opposition parties so that policy and legislation can benefit our customers and communities.

Registered providers have long demonstrated their value in serving those in society who need it most, and we are confident we will continue to do so, but we will need to remain aware of the impact of these uncertain times

Environment and sustainability

Sustainability and decarbonisation remain a key issue for the sector - specifically how to fund the retrofit of social housing - and are central to the new Government's ambitions. The cost-of-living crisis has heightened the importance of this, something that our Greenoak Centre of Excellence will continue to emphasise and address, as it brings the sector together to share best practices.

As well as the Centre of Excellence, Stonewater has been active in campaigning and advocacy, having a significant impact on Government and opposition policies. We welcome the new Government's emphasis on decarbonisation and cheaper energy and hope that future plans will continue this focus. Considering that energy bills are one of the most significant contributors to the cost-of-living crisis, it is more important than ever to find solutions that work for our customers.

Performance in the year

Total comprehensive income for the year was £4.4m (2024: £4.1m)

Key Performance indicators:

	2025	2024
Rental income loss through voids	1.5%	1.6%
Average gross arrears	5.0%	5.4%
Income collection	101.2%	97.3%

Governance structure

Board

The parent Board has responsibility for setting Stonewater's strategic direction and ensuring that the organisation meets its strategic aims and objectives. The delegation and control framework established by the Board includes accountability to customers and other stakeholders, such as funding providers and partner local authorities. The Board comprised twelve members on 31 March 2025, including one executive member.

There is a common Board membership for Stonewater Limited and Stonewater (5) Limited.

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STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Current obligations of Board members to the Board and the company

All Board members are collectively responsible for ensuring Stonewater's success and for compliance with all legal and regulatory obligations. Individual Board members are expected to uphold Stonewater's purpose, values, objectives and policies, share responsibility for decisions taken and represent the Group to stakeholders.

Governance arrangements

The parent Board and the subsidiary and commercial Boards are supported by two Group committees and five Group challenge and assurance panels, each of which includes one or more members whose skills and experience supplement those of the Board member. The governance structure provides agility and efficiency in decision-making with panels and committees being convened as and when needed and Board meetings scheduled on a monthly basis. All transactional business is undertaken remotely, which provides for rapid implementation of new strategies and policies and, from a practical perspective, enables us to secure maximum benefit from members by giving flexibility around meeting times.

Nominations and Remuneration Committee

Oversees the recruitment and remuneration of non-executives; the Chief Executive and the Chief Officers. Advises the Board on annual pay reviews for Stonewater employees.

Risk and Assurance Committee

Oversees the risk management and internal control framework, including the insurance provision and the audit function; considers the annual financial statements and external and internal auditors' reports.

Customer Experience Challenge & Assurance Panel

Oversees front-facing delivery of services, ensuring that Stonewater has knowledge and understanding of the impact of the service provision on customers and its wider activities on local communities.

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STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Finance Challenge & Assurance Panel

Oversees Stonewater's finances and exercises borrowing and treasury powers.

Governance and People Challenge & Assurance Panel

Oversees Stonewater's governance arrangements and employee terms and conditions of service, other than those which are reserved for the Board.

Homes and Development Challenge & Assurance Panel

Oversees Stonewater's growth and home investment programmes, including sustainability initiatives and compliance performance.

Technology and Data Challenge & Assurance Panel

Oversees the implementation of Stonewater's digitalisation programme.

Chief Officer Group

Stonewater has an experienced Chief Officer Group which manages the day-to-day running of the business. The Executive team consists of the Chief Executive and five Chief Officers.

The details of the Chief Officer Group are disclosed in the consolidated financial statements.

Skills, qualities and experience required by the parent Board

To discharge its responsibilities for setting the strategic direction and overseeing performance, Stonewater's parent Board needs a broad range of skills, competencies, experience and knowledge. All members are expected to demonstrate customer focus, strong communication and interpersonal skills, strategic thinking and leadership. The succession plan and annual review of terms of office ensures that the governance structure maintains the appropriate breadth of expertise to take Stonewater forward and achieve its strategic objectives. A succession plan is in place to ensure that there is a balance between refreshment of skills and continuity on the parent and subsidiary boards.

In addition, the parent Board seeks to have a membership that reflects the diversity of Stonewater's customers and the communities in which Stonewater works. The Board has set targets for improving diversity across the governance structure. On 31 March 2025, the Board comprised 42% (2024: 42%) female members, 17% (2024: 17%) from a Black, Asian or minority ethnic background, and two members (2024: two members) who identify as disabled. The Board consists of members whose ages span four decades.

The parent Board undertakes an annual collective review of its performance, culminating in the identification of priorities for the year ahead. Progress against these targets is monitored through quarterly reporting against sub-targets and the final position is assessed through the annual collective board review at the end of the year. For the year 2024/25 the board agreed that their focus should be on delivery of the three strategic objectives: Customers, Quality Homes and Neighbourhoods and Value Maximisation, performance against which is reported below.

Code of Governance

The Board has adopted the 2020 National Housing Federation (NHF) Code of Governance and was fully compliant with it at 31 March 2025 and post year end.

Shareholding policy

Under the rules for each registered society in the Stonewater Group, the parent Board retains discretion over the issue of shares. The current policy is that Stonewater operates a closed membership, with shares only issued to individuals who are Board members.

Access to information

Stonewater aims to work in a transparent and open manner, making information publicly available unless there are justifiable reasons for not doing so, such as personal data or commercially sensitive information.

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STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Information takes a variety of forms including reports, policy statements and publications. Many can be found on our website (www.stonewater.org) and copies are also available on request.

Risks and uncertainties

New, emerging and high scoring risks are monitored through the strategic and critical operations risk register. This includes an assessment of the current risk status, which is summarised in a heat map of the post control risk position. Changes to this between quarters is identified on the heat map. The Chief Officer Group and the Risk and Assurance Committee keep the register under review to ensure that it fully reflects the risks to the delivery of Stonewater's operations and Strategic Plan. The Operational Directors Group members and specialist leads are responsible for the identified risk areas and the Company Secretary oversees progress against actions to mitigate risks.

The Board has adopted a risk appetite statement which sets out the nature and levels of risk it is prepared to take in order to achieve the strategic objectives. Performance against this is kept under review facilitated through

the use of metrics to enable the committees and panels to assess, and provide assurance to the Board on, whether performance remains within the risk appetite parameters for the areas under their remit. The Chief Officers and each of the committee and panel identifies any emerging risks that could take operations outside of the risk appetite and escalates to the Board through regular reporting. The Risk and Assurance Committee provides overall assurance to the Board that risks are being managed appropriately.

In addition to the overarching risk appetite, the Board has also received regular reports on the risks arising from the volatile operating environment. During the last year these have covered the impact of the financial markets, global conflicts, and the availability of operatives and the supply chain. This has been informed by bespoke risk parameters on the impact on Stonewater's customers, colleagues, contractors and suppliers and financial status.

The Chief Executive reports to the Risk and Assurance Committee on the effectiveness of the internal control environment.

People strategy

Detail of our people related strategies and objectives can be found in the consolidated financial statements.

Pay gap reporting

Stonewater's pay gap statement is available via the website: www.stonewater.org.

Corporate communications

Detail of our corporate communications strategies and objectives can be found in the consolidated financial statements.

Value for Money

The Value for Money achievements are summarised and can be found through the Group website, and are summarised in the consolidated financial statements.

We recognise that in order to continue to develop new homes, invest in our communities and ensure that our housing properties are maintained in good condition, we need to understand and maximise the value we get from our expenditure and our assets.

Further details on our strategy and results can be found on our website.

Relationships

We work alongside our Charity Partner, the Llongleugh Foundation to support our customers to thrive in their homes and communities. This partnership enables us to support customers through individual and crisis grants. In addition, through the Llongleugh Foundation, customers have access to a range of specialist organisations providing support in relation to financial, mental and physical wellbeing.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

In addition to Longleigh, we work with charities and businesses across the country to create a growing database of organisations who can offer support and grants to our customers. Our specialist tenancy sustainment team supported over 740 households to explore grant funding from external partners and over 321 households to access specialist fuel and energy saving advice. Stonewater has also partnered with LEAP, a free service, which is helping people keep warm and reduce their energy bills without costing them any money.

We continue to work with our established partnerships such as Provision House in Dudley and the British Heart Foundation. During 2024/25 we have established a number of new partnerships one of these being an organisation called E-vouchers. Working with contractor donations we have been able to develop a quick response service that enables customers in crisis to access food and fuel vouchers.

We have continued to develop our stakeholder relationships with Local Authorities (LAs) and ensuring we remain a responsive, proactive partner. We have launched our Local Authority SPOC scheme which has assigned a senior colleague to 43 key strategic areas which will lead in communication and partnership development. With new development schemes we work with our LA partners in ensuring that our schemes are addressing local needs and that we form effective letting strategies to develop sustainable communities.

On employability, training and volunteering, we have established partnerships with various training providers as well as employers through attending careers fairs in priority areas. We promote our employability offer through a variety of channels, including our customer hub, newsletter, targeted emails and via our customer facing colleagues. Some of the support customers has received included CV and interview support, digital upskilling, volunteering placements and more. We also have strong partnerships with training providers who can deliver various upskilling opportunities. For example, in Swindon we partnered with Young Enterprise – who delivered two-day sessions with over 10 Supported Living customers attending.

The Domestic Abuse Team continue to utilise and develop relationships with key partners to ensure a community coordinated response to recovery for survivors. This year some key achievements include a streamlined approach with various housing and benefits teams, whereby we have designated officers who attend the services and oversee applications and move on options to ensure better understanding, timely processes. These initiatives have achieved a significant reduction in application delays, opened up more options for survivors and created an overall more positive move on experience, which is vital for those moving into this next stage of their recovery.

Customer engagement

We believe in the power of customer-led change and our customer engagement offer means that customers can get involved in improving our services in a way that suits them. Our Customer Engagement Guide features a menu of activities that customers can join to make a difference.

Our customer engagement work is driven by our Customer Voice policy. The policy was revised in 2024 in consultation with customers emphasises how we will promote accessibility; communicate lessons learned and service improvements to customers; and measure performance in line with the Tenant Satisfaction Measures.

Leading this work our Customer Communications and Engagement team makes sure that all Stonewater customers have meaningful ways to engage and have the information they need to understand how customer engagement makes a difference.

Connecting digitally

Our online quarterly newsletter, Here to Help, has been read over 7,000 times and our Customer Annual Review for 2023/24 has been viewed more than 4,000 times. We use these publications to make the customer voice heard and ensure customers have the information they need to live successfully in their homes and communities.

Our Facebook Live series continues to be popular with customers. We've held 9 events, which have received over 11,000 views. The series allows our customers to ask live questions on topics they have told us are important to them, including damp and mould, antisocial behaviour and financial support.

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STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

We continued to provide more informal opportunities to engage, such as our customer hub , an online community of more than 1,000 Stonewater customers. Customers are encouraged to share their views and ideas on Stonewater services, improving their communities and enjoying their homes.

We have a partnership with Loughborough and Vodafone that allows us to provide support to customers to allow them to become digitally enabled. Through this and our Community Investment Grants we are able to provide customers with access to devices as well as sim cards that provide free data, texting and calls.

We Are Group – Offer free digital on-line training and access to IT equipment. In the last year we've supported 43 customers with training and devices

Customer insight

Our approach to customer insight allows us to have a better understanding of who our customers are and what they expect of our services.

Our approach to customer insight tells us a lot of what we need to know about our customers and is obtained from a wide variety of sources of information, such as demographic data, customer feedback through surveys, complaints and involvement, operational data, external intelligence and staff knowledge. It allows us to understand our customers better, who they are and what their expectations of our services are. It enables us to demonstrate our customer's needs, opinions and aspirations. It's a great way for us to then tailor how we develop and deliver our services so that they are cost effective and provide great customer experiences throughout Stonewater.

We are utilising Tenant Satisfaction Measures (TSMs) to gain valuable customer insights, collecting data through tenant surveys and management information. This data is analysed to identify trends and areas needing improvement, helping us to understand our customer needs and expectations better. The insights gained from TSMs enable us to make informed decisions to enhance services, such as allocating more resources to areas where customers report dissatisfaction.

We also utilise transactional surveys to provide customer insight by capturing immediate feedback after specific interactions or transactions. This real-time data helps us to understand customer satisfaction at particular touchpoints, such as after a repair has been completed. This immediacy allows us to address concerns promptly, enhancing the overall customer satisfaction and fostering trust.

We currently licence Household Acorn data from Consolidated Analysis Centre Incorporated (CACI), which is a powerful geodemographic segmentation that classifies and describes every UK household by factors such as demographic data, affluence, life stage, and property characteristics. This insight helps us to enhance our services and improve the customer experience; for example, the information has been leveraged to gain knowledge into our customer's financial circumstances in order to better understand the impact of increases in housing costs arising from the annual rent and service charge review. This enables our Board to make informed decisions and proactive outreach to ensure we are supporting those customers most impacted.

Suppliers

At Stonewater, we place great value on the significant contribution made by our supply partners, irrespective of their size or the volume of work they complete for us each year. Therefore, maintaining strong and positive relationships is crucial to ensure the effective delivery of a variety of services to our business.

We do this through two simple but effective principles: clear and regular communication with all suppliers, through agreed mediums; and ensuring that all payments are made early or on time, in line with agreed schedules in each contractual agreement. By following these two principles, we provide clarity to businesses and ensure that we contribute positively to their financial security and wellbeing during difficult and uncertain times.

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STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Homes England

Stonewater has been a development partner with Homes England for over 15 years delivering affordable homes across England. During that period, Stonewater has secured grant funding from Homes England to deliver a variety of tenures, including social rent, affordable rent, Rent to Buy, and shared ownership. The relationship with Homes England has always been open, transparent, and strong and committed, which has enabled Stonewater to deliver much-needed affordable homes across the country.

Funders

We maintain strong relationships with our bank and capital market funders by ensuring they are updated on Stonewater's operational and financial performance. Relevant operational information is published on Stonewater's investor relations area on our website, and both half year and annual performance information is published there too. Update meetings are held regularly.

Equality, diversity and inclusion

Stonewater has adopted the Social Housing Equality Framework (SHEF) to support and drive the organisation's equality and diversity agenda. The Corporate Equality Group is taking action to achieve the SHEF Achieving Level across the business as a whole.

Modern slavery and human trafficking

Stonewater's modern slavery and human trafficking statement, under the Modern Slavery Act 2015, for the financial year ending 31 March 2025, is available via our website modern slavery and human trafficking statement.

Financial inclusion

We have continued to develop a customer focused, flexible approach through our Income Maximisation Strategy which enhances our support offer for customers due to the cost of living placing more challenges on limited resources. We're able to support customers with short term 'flexible' payment arrangements to help them through unexpected circumstances as well as offering advice, support and guidance for those struggling with the challenges of general everyday costs.

During the year our specialist income team secured over £178k in Discretionary Housing Payments for customers as well as continued to work in partnership with StepChange Debt Charity and Cleanslate to provide enhanced support on debt, budgeting, benefits and ensuring all customers have access to financial guidance when they need it.

Further to the introduction of Voicescape, Caseload Manager, Stonewater have been able to prioritise speaking to those customers who need us most, based on a data led approach on how they are managing their rent account. As a result of this earlier intervention, we have successfully reduced Gross arrears by 0.44% over the year to 5%.

Treasury policies and objectives

Stonewater has a formal treasury management policy which is regularly reviewed. Further detail of this policy and objectives can be found in the consolidated financial statements.

Going concern

These financial statements have been prepared on a going concern basis. In reaching this conclusion, the Board conducted a comprehensive assessment of the Association's financial viability, which included reviewing the annual budget, long-term financial plan, and various economic and operational risks, such as inflation, interest rates, taxation changes, and regulatory expectations.

In May 2025, the Board reviewed an updated long-term financial plan, focusing on the next five years. This plan incorporated stress testing against adverse macroeconomic scenarios and assessed potential mitigations. The results confirmed that the Association could continue to operate within all banking covenants and maintain sufficient cash and debt facilities under these conditions.

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STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

As part of its ongoing oversight, the Board obtains assurance of financial strength through a rolling programme of budgeting, reforecasting, and long-term planning. This includes regular stress testing of funding availability, liquidity, and covenant compliance, with reference to the expectations of external stakeholders such as regulators and credit rating agencies.

The Board concluded that current and foreseeable economic conditions, including downside scenarios, do not materially affect the Association's ability to operate. It is confident in the robustness of the business and the availability of liquidity and mitigating actions if required.

Accordingly, the Board has a reasonable expectation that the Association have adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Therefore, it considers the going concern basis of preparation to be appropriate.

Business planning, risk and internal controls assurance

Purpose

The statement of internal controls provides information to both internal and external stakeholders on how Stonewater governs its business, manages risks and delivers the business plan.

Responsibility

The Board has overall responsibility for establishing and maintaining the system of business planning, risk and internal control and for reviewing its effectiveness across Stonewater. The Risk and Assurance Committee is responsible to the board for monitoring this system and ensuring its effectiveness.

Approach

Stonewater has adopted the three lines of defence assurance framework, whereby we employ qualified colleagues and put good policies and procedures in place; monitor these through management activity and governance reporting and seek external assurance through audits, accreditations etc.

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 Stonewater is exposed through:

- **Identification and evaluation of key risks**
Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. The Chief Officer Group regularly considers significant risks facing Stonewater from both existing and proposed new business, and these are identified and evaluated.
- **Monitoring and corrective action**
A process of control self-assessment and regular management reporting on regulatory and control issues, including any raised by the external auditors, provides hierarchical assurance to successive levels of management and to 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 and new investment projects. The board has adopted the NHF Code of Conduct 2022 reflecting Stonewater's stance on the quality, integrity and ethics of its non-executives and employees. A framework of policies and procedures is in place covering issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data protection and fraud.
- **Information and financial reporting systems**
Financial reporting procedures include detailed budgets for the year ahead and forecasts for subsequent years. These are reviewed and approved by the board. The board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives,

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STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

targets and outcomes; and also progress in achieving and retaining recognition for quality management systems.

Stonewater's operations have continued to evolve during 2024/25 in response to the changing operating environment. The board has received regular reports on key risk areas, including new legislation and regulation and the impact of the financial markets and political decisions on our customers and business costs. Bespoke risk indicators enable the board to ensure that operations remain within the risk appetite.

A suite of performance indicators, scenario models and risk appetite measures are in place to inform board decisions and performance monitoring. The board's priority is to safeguard health and safety, along with other legal, regulatory and financial compliance. Revised and new policies, procedures and working methodologies have been put in place to reflect the operating environment and strengthen internal controls.

The internal control framework and the risk management process are subject to regular review by the internal auditors, who are responsible for providing independent assurance to the board via the Risk and Assurance Committee.

Confirmation from the Board

The Board has received an annual report from the Chief Executive and has conducted its annual review of the effectiveness of the system of internal control, has reviewed the fraud register and has taken account of any changes needed to maintain the effectiveness of risk management and the control process.

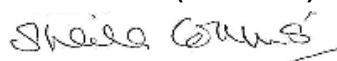
The Board confirms that there is an on-going process for identifying, evaluating and managing significant risks faced by Stonewater. This process has been in place throughout the year under review, up to the date of the annual report, and is reviewed by the board.

The Board is able to confirm to the best of its knowledge compliance with its adopted code of governance and the regulatory governance, financial viability standard as set by Regulator of Social Housing.

Compliance with the regulatory standards

The latest regulatory judgement issued by the Regulator of Social Housing in November 2024 confirms that Stonewater meets the requirements set out in the Governance and Financial Viability standard of the 2015 Regulatory Framework with the top ratings of G1 (The provider meets the requirements on governance set out in the Governance and Financial Viability standard) and V1 (The provider meets the requirements on viability set out in the Governance and Financial Viability Standard and has the capacity to mitigate its exposures effectively). Since then, the Board has undertaken a self-assessment of compliance with the Governance, and Viability standard, taking account of the Code of Practice, and confirms that Stonewater remains compliant with the standard. The board also assesses Stonewater as compliant with the consumer regulatory standards.

Shelia Collins (Chairman)



Date: 06 August 2025

STONEWATER (5) LIMITED

CHAIRMAN'S' REPORT FOR THE YEAR ENDED 31 MARCH 2025

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

Co-operative and Community Benefit Society law and social housing legislation 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 2022. They are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Financial statements are published on the 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.

Disclosure of information to auditors

The Board members who held office at the date of approval of this report confirm that in fulfilling their duties as a Board member they have taken the steps they ought to have taken to make themselves aware of any information relevant to the audit and the auditors are aware of that information. So far as they are aware there is no relevant audit information which they have not made the auditors aware of.

Post balance sheet events

There were no post balance sheet events.

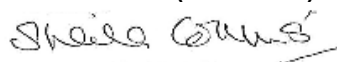
Auditors

BDO LLP were appointed as Stonewater's external auditors for 2024/25 on 27 November 2024 by the Board.

Beever and Struthers were appointed as external auditors for 2025/26 on 30 July 2025.

This report was approved by the board and signed on its behalf.

Sheila Collins (Chairman)



Date: 6 August 2025

STONEWATER (5) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STONEWATER (5) LIMITED

Opinion on the financial statements

In our opinion, the financial statements:

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

We have audited the financial statements of Stonewater (5) Limited ("the Association") for the year ended 31 March 2025, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members' 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 Board is responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 including the Report of the Board of Management 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

STONEWATER (5) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STONEWATER (5) LIMITED

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.

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

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

Responsibilities of the Board

As explained more fully in the statement of the Board's responsibilities set out on page 16, 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 members determine 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 are 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 Board 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.

Extent to which the audit was 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- our understanding of the Association and the industry in which it operates;
- discussion with management and those charged with governance; and
- obtaining an understanding of the Association's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be the Co-operative and Community Benefit Societies Act

STONEWATER (5) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STONEWATER (5) LIMITED

2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Association is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Regulator of Social Housing's Regulatory Standards, data protection, fire safety and health and safety legislation.

Our procedures in respect of the above included:

- review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- review of financial statement disclosures and agreeing to supporting documentation; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- obtaining an understanding of the association's policies and procedures relating to:
 - detecting and responding to the risks of fraud; and
 - internal controls established to mitigate risks related to fraud.
- review of minutes of meeting of those charged with governance and internal audit reports for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met defined risk criterion, as well as an additional random sample, by agreeing to supporting documentation; and
- challenging assumptions made by management in their significant accounting estimates in particular in relation to impairment of tangible fixed assets. We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Use of our report

STONEWATER (5) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STONEWATER (5) LIMITED

This report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and 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 Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

E Kulczycki

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Elizabeth Kulczycki (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 13 August 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STONEWATER (5) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

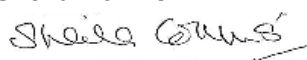
	Note	2025 £000	Restated 2024 £000
Turnover	4,5	11,595	11,396
Operating costs	4,5	(12,001)	(10,101)
Surplus on disposal of fixed assets	9	232	305
Operating (loss)/surplus		<u>(174)</u>	<u>1,600</u>
Acquisition of Business		3,607	1,037
Investment Income - Gift Aid		-	1,322
Interest receivable and similar income	10	3,749	3,282
Interest payable and similar expenses	11	(2,822)	(3,099)
Surplus and total comprehensive income for the year		<u><u>4,360</u></u>	<u><u>4,142</u></u>

Gift aid is separated from the interest in 2025 and the comparative figures was restated.

The notes on pages 21 to 47 form part of these financial statements.

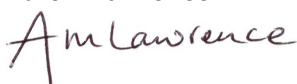
The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 August 2025.

Sheila Collins



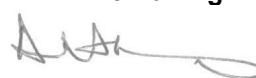
Chairman of the Board

Andrew Lawrence



Chair of the Risk and Assurance Committee

Anne Harling



Secretary

STONEWATER (5) LIMITED
REGISTERED NUMBER:IP031527

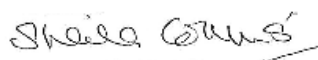
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2025

	Note	2025 £000	2025 £000	Restated 2024 £000	Restated 2024 £000
Fixed assets					
Tangible fixed assets housing properties	13a		92,977		86,090
Investments			-		19
Other tangible fixed assets	14		1,432		900
			94,409		87,009
Current assets					
Properties held for sale	15	-		96	
Debtors due after more than 1 year	16a	28,750		45,900	
Debtors due within 1 year	16b	540		6,624	
Cash and cash equivalents		14,886		1,485	
		44,176		54,105	
Creditors: amounts falling due within one year	17	(7,386)		(10,406)	
Net current assets			36,790		43,699
Total assets less current liabilities			131,199		130,708
Creditors: amounts falling due after more than one year	18		(97,868)		(101,907)
Provisions for liabilities			-		-
Net assets			33,331		28,801
Capital and reserves					
Income and expenditure reserve			33,331		28,801
			33,331		28,801

The notes on pages 21 to 47 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 August 2025.

Sheila Collins



Chairman of the Board

Andrew Lawrence



**Chair of the Risk and Assurance
Committee**

Anne Harling



Secretary

STONEWATER (5) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025**

	Income and expenditure reserve	Total equity
	£000	£000
At 1 April 2023	24,659	24,659
Comprehensive Income for the year		
Surplus for the year	4,142	4,142
At 1 April 2024	<hr/> 28,801	<hr/> 28,801
Comprehensive income for the year		
Surplus for the year	4,360	4,360
Prior year Gift Aid payments	170	170
At 31 March 2025	<hr/> <u>33,331</u>	<hr/> <u>33,331</u>

The notes on pages 21 to 47 form part of these financial statements.

STONEWATER (5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. Legal status

Stonewater (5) Limited is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a social housing provider. The Association is a public benefit entity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Association have been prepared on a going concern basis, under the historical cost basis of accounting in accordance with Financial Reporting Standard 102 (FRS102). This is the applicable standard in the United Kingdom and the Republic of Ireland and the Housing SORP 2018 "Statement of Recommended Practice for Registered Social Housing Providers" and comply with the Accounting Direction for private registered providers of social housing 2022.

The financial statements are presented in Sterling (£'000) except where specifically stated otherwise.

The merger accounting was applied for the transfer of the activities of Greenoak Housing Association to Stonewater (5) Limited. Under this method, the results and financial position of the combining entities are presented as if the combination had occurred at the beginning of the earliest period presented. Accordingly, the comparative figures have been restated to reflect the combined results and financial position of the entities as though they had been merged throughout the comparative period.

In preparing these financial statements, advantage has been taken of the following disclosure exemptions available to subsidiary undertaking in FRS 102:

- No cash flow statement has been presented.
- Disclosures in respect of the Association's financial instruments have not been presented.
- Disclosure in respect of the related party transactions with intra group companies.

The information is included in the consolidated financial statements of Stonewater Limited as at 31 March 2025 and these financial statements may be obtained from Stonewater's registered address as disclosed on the Company Information page.

The following principal accounting policies have been applied:

2.2 Going concern

After enquiries and reviewing the 30-year financial plan, updated for current economic and business assumptions including stress testing and analysis of potential impact on covenants, the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for at least 12 months from the date on which the financial statements were approved for release. The financial statements have therefore been prepared on a going concern basis.

The Board obtains assurance of financial viability through the annual budgeting, reforecasting, and long term business planning exercises. As part of this, we assess and stress test the availability of funding, liquidity, and compliance with lenders' covenants alongside other key metrics considered by other key stakeholders such as our regulators and credit rating agencies. Together, this ensures the Board has a continual and rolling process of reviewing and assessing our financial strength and viability.

STONEWATER (5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies - continued

Liquidity is monitored for the Group as a whole and if Stonewater (5) Limited required funds, these will be supplied by Stonewater Limited via an intercompany loan. At 31 March 2025, Stonewater had £21.6m of cash, £45m of short term investments and £334m of undrawn facilities, which exceeded contracted obligations less grant by £205.0m.

2.3 Turnover

Turnover represents rental and service charge income, grants receivable from local authorities and from Homes England, income from shared ownership first tranche sales, and proceeds from property sales, grant amortisation and other income, all of which arises in the UK.

2.4 Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable.

- Rental income is measured at fair value of the consideration received or receivable and represents the amount receivable for the services rendered net of any voids.
- The amortisation of social housing grant is applied by the accruals model in accordance with FRS102, and the income is released over the life of the associated structure component.
- Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

2.5 Service charges

The Association adopts a mixture of fixed and variable method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated or fixed amounts chargeable with adjustments for under/over recovery made in subsequent periods.

2.6 Operating costs

Direct employee, administration and operating costs are allocated to either the statement of comprehensive income or capital schemes on the basis of costs of staff or the extent to which they are directly engaged in the operations concerned.

2.7 Value added Tax

The Association charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Association and not recoverable from HM Revenue and Customs. Recoverable VAT arises from partially exempt activities and is credited to the statement of comprehensive income.

2.8 Government and other grants

Social Housing Grant (SHG) is receivable from Homes England, and is accounted for using the accrual method of accounting for government grants and any new grant received is included as part of creditors. The grant is recognised within income when amortised over the useful economic life of the asset. Grant is amortised even if there are no related depreciation charges.

In accordance with Housing SORP 2018 the useful economic life of the housing property structure has been selected (see table of useful economic lives on page 26).

STONEWATER (5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies - continued

SHG received against new schemes, which are under construction is included as a long term liability. Amortisation becomes active once the unit is in active management Grants relating to revenue are recognised in the statement of comprehensive income over the same period as the expenditure to which they relate once performance related conditions have been met.

SHG can be recycled by the Association under certain circumstances such as if a property is sold, or if another relevant event takes place. In these cases, the SHG can be recycled for use on projects approved by Homes England and is held on the statement of financial position as a liability in the recycled capital grant fund. However, SHG may need to be repaid in certain circumstances.

2.9 Housing properties

Housing properties constructed or acquired (including land), excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are held at cost less any impairment.

Cost comprises of acquiring of land and buildings, development costs, and interest charges incurred during development. In addition, staff costs attributable to bring the housing property to bringing housing property into the working condition for their intended use.

Housing properties in the course of construction are stated at cost and not depreciated and are transferred to completed properties when they are ready for letting.

Expenditure on replaced components is capitalised if the component is classified as being wholly replaced. Any remaining net book value of the replaced component is disposed of and recognised as accelerated depreciation.

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

Expenditure on schemes which are subsequently aborted, is written off in the period in which it is recognised the scheme will not be developed to completion.

Gains and losses on disposals of housing properties are determined by comparing the proceeds with the carrying amount and incidental costs of sales and amortised grant written back are recognised within surplus on disposal of fixed assets in the statement of comprehensive income.

2.10 Finance costs

Finance costs on bonds and notes are charged to the statement of comprehensive income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. For all other borrowings, finance costs are charged on an amortised cost basis.

2.11 Leasehold sinking funds

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any

STONEWATER (5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies - continued

interest received are included in creditors.

2.12 Income and expenditure reserve

Income and expenditure reserve represents surpluses generated from operating activities each year.

2.13 Depreciation of other fixed assets

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

The estimated useful lives range as follows:

Furniture and office equipment	5 to 25 years
Computer Equipment	up to 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Residual values for other tangible fixed assets are assumed to be nil.

Gains and losses on disposals of other fixed assets are determined by comparing the proceeds with the carrying amount and incidental costs of sales and are recognised within surplus on disposal of fixed assets in the statement of comprehensive income.

2.14 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.15 Fixed Assets and depreciation

STONEWATER (5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies - continued

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Fixed Assets and depreciation

Housing components are depreciated from the month following replacement. The estimated economic lives range (years) is as follows:

Component	Useful Economic life	
Boilers		15
Kitchens		20
Lifts		20
Solar Panels		20
Heating systems		30
Bathrooms and wet rooms		30
Windows and doors		35
Electrics		40
Roof cover		70
Structure		100
Retrofit/sustainability works		30

Leasehold properties are depreciated over the length of the lease except where the expected useful economic life of properties is shorter than the lease; when the lease and building elements are depreciated separately over their expected useful economic lives.

Social housing grant (SHG) is amortised to income over 100 years for social housing lettings.

Where a purchase of completed properties is made, including transfer of properties between Group entities, the useful lives of the components are adjusted to reflect the actual remaining lives of the properties, using the information obtained from the other social landlord during due diligence. Where accurate cost information on the components is not available, the cost for each unit is apportioned based on the pre-determined assumptions that the Group uses for new build properties.

2.16 Impairment

An annual review is undertaken of existing social housing properties to determine if there have been an indicator of impairment in the current financial year for assets which may have suffered an impairment loss. The review is performed at a scheme level, which is deemed to be a cash generating unit.

Impairment reviews are carried out in accordance with the Housing SORP, with consideration of the following impairment indicators:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. Accounting policies - continued

- Development Issues
- Change in legislation
- Average void time/change in demand
- Material reduction on market value
- Schemes being redeveloped/demolished

If there is an indicator of an impairment the recoverable amount of any affected asset is estimated and compared to the carrying amount. If the estimated recoverable amount is lower than the carrying amount, then the carrying amount is adjustment down to the recoverable value and an impairment loss is recognised as operating expenditure.

2.17 Other fixed assets

Other tangible fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2.18 Allocation of costs for mixed tenure and shared ownership developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure, costs are allocated on a floor area basis.

2.19 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.20 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 statement of comprehensive income in other operating costs.

2.21 Rent and service charge agreements

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

2.22 Loans, investments and short term deposits

All loans, investments and short term deposits held by the Association are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost), FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however, the Association has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated in the statement of financial position at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. Accounting policies - continued

2.23 Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

2.24 Cash and cash equivalents

Cash and cash equivalents in the Association's statement of financial position consists of cash at bank, in hand, deposits and short term investments with an original maturity of three months or less.

2.25 Gift Aid

The Company receives a qualifying donation of all taxable profits from Stonewater Development Ltd and Stonewater Funding. The Gift aid received during the period is reflected in the accounts and for any remaining taxable profit not received by the year-end, will be received within 9 months of the year-end.

2.26 Business Combinations

Where there is a business combination that is in substance a gift, any excess of the fair value of the assets received over the fair value of the liabilities assumed is recognised as a gain in the statement of comprehensive income. The gain represents the gift of the value of one entity to another and shall be recognised as income. Where the fair value of the liabilities exceeds the fair value of the assets, the loss represents the net obligation assumed and shall be recognised as an expense in the statement of comprehensive income, below operating surplus.

Costs directly attributable to the execution of business combinations that are in substance a gift are recognised within the overall gain or loss on the gift of net assets.

2.27 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

STONEWATER (5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

3. Judgments 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 members 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. The members have also considered impairment based on their assumptions to define cash or asset generating units.
- Whether leases entered into by the group either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- What constitutes a cash generating unit when indicators of impairment require there to be an impairment review.

Other key sources of estimation uncertainty:

- Tangible fixed assets (note 13 and 14)

Tangible fixed assets are depreciated over their useful economic lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

- **Business combination**

On 30 September 2024, the activities of Greenoak Housing Association Limited, along with all of its assets and liabilities, were transferred to Stonewater (5) Limited as a Transfer of Engagements. Management exercised judgement in concluding that merger accounting was appropriate. This decision was based on the transaction satisfying the following FRS 102 criteria for group reconstructions:

(a) The use of merger accounting is not prohibited by relevant legislation. Although Greenoak and S5 are not Companies Act entities, but rather Co-operative and Community Benefit Societies Act (CCBSA) entities, the CCBSA does not prohibit the use of merger accounting.

(b) The ultimate equity holder remained the same before and after the transaction. S1 was the ultimate parent entity and maintained ownership of both S5 and Greenoak throughout. At the direct level, Greenoak was a wholly owned subsidiary of S5 prior to the transfer, and S5 remained the sole shareholder thereafter.

(c) There was no change in any non-controlling interest in the net assets of the group, as none existed.

Based on this assessment, merger accounting was applied. Adjustments would be required to align accounting policies. However, as accounting policies are already aligned within the group, no further adjustments are required.

On 30 September 2024, the activities of Bristowe (Fair Rent) Housing Association (Bristowe), along with all of its assets and liabilities, were transferred to Stonewater (5) Limited as a Transfer of Engagements. A key area of judgement was in assessing the nature of the business combination. Management determined that this transaction did not meet the criteria for merger accounting. The transaction was instead treated

STONEWATER (5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

3. Judgments in applying accounting policies (continued)

as a public benefit entity combination that is in substance a gift, in accordance with FRS 102.

This judgement had a material impact on the accounting outcome, as the fair value of net assets acquired significantly exceeded the liabilities assumed. Accordingly, acquisition accounting was applied, and a gain on acquisition was recognised.

As part of accounting for the acquisition, management has made estimates and applied judgment in determining the fair values of assets acquired and liabilities. These judgments include assessing the appropriate valuation methodologies, assumptions regarding useful lives of tangible and intangible assets, expected future cash flows, and discount rates. These estimates are inherently subjective and could materially differ if different assumptions were applied. To determine the fair value of these properties Jones Lang LaSalle (JLL) was commissioned to provide a valuation, and the valuations are reviewed for consistency with market data and accounting standards.

STONEWATER (5) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

4. Particulars of turnover, costs of sales, operating costs and operating (deficit)/surplus - Current Year

	Note	Turnover 2025 £000	Cost of Sales 2025 £000	Operating costs 2025 £000	Surplus on disposal of fixed assets 2025 £000	Operating surplus / (deficit) 2025 £000
Social housing lettings	5	11,595	-	(12,001)	-	(406)
Other social housing activities						
Surplus on disposal of fixed assets	9	-	-	-	232	232
Total		<u>11,595</u>	<u>-</u>	<u>(12,001)</u>	<u>232</u>	<u>(174)</u>

STONEWATER (5) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

4. Particulars of turnover, costs of sales, operating costs and operating surplus/(deficit) - Prior Year (as restated)

	Note	Turnover 2024 £000	Cost of Sales 2024 £000	Operating costs 2024 £000	Surplus on disposal of fixed assets 2024 £000	Operating surplus/(defi cit) 2024 £000
Social housing lettings	5	11,396	-	(10,101)	-	1,295
Other social housing activities						
Surplus on disposal of fixed assets	9	-	-	-	305	305
Total		<u>11,396</u>	<u>-</u>	<u>(10,101)</u>	<u>305</u>	<u>1,600</u>

STONEWATER (5) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

5. a)Particulars of the income from social housing lettings

	General Needs 2025 £000	Supported / Housing for older people 2025 £000	Shared ownership 2025 £000	Affordable Rent 2025 £000	Total 2025 £000	<i>Restated Total 2024 £000</i>
Rent receivable net of identifiable service charges	7,698	1,713	170	362	9,943	9,191
Service charge income	367	777	174	5	1,323	1,857
Net rent receivable	8,065	2,490	344	367	11,266	11,048
Amortised government grants (note 19)	217	52	6	7	282	282
Other income	42	1	4	-	47	66
Income from social housing lettings	8,324	2,543	354	374	11,595	11,396

STONEWATER (5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

5. b)Particulars of the expenditure from social housing lettings

	General Needs 2025 £000	Supported / Housing for older people 2025 £000	Shared ownership 2025 £000	Affordable Rent 2025 £000	Total 2025 £000	Restated Total 2024 £000
Management	(2,518)	(584)	(94)	(135)	(3,331)	(2,909)
Service charge costs	(1,191)	(1,075)	(119)	(10)	(2,395)	(2,053)
Routine maintenance	(2,435)	(411)	(21)	(45)	(2,912)	(2,103)
Planned maintenance	(544)	(122)	(5)	(5)	(676)	(251)
Major repairs (note 13b)	(343)	(308)	(35)	-	(686)	(375)
Bad debts	(96)	(22)	-	-	(118)	(236)
Depreciation on housing properties – annual charge (note 7 and 13b)	(1,411)	(317)	(22)	(73)	(1,823)	(2,017)
Depreciation on housing properties – accelerated on disposal of components (note 7 and 13a)	(87)	(19)	-	(12)	(118)	(174)
Impairment on housing properties (note 7 and 13a)	(66)	-	-	-	(66)	(61)
Reversal of impairment (note 7 and 13a)	-	-	-	124	124	78
Expenditure on social housing lettings	(8,691)	(2,858)	(296)	(156)	(12,001)	(10,101)
Operating surplus/(deficit) on social housing lettings	(367)	(315)	58	218	(406)	1,295
Void losses	(123)	(37)	-	(3)	(163)	(154)

STONEWATER (5) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

6. Units of housing stock

	Restated At the start of the year	Additions	Disposals	Reclassific ations	At the end of the year
	Number	Number	Number	Number	Number
General needs	1,277	-	-	78	1,355
Affordable	44	1	-	(1)	44
Shared ownership	57	-	-	-	57
Supported housing	8	-	-	-	8
Housing for older people	306	-	-	(61)	245
Other	-	-	-	7	7
Total owned and managed accommodation	<u>1,692</u>	<u>1</u>	<u>-</u>	<u>23</u>	<u>1,716</u>
Accommodation managed for others	722	8	(77)	(23)	630
Other	42	-	(42)	-	-
Total owned and managed accommodation	<u>2,456</u>	<u>9</u>	<u>(119)</u>	<u>-</u>	<u>2,346</u>

STONEWATER (5) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

7. Operating Surplus

	2025	<i>Restated</i>
	£000	<i>2024</i>
		<i>£000</i>
This is arrived at after charging/(crediting):		
Depreciation of housing properties		
- annual charge (note 5 and 13)	1,823	2,017
- accelerated depreciation (note 5 and 13a)	118	174
Depreciation of other tangible fixed assets (note 14)	53	48
Impairment of housing properties (note 5 and 13a)	66	61
Reversal of impairment of housing properties (note 5b and 13a)	(124)	(78)

8. Employees, Directors' and senior executive remuneration

Stonewater Limited, the parent is the entity in the Group that employs staff. Stonewater Limited recharges a proportion of the staff cost to Stonewater 5 Limited. Employee information, including pension costs and the cost of directors and senior executives remuneration are disclosed in the consolidated financial statements.

9. Surplus on disposal of fixed assets

	Shared ownership properties	Other housing properties	Total	<i>Restated Total</i>
	2025	2025	2025	<i>2024</i>
	£'000	£'000	£'000	<i>£'000</i>
Disposal proceeds	240	190	430	575
Net book value of disposals	(101)	(94)	(195)	(133)
Other costs	9	(12)	(3)	(137)
Surplus on disposal of fixed assets	<u>148</u>	<u>84</u>	<u>232</u>	<u>305</u>

10. Interest receivable and similar income

	2025	<i>Restated</i>
	£000	<i>2024</i>
		<i>£000</i>
Interest receivable from group undertakings (note 23)	3,370	2,411
Interest receivable and similar income	379	871
Total	<u>3,749</u>	<u>3,282</u>

STONEWATER (5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

11. Interest payable and financing costs

	2025 £000	<i>Restated</i> 2024 £000
Interest payable to group undertakings (note 23)	2,940	3,213
Amortisation of bond premium	(184)	(179)
Amortisation of bond discount	29	29
Amortisation of issue costs	8	6
Recycled capital grant fund (note 20)	29	30
Total	<u>2,822</u>	<u>3,099</u>

12. Taxation on surplus on ordinary activities

Stonewater (5) Limited is registered with charitable rules under Co-operative and Community Benefit Societies Act and as such received charitable relief from Corporation tax.

STONEWATER (5) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

13. a) Tangible fixed assets housing properties

	Housing properties held for lettings	Housing properties for letting under construction	Shared ownership properties held for lettings	Shared ownership under construction	Total
	£000	£000	£000	£000	£000
Cost:					
At 1 April 2024 (as restated)	96,743	171	3,313	-	100,227
Additions:					
- replace components	3,695	-	-	-	3,695
-business combinations	5,270	-	-	-	5,270
Transfer to completed properties	171	(171)	-	-	-
- Reclassification of costs	383		(383)		
Disposals:					
-Staircasing			(109)		(109)
- Property	(101)	-		-	(101)
- Replaced components	(226)	-	-	-	(226)
At 31 March 2025	105,935	-	2,821	-	108,756
Depreciation:					
1 April 2024 (as restated)	12,490	-	137	-	12,627
Charge for the year	1,799	-	24	-	1,823
Disposals during the year:					
- reclassification of depreciation	(18)	-	18	-	-
- Staircasing	(7)	-	(8)	-	(15)
- Replaced components	(108)	-	-	-	(108)
At 31 March 2025	14,156	-	171	-	14,327
Provision for impairment:					
At 1 April 2024 (restated)	1,510	-	-	-	1,510
Charge for the year	66	-	-	-	66
Release in the year	(124)	-	-	-	(124)
At 31 March 2025	1,452	-	-	-	1,452
Net book value:					
At 31 March 2025	90,327	-	2,650	-	92,977
At 31 March 2024 (as restated)	82,761	171	3,158	-	86,090

STONEWATER (5) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

13. b) Tangible fixed assets housing properties - Net Book Value analysis

	2025 £000	<i>Restated 2024 £000</i>
The net book value of housing and other properties comprises:		
Freehold	88,402	82,604
Long leasehold	<u>4,575</u>	<u>3,486</u>
Total	<u>92,977</u>	<u>86,090</u>
 Interest capitalisation:		
Cumulative interest capitalised	-	56
Rate used for capitalisation	0	4.0%
 Works to properties:		
Improvements to existing properties capitalised	3,695	4,192
Major repairs expenditure to statement of comprehensive income (note 5b)	<u>686</u>	<u>375</u>
	<u>4,381</u>	<u>4,567</u>
 Total social housing grant received or receivable to date as follows:		
Capital grant held in deferred income (note 19)	20,561	20,646
Recycled capital grant fund (note 20)	642	601
Amortised to statement of comprehensive income in year (note 5a)	282	282
Write Back Amortisation on Disposals	111	-
Cumulative amortisation to income and expenditure reserve	2,058	1,776

Properties held for security

The Association had 1,234 properties pledged as security at 31 March 2025 with a NBV of £51.1 m (2024:1,237 properties, £51.1 m). The Association had 592 completed assets that have not been charged, with a net book value of £30.7m (2024: 115 completed assets, NBV: £8.0 m). There are some properties that are not suitable for security charging.

STONEWATER (5) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

14. Other Fixed Assets

	Freehold office £000	Furniture and office equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 April 2024(restated)	289	1,033	170	1,492
Additions	-	585	-	585
	<u>289</u>	<u>1,618</u>	<u>170</u>	<u>2,077</u>
At 31 March 2025	<u>289</u>	<u>1,618</u>	<u>170</u>	<u>2,077</u>
Depreciation				
At 1 April 2024(restated)	110	322	160	592
Charge for the year	5	44	4	53
	<u>115</u>	<u>366</u>	<u>164</u>	<u>645</u>
At 31 March 2025	<u>115</u>	<u>366</u>	<u>164</u>	<u>645</u>
Net book value				
At 31 March 2025	<u>174</u>	<u>1,252</u>	<u>6</u>	<u>1,432</u>
At 31 March 2024(restated)	<u>179</u>	<u>711</u>	<u>10</u>	<u>900</u>

15. Properties held for sale

	2025 £000	<i>Restated 2024 £000</i>
Other property sales	-	96
	<u>-</u>	<u>96</u>

STONEWATER (5) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

16. a) Debtors

	2025	<i>Restated</i>
	£000	<i>2024</i>
		<i>£000</i>
Due after more than one year		
Debtors due after more than 1 year	28,750	45,900
	<u>28,750</u>	<u>45,900</u>

16. b. Debtors

Due within one year

	2025	<i>Restated</i>
	£000	<i>2024</i>
		<i>£000</i>
Rent and service charge arrears	583	691
Less: Provision for doubtful debts	<u>(205)</u>	<u>(225)</u>
	378	466
Service costs to be charged in future periods	85	694
Amounts owed by group undertakings	12	5,416
Other debtors	33	9
Social housing grants receivable	13	29
Prepayments and accrued income	19	10
	<u>540</u>	<u>6,624</u>

Amounts owed by group undertakings includes a loan of £28,750,000 provided to Stonewater Developments Limited (2024: £45,900,000, included in the Debtors after one year). This loan is made under a five year £70m loan facility expiring in 2029 and interest is charged at Base Rate + 4%.

STONEWATER (5) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

17. Creditors: Amounts falling due within one year

	2025	<i>Restated</i>
	£000	<i>2024</i>
		<i>£000</i>
Housing loans internal (note 21)	163	3,155
Issue costs	(8)	(6)
Other creditors	2,514	3,287
Rent in advance	-	64
Trade creditors	113	183
Accruals and deferred income	103	288
Tax due to HMRC	4	40
Amounts owed to group undertakings	2,993	1,704
Deferred capital grant (note 19)	184	279
Recycled capital grant fund (note 20)	572	497
Leasehold sinking fund	748	915
	<u>7,386</u>	<u>10,406</u>

18. Creditors: Amounts falling due after more than one year

	2025	<i>Restated</i>
	£000	<i>2024</i>
		<i>£000</i>
Housing Loans internal (note 21)	74,500	78,240
Housing loans premium	3,665	3,865
Housing loans discount	(596)	(624)
Issue Costs	(148)	(143)
Deferred Capital grant (note 19)	20,377	20,465
Recycled capital grant fund (note 20)	70	104
	<u>97,868</u>	<u>101,907</u>

STONEWATER (5) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

19. Deferred capital grant

	2025	<i>Restated</i>
	£000	<i>2024</i>
		<i>£000</i>
At 1 April	20,744	21,102
Transfer to RCGF	(12)	-
Released to income in the year (note 5a)	(282)	(283)
Write back amortisation on disposals (note 20)	111	-
Other movements	-	(75)
At 31 March	<u>20,561</u>	<u>20,744</u>
Amounts due for repayments:		
- within one year (note 17)	184	279
-greater than one year (note 18)	<u>20,377</u>	<u>20,465</u>
	<u>20,561</u>	<u>20,744</u>

20. Recycled capital grant

	HCA	<i>Restated</i>
	2025	<i>HCA</i>
	£000	<i>2024</i>
		<i>£000</i>
At 1 April	601	571
Inputs to fund:		
Grants recycled from deferred capital grants (note 19)	12	-
Interest accrued (note 11)	29	30
Recycling of grant:		
At 31 March	<u>642</u>	<u>601</u>
Amounts due for repayments:		
-within one year	572	497
-over 1 year	70	104
	<u>642</u>	<u>601</u>

STONEWATER (5) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

21. Loans and borrowings

Included within Housing loans internal is a loan of £74.5 million (2024: £74.5 million) from Stonewater Funding PLC, £4.5 million of which is repayable in 2036, £30.0 million in 2042 and £40 million in 2045. Interest payable on housing loans are at varying commercial rates. Loans are secured by fixed charges on individual properties. In addition, £3.9 million (2024 restated: £4.0 million) premium is amortised over the life of the loans and £0.6 million (2024 restated: £0.7 million) discount is amortised over the life of the loans.

Maturity of debt:	Bond on-lending 2025 £000	<i>Restated Bond on-lending 2024 £000</i>
In one year or less, or on demand(note 17)	163	3,155
Issue costs <1 year(note 17)	(8)	(6)
Less than one year	<u>155</u>	<u>3,149</u>
In more than one year but not more than two years	168	163
In more than two years but not more than five years	523	509
After five years	76,887	77,809
Issue costs	(148)	(143)
Greater than one year (note 18)	77,430	78,338
Total loans	<u><u>77,585</u></u>	<u><u>81,487</u></u>

22. Share Capital

	2025 £	<i>Restated 2024 £</i>
At 1 April	12	12
Shares issued in the year	1	-
Shares cancelled in the year	(1)	-
At 31 March	<u><u>12</u></u>	<u><u>12</u></u>

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

STONEWATER (5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

23. Related party disclosures

The Association has taken advantage of the disclosure exemption available to subsidiary undertaking in FRS102 in respect of related party transactions with intra group companies. The Association transacted with a non-regulated entity (Stonewater Funding PLC) whose principal activity is to act as the capital markets issuance vehicle for the group. The management fee charged by Stonewater Funding PLC was £23k (2024:£20k).

	2025	<i>Restated</i>
	£000	2024
		£000
Loan Balance provided by Stonewater Funding Plc (after issue costs) (note 21)	77,585	77,747
Interest charged - incl amortisation of bond premium and discount (note 11)	2,778	2,873
Interest charged by Stonewater Limited	7	-

Under the facilities, the loans which are repayable at various dates through to 2045, are secured by fixed charges over the housing properties of Stonewater Limited, Mount Green Housing Association and Stonewater (5) Limited. Cross guarantees cover any shortfall in the security and any unpaid interest and fees in respect of the loans. At 31 March 2025, the potential shortfall covered by the guarantee was nil as the valuation of the security provided by Stonewater Limited, Mount Green Housing Association Limited and Stonewater (5) exceeded the amount required.

The total loan balance and interest charged to Stonewater Developments Limited in the year was:

	2025	<i>Restated</i>
	£000	2024
		£000
Loan Balance to Stonewater Developments (note 16a)	28,750	45,900
Interest received (note 10)	3,370	2,322
Interest received from Greenoak (note 10)	-	89

STONEWATER (5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

24. Business Combinations

Merger Accounting

On 30 September 2024, Greenoak Housing Association (Greenoak), a registered provider of social housing, effected a transfer of engagement to Stonewater 5 Limited (S5).

At 30 September 2024, Greenoak had net assets of £12.5m and S5 £16.3m. No material adjustments were required to align accounting policies.

The following tables present the results for each entity pre-merger and the combined post-merger figures. The post-merger figures include eliminations of where the entities had intercompany transactions and are therefore not simply the sum of the two entities for each line.

Analysis of comprehensive income 2023/24

	Before restatement		Restated
	S5	Greenoak	Stonewater 5
Association	£'000	£'000	£'000
Turnover	8,592	2,804	11,396
Operating costs	(7,067)	(3,034)	(10,101)
Surplus on disposal of fixed assets	3	302	305
Operating surplus	1,528	72	1,600
Interest receivable and similar income	4,481	123	4,604
Interest payable and financing costs	(2,909)	(190)	(3,099)
Acquisition of business	1,037	-	1,037
Surplus and total comprehensive income for the year	4,137	5	4,142

STONEWATER (5) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

Statement of financial position 2023/24

	Stonewater 5 Limited Statutory Account	Greenoak Housing Association Limited Statutory Account	Consolidated Stonewater 5 Limited Statutory Account
	Mar-24	Mar-24	Mar-24
	£'000	£'000	£'000
Fixed Assets			
Tangible fixed assets housing properties	65,557	20,533	86,090
Other tangible fixed assets	705	195	900
Investments	19	-	19
	66,281	20,728	87,009
Current Assets			
Properties held for sale	96	-	96
Debtors	3,410	3,214	6,624
Debtors > 1	45,900	-	45,900
Cash and cash equivalent	143	1,342	1,485
	49,549	4,556	54,105
Creditors: amount due within one year	(8,748)	(1,658)	(10,406)
Net current assets	40,801	2,898	43,699
Total assets less current liabilities	107,082	23,626	130,708
Creditors: amount falling due after more than one year	(90,803)	(11,104)	(101,907)
Net Assets	16,279	12,522	28,801
Capital and reserves			
Income and expenditure reserve	16,279	12,522	28,801
	16,279	12,522	28,801

STONEWATER (5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Combinations that are in substance a gift

On 30 September 2024, Bristowe (Fair Rent) Housing Association (Bristowe) transferred engagements to Stonewater (5) Limited for nil consideration.

As such the excess of the fair value of assets received over the fair value of liabilities has been recognised as a gain in the statement of comprehensive income.

	Book value 29 Sept 2024	Fair Value 29 Sept 2024	Fair Value adjustment
	£'000	£'000	£'000
Fixed Assets	2,706	5,270	2,564
Current Assets	8	8	-
Cash	322	322	-
SHG	(28)	-	28
Other Liabilities	(1,993)	(1,993)	-
Net Assets	1,015	3,607	2,592

The fair value of assets acquired on 30 September 2024, as set out in the note above, is £3,607k. The value of the gift, net assets recognised on the statement of comprehensive income is £2,592k.