

Guernsey Housing Association LBG

Annual Report and Financial Statements
For the year ended
31 December 2025

Registered Number: 39305

Guernsey Housing Association LBG
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Directors

Mr I Bloese
Mrs R Copeland
Mr D Brown
Mrs J Newark
Mr S Kildahl
Mr J M Dunford
Ms V Slade
Mrs L De Kooker

Company Secretary

Mrs A Lodge

Registered Office

First Floor, Newlands House
Lowlands Trading Estate
Braye Road
Vale
Guernsey
GY3 5XJ

Independent Auditor

KPMG Audit Limited (formerly KPMG Channel Islands Limited)
Gategny Court
St Peter Port
Guernsey
GY1 1WR

Bankers

RBS International Limited
Royal Bank Place
1 Gategny Esplanade
St Peter Port
Guernsey
GY1 4BQ

Butterfield Bank (Guernsey) Limited
Gategny Esplanade
Regency Court
St Peter Port
Guernsey
GY1 3AP

REPORT OF THE DIRECTORS

The directors present herewith the Annual Report and Financial Statements for the year ended 31 December 2025.

Directors' Responsibilities

The directors' responsibilities are set out on page 3.

Principal Activity

The principal activity of the Guernsey Housing Association LBG (the "Company") is to provide, manage and maintain high quality residential housing accommodation at affordable rents to persons considered to be in need of such accommodation.

Results and Dividends

The Statement of Income and Retained Surplus for the year is set out on page 7. The Company is a charitable company and as such is prohibited from making any form of distributions to members.

Directors

The directors of the Company, who form the Board, during the year and to the date of this report were:

Mr D Brown (Chairman of the Board)
Mr I Bloese
Mrs R Copeland
Mrs J Newark
Mr S Kildahl
Ms V Slade
Mr J M Dunford
Mrs L De Kooker (appointed 29 April 2025)

Ms V Slade, Mrs L De Kooker and Mr J M Dunford are paid executive directors of the Company. None of the other directors received any remuneration from the Company (2024:£nil).

Each of the directors at the date of approval of the financial statements confirms that:

- So far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware.
- Each director has taken all the steps they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of The Companies (Guernsey) Law, 2008.

Going Concern

After making reasonable enquiries and assessing all data relating to the Company's liquidity, including considering the net current liability position as at 31 December 2025, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the Annual Report and Financial Statements.

Independent Auditor

KPMG Audit Limited ("KPMG") was the auditor during the year. A resolution to re-appoint KPMG as auditor will be proposed at each Annual General Meeting. On 1st October 2025, KPMG Channel Islands Limited changed its name to KPMG Audit Limited.

By Order of the Board



Mr D Brown
7 May 2026

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

The Companies (Guernsey) Law, 2008 ("Company Law") requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with Company Law. They are responsible for such internal control as they deem necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of the financial statements. Legislation in Guernsey governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Internal Controls Assurance

The board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to minimise, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

Key elements of the control framework include:

- board approved terms of reference and delegated authorities for operations;
 - clearly defined management responsibilities for the identification, evaluation and control of significant risk, robust strategic and business planning processes;
 - annual review of the Company's risk map by the board;
 - detailed financial budgets and forecasts for the current year;
 - formal recruitment, retention, training and development policies for all staff;
 - established authorisation and appraisal procedures for all significant new initiatives and commitments;
 - regular reporting from senior management to the board on appropriate business objectives, targets and outcomes;
 - board approved fraud policy, covering the prevention, detection and reporting of fraud and the recovery of assets;
- and
- detailed policies and procedures in each area of the Company's work which are reviewed periodically.

Our opinion is unmodified

We have audited the financial statements of Guernsey Housing Association LBG (the "Company"), which comprise the statement of financial position as at 31 December 2025, the statement of income and retained surplus and the statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2025, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with United Kingdom accounting standards, including FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland; and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including FRC Ethical Standards. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, and the risk that management may be in a position to make inappropriate accounting entries. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures; and
- recalculating the rental income for the year and agreeing a selection to underlying agreements.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with management (as required by auditing standards) and discussed with management the policies and procedures regarding compliance with laws and regulations.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of litigation or impacts on the Company's ability to operate. We identified company law as being the area most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, 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.

We have nothing to report on other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members, as a body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

KPMG Audit Limited

KPMG Audit Limited

Chartered Accountants

Guernsey

7 May 2026

Guernsey Housing Association LBG
STATEMENT OF INCOME AND RETAINED SURPLUS
For the year ended 31 December 2025

	Notes	2025 £'000	2024 £'000
TURNOVER	3	14,079	13,425
Gain on the disposal of fixed assets	5	392	670
Operating expenditure	4	(10,754)	(10,531)
OPERATING SURPLUS		3,717	3,564
Other income	25, 30	-	633
Finance income		26	52
Finance charges	6	(3,257)	(3,361)
SURPLUS FOR THE YEAR		486	888
Retained surplus at 1 January		15,122	14,234
Retained surplus at 31 December		15,608	15,122

All amounts relate to continuing operations. There was no other comprehensive income during the year.
The surplus for the year is also the comprehensive surplus for the year.

The notes on pages 10 to 24 form an integral part of these financial statements.

Guernsey Housing Association LBG
STATEMENT OF FINANCIAL POSITION
At 31 December 2025

	Notes	2025 £'000	2024 £'000
FIXED ASSETS			
Incomplete development expenditure	9	13,358	5,073
Completed developments held for letting	10	144,146	145,801
Completed developments partial ownership	10	41,178	39,115
Leasehold development	31	151	167
Incomplete development land	8	14,916	14,916
Housing properties		213,749	205,072
Other tangible assets	13	180	86
Investment in subsidiary undertaking	12	-	-
		213,929	205,158
CURRENT ASSETS			
Trade and other debtors	14	2,267	2,106
Inventories	11	79	85
Cash and cash equivalents	22	1,938	2,546
		4,284	4,737
CREDITORS: Amounts falling due within one year			
Creditors	15	25,886	14,111
		25,886	14,111
NET CURRENT LIABILITIES			
		(21,602)	(9,374)
TOTAL ASSETS LESS CURRENT LIABILITIES			
		192,327	195,784
CREDITORS: Amounts falling due after more than one year			
Concessionary loans	17	81,773	85,269
Deferred income	16	94,761	95,208
Partial ownership provision	18	185	185
		176,719	180,662
NET ASSETS			
		15,608	15,122
RESERVES			
Reserves		15,608	15,122

These financial statements were approved by the Board and authorised for issue on 7 May 2026 and were signed on its behalf by:



Mr D Brown
7 May 2026

The notes on pages 10 to 24 form an integral part of these financial statements.

Guernsey Housing Association LBG
STATEMENT OF CASH FLOWS
For the year ended 31 December 2025

	Notes	2025 £'000	2024 £'000
Net cash generated from operating activities		6,073	5,158
Cash flow from/(used in) investing activities			
Construction of properties	9,10,14,15	(14,434)	(9,852)
Grants received		862	1,610
Sale of properties	5	2,638	4,164
Purchase of other tangible assets	13	(147)	(64)
		(5,008)	1,016
Cash flow from/(used in) financing activities			
Interest received		26	52
Interest paid	6	(3,257)	(3,361)
Loan advances received	28	11,000	6,500
Loans repaid	17	(3,369)	(3,248)
		4,400	(57)
Net change in cash and cash equivalents	22	(608)	959
Cash and cash equivalents as at 1 January	22	2,546	1,587
Cash and cash equivalents as at 31 December	22	1,938	2,546

NOTE A: CASH FLOWS FROM OPERATING ACTIVITIES

	Notes	2025 £'000	2024 £'000
Surplus for the year		486	888
Adjustments for non-cash items:			
Loss on disposal of components		22	19
Surplus on sales of properties	5	(392)	(670)
Depreciation of tangible fixed assets	10,13,31	3,407	3,353
Increase in trade and other debtors	14	(346)	(315)
Decrease in trade and other creditors	15	(341)	(1,394)
Decrease/ (increase) in inventories	11	6	(32)
Adjustments for investing or financing activities			
Interest paid		3,257	3,361
Interest received		(26)	(52)
Net cash inflow from operating activities		6,073	5,158

The notes on pages 10 to 24 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. LEGAL STATUS

Guernsey Housing Association LBG (the "Company") is a limited by guarantee company incorporated in Guernsey under The Companies (Guernsey) Law, 2008. The Company was incorporated on 1 March 2002. The principal activity of the Company is to provide social housing and associated housing management services. Guernsey Housing Association LBG is a public benefit entity.

The registered office is First Floor, Newlands House, Lowlands Trading Estate, Braye Road, Vale, Guernsey, GY3 5XJ. The registered company number is 39305.

2. ACCOUNTING POLICIES

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

CONVENTION

The financial statements have been prepared under the historical cost convention, give a true and fair view, comply with the Companies (Guernsey) Law, 2008 and have been prepared in accordance with applicable UK Accounting Standards including FRS 102 the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the Statement of Recommended Practice for registered social housing providers 2018 ("the SORP").

The Company does not fall within the recovery of capital grant regulations and is not required to either return or recycle capital grants released on the sale of partial ownership properties. The Company allocates grants released on subsequent partial ownership sales for the future buy back of partial ownership properties.

The principal accounting policies adopted by the directors are summarised below.

GOING CONCERN

These financial statements are prepared on a going concern basis. After making reasonable enquiries and assessing all data relating to the Company's liquidity, including considering the net current liability position as at 31 December 2025, the directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future and do not consider there to be any threat to the going concern status of the Company.

ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts where required or appropriate and other factors. Judgements have been made in determining the appropriate depreciation rates used in the useful economic lives of properties and in the assessment of any potential impairment on completed properties and incomplete developments. The assessment of impairment resulted in no adjustment being made to the value of completed properties as the valuations prepared by Savills Channel Islands Limited as at 31 December 2024 are all above cost. The next review is due at the end of 2027. Any market movements since the valuations were performed have also been considered on page 26.

FIXED ASSETS

Housing properties

The association has determined that all properties are for social benefit. Due to rents being charged below market rent, properties are held at cost rather than fair value.

Housing properties are included at cost, including the incidental costs of acquisition. All direct costs of development, including demolition and clearance of the sites and subsequent reconstruction, and the direct costs of financing each development, are capitalised. Other directly attributable costs of the Company are attributed to each development on the basis of the proportion of time spent by the company's employees in relation to the acquisition and development of each site.

Housing properties under development are held at cost and are not depreciated. They are transferred to completed properties when ready for letting or sale.

Directly attributable costs of administering development projects have been capitalised in accordance with FRS102. £46,321 (2024: £78,428) of such expenditure has been capitalised and allocated to the costs of housing developments in the year.

2. ACCOUNTING POLICIES (continued)

FIXED ASSETS (continued)
Housing properties (continued)

The costs of acquiring freehold land for development are included within "Land". Land donated or transferred at a price less than the open market value of the land is included in the Statement of Financial Position at the market value at the date it is received. Subsequent development expenditure is initially disclosed under the category of "Incomplete development expenditure", until such time as properties reach the stage of practical completion and are made available to let or sell, at which time the expenditure is re-classified within "completed developments".

Thereafter, individual housing properties are carried at cost less accumulated depreciation, except where the directors' estimate of the net realisable value is less than its depreciated historical cost, in which case a provision for impairment in value is made.

Where housing properties are carried at cost any impairment in the carrying value of the asset is recognised in the Statement of Income and Retained Surplus.

Once the use of individual housing properties has been specified, housing properties are classified as being either "completed development held for letting" or "completed development partial ownership" properties, and separate disclosure of costs are made in relation to each class of asset.

Where properties classified as "completed development partial ownership" properties are recorded as partially sold, this signifies that a proportion of the rights in the freehold of the property (of between 40% and 80%) has been sold to the tenant, who rents the remaining proportion of the freehold still owned by the Company.

Depreciation
Freehold land is not depreciated.

Depreciation is provided on completed housing properties. Depreciation is calculated on the carrying value of housing properties, net of the cost of land, on a straight-line basis over the expected useful economic lives ("UEL"), which has been set taking into account internal professional sources. Each component within its housing property is depreciated as follows:

Component	UEL (Years)		
Housing structure	75	Doors and windows	25
Roofs	75	Bathrooms	25
Electrics	50	Heating systems	20
Lifts	25	Kitchens	15
Sprinkler System	10	CCTV/Intercom Systems	10
Carpets	10	MVHRs/Cookers	5

Depreciation on other tangible fixed assets is calculated to write down their cost to their estimated residual value over the period of their estimated UEL. The depreciation rate employed for office and computer equipment is 33.3% per annum on a straight line basis. The depreciation rate for office improvements is 20% per annum on a straight line basis. The depreciation rate for vans is 16.6% per annum on a straight line basis. The carrying value of tangible fixed assets are reviewed annually for impairment where the UEL is greater than 50 years.

GRANTS RECEIVED
Grants received from the States of Guernsey as a capital cost towards the cost of housing schemes are recognised in turnover on a systematic basis over the useful life of the asset (the accruals method) in accordance with the SORP. Prior to satisfying the recognition conditions (e.g. development grant is recognised on practical completion of new build properties), such grants are held as deferred income on the Statement of Financial Position. At the reporting date £96,080,657 (2024: £96,496,673) was held as deferred grant income.

Where land has been donated by the States of Guernsey, or transferred from the States of Guernsey at a valuation below market value, the difference between the current market value at the date of transfer and the transfer price is treated as a grant received.

2. ACCOUNTING POLICIES (continued)

TURNOVER

Turnover represents rental income and service charges receivable from housing properties, grants, other income and first tranche sales proceeds and is accounted for on an accruals basis. Rental and service charge income is recognised from the point when properties under development reach practical completion and become available for letting on a weekly basis on the Saturday it falls due or monthly as it falls due. Other income is recognised as receivable on the delivery of the services provided and the proceeds from first tranche disposals is recognised on the date of conveyance. Proceeds from subsequent tranche sales and the resale of partial ownership properties are treated as disposal of fixed assets.

COST OF SALES

The cost of sales of first tranche disposals of partial ownership properties is recognised on the date of disposal and is shown in the Statement of Income and Retained Surplus.

DISPOSAL OF FIXED ASSETS

Any gain or loss as a result of the disposal of fixed assets, subsequent tranche sales or resale of a partial ownership property is recognised on the date of disposal and is shown in the Statement of Income and Retained Surplus.

FINANCE CHARGES

The finance charges comprise of interest charges incurred in relation to the provision of the Company's long term financing arrangements and finance charges in the relation to the Revolving Credit Facility (detailed overleaf). These costs are expensed in the Statement of Income and Retained Surplus.

OPERATING EXPENSES

Expenses are recognised on an accrual basis.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. The effect of discounting on all of the Company's financial instruments is not considered material. Except where stated, the carrying values of all financial instruments are considered to reflect their fair value.

FINANCIAL ASSETS

Trade debtors

These are non-derivative short term financial assets and they arise principally through property rental leases with tenants. The amounts receivable are measured at transaction price less any impairment.

Cash at bank

This comprises balances of cash on call and in short term deposits with banks, which are initially recognised at cost. Interest income on cash balances held with banks is recognised by applying the effective interest rate applicable to each account.

FINANCIAL LIABILITIES

The Company's non-derivative financial liabilities are defined below. The Company has no financial liabilities designated as "at fair value through profit or loss". The Company derecognises financial liabilities only when the Company's obligations are discharged, cancelled or expired.

Trade and other creditors

Short term trade and other creditors are measured at transaction price. Other creditors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Concessionary loans

Government loans are classed as concessionary loans under FRS102 paragraph 34.87. They are measured at the amount received, less capital amounts repaid, plus any interest accrued.

2. ACCOUNTING POLICIES (continued)

Revolving Credit Facility

The Company entered into a £15,000,000 Revolving Credit Facility agreement with Butterfield Bank (Guernsey) Limited on 22 March 2022 to fund development expenditure. An agreement to increase the facility to £30,000,000 was signed on 13 March 2025. The facility is guaranteed by the States of Guernsey. This is accounted for using the accruals method and any interest paid and accrued is transferred to the current incomplete developments, proportionally on the amounts spent during the period. Set up costs and the States of Guernsey guarantee costs are expensed annually.

FUNCTIONAL AND PRESENTATIONAL CURRENCY

The directors of the Company consider the functional and presentational currency of the Company to be Sterling, as predominantly all of the transactions undertaken by the Company are denominated in Sterling. The financial statements are rounded to the nearest thousand.

GROUP ACCOUNTS

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has taken advantage of the exemption provided by FRS102 paragraph 9.3 (g) "requirement to present consolidated financial statements" not to prepare group financial statements.

OPERATING LEASES

Rentals payable under operating leases are charged to the Statement of Income and Retained Surplus on a straight line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Company recognises annual rent expenses equal to the amount owed to the lessor. Details of expected payments on operating leases are detailed in note 20.

3. TURNOVER

The turnover for the year derives wholly from continuing activities. A summary of income is detailed below.

	Notes	2025 £'000	2024 £'000
TURNOVER			
Rental income		12,019	11,495
Leasehold		19	19
Grant income	16	1,278	1,277
Service charges		761	631
Other income		2	3
		14,079	13,425

4. OPERATING EXPENDITURE

Operating costs for the year derive wholly from continuing activities. A summary of expenditure is detailed below.

	2025 £'000	2024 £'000
Property Expenses		
Maintenance and repairs	1,809	1,773
Void costs	410	536
Insurance	648	410
Cleaning and gardening	340	337
Electric and gas	325	318
Other property expenses	548	601
Administrative Expenses		
Salaries	1,701	1,566
Rent and rates	166	127
Other administrative expenses	1,289	1,422
General Expenses		
Wages and salaries	197	195
Other general expenses	14	11
Costs Capitalised to Developments	(46)	(78)
Depreciation Housing Developments	3,338	3,298
Leasehold Depreciation	15	15
	10,754	10,531

5. GAIN ON DISPOSAL OF FIXED ASSETS

This represents net income from subsequent tranche sales, the re-sale of partial ownership properties and the disposal of fixed assets.

	Notes	2025 £'000	2024 £'000
Fixed Assets			
Proceeds from the disposal of properties		2,638	4,164
Net book value of properties disposed	10	(2,246)	(3,494)
Surplus on the sale of fixed assets		392	670

6. FINANCE CHARGES

	Notes	2025 £'000	2024 £'000
Concessionary loan interest paid	17	3,222	3,343
Finance costs - Revolving Credit Facility	28	35	18
		3,257	3,361

The amortisation of finance costs is attributable to the arrangement fees with the Revolving Credit Facility with Butterfield Bank (Guernsey) Limited and the fees charged by the States of Guernsey in providing a guarantee to Butterfield Bank (Guernsey) Limited on the facility. In accordance with the Company's accounting policies, certain borrowing costs have been capitalised during the year.

7. TAXATION

No provision for taxation is included in these financial statements, as the Company has been granted exemption from taxation by the Director of the States of Guernsey Revenue Services on account of its charitable status.

8. INCOMPLETE DEVELOPMENT LAND

	2025 £'000	2024 £'000
COST		
At 1 January	14,916	13,634
Additions in the year	-	1,282
At 31 December	14,916	14,916

9. INCOMPLETE DEVELOPMENT EXPENDITURE

	Notes	2025 £'000	2024 £'000
COST			
At 1 January		5,073	1,973
Additions in the year		9,290	4,666
Transfer to Property held for letting	10	(1,005)	(1,566)
Transfer to Leasehold partial ownership		-	-
At 31 December		13,358	5,073

The Company has incurred finance costs on loans and the Revolving Credit Facility to finance developments. Where these costs relate to incomplete developments they have been capitalised and added to the cost of developments. During the year £607,262 (2024: £206,365) interest has been capitalised and added to the cost of development.

The SORP requires that partial ownership properties under construction are split between fixed assets and current assets. The split is determined by the percentage of property to be sold under first tranche sales. For the purpose of determining the current asset, we estimate that 50% of each partial ownership unit will be sold as first tranche sales. This results in there being £Nil (2024: £Nil) being reflected as a current asset.

Split between current and fixed assets	2025 £'000	2024 £'000
Fixed assets	13,358	5,073
Current assets	-	-
	13,358	5,073

The directors consider that capitalised development expenditure within incomplete development costs is likely to give rise to future benefits.

The expenditure within incomplete development is on projects where a land contract has been signed. At the outset the projects are agreed with the States of Guernsey Committee for Housing that they meet a housing need, are in a suitable location and if proven viable receive grant support. Once agreed with States of Guernsey Committee for Housing a feasibility financial appraisal is carried out using Proval viability software.

10. COMPLETE DEVELOPMENT EXPENDITURE

	Property held for letting £'000	Leasehold Partial Ownership £'000	Total Housing Property £'000
COST			
At 1 January 2025	178,329	42,678	221,007
Transfers (note 9)	1,005	-	1,005
Additions	332	4,678	5,010
Disposals	(209)	(2,246)	(2,455)
At 31 December 2025	179,457	45,110	224,567
DEPRECIATION			
At 1 January 2025	32,528	3,563	36,091
Charge for the year	2,969	369	3,338
Disposal	(186)	-	(186)
At 31 December 2025	35,311	3,932	39,243
NET BOOK VALUE			
At 31 December 2025	144,146	41,178	185,324
At 31 December 2024	145,801	39,115	184,916

11. INVENTORIES

Inventories include items that are held to make repairs to housing stock as and when required. These items are held to reduce the waiting time for tenants to have repairs made. Stocks are stated at the lower of cost of purchase and net realisable value. At each reporting date, the inventories values are assessed for write down.

	2025 £'000	2024 £'000
Inventories	79	85
	79	85

12. INVESTMENT IN SUBSIDIARY UNDERTAKING

Alderney Housing Association Limited, a company limited by guarantee was incorporated in Alderney on 19 August 2010 and is a wholly owned subsidiary of Guernsey Housing Association LBG, with a member contribution limited to £10 in the event of the company's insolvency. The results of Alderney Housing Association Limited have not been consolidated into these financial statements as the Company has taken advantage of the exemption provided by FRS102 paragraph 9.3 (g).

13. OTHER TANGIBLE ASSETS

	Vehicles Equipment £'000	Computer Equipment £'000	Office Equipment £'000	Office Improvements £'000	Total £'000
COST					
At 1 January 2025	37	249	130	64	480
Additions	28	65	1	53	147
Disposals	-	-	(1)	-	(1)
At 31 December 2025	65	314	130	117	626
DEPRECIATION					
At 1 January 2025	11	207	115	61	394
Disposal	-	-	(1)	-	(1)
Charge for the year	11	24	9	9	53
At 31 December 2025	22	231	123	70	446
NET BOOK VALUE					
At 31 December 2025	43	83	7	47	180
At 31 December 2024	26	42	15	3	86

14. TRADE AND OTHER DEBTORS

	2025 £'000	2024 £'000
Trade debtors	603	396
Preliminary development costs	827	1,012
Prepayments	837	698
	2,267	2,106

15. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Notes	2025 £'000	2024 £'000
Concessionary loans	17	3,496	3,369
Development and property costs payable		148	579
Retentions payable - development costs		335	223
Property and overhead costs payable		667	292
Tenant rental prepayments		415	349
Other creditors and unearned income		2,006	1,510
Deferred income current		1,319	1,289
Revolving Credit Facility	28	17,500	6,500
		25,886	14,111

The Company's policy for paying suppliers is to make all payments in accordance with the supplier's quoted terms of trade.

16. DEFERRED INCOME - AMOUNTS FALLING DUE AFTER ONE YEAR

	2025 £'000	2024 £'000
Deferred income falling due after more than one year	94,761	95,208
	94,761	95,208

Where grants are received from the States of Guernsey as a contribution towards the capital cost of housing schemes, it is recognised using the accruals method in accordance with the SORP. Prior to meeting the recognition conditions, such grants are held as deferred income on the Statement of Financial Position. Deferred income is amortised over 75 years on a systematic basis over the expected useful life of the asset. During 2025 grant income of £1,278,318 (2024: £1,277,252) was transferred from deferred income to the Statement of Income and Retained Surplus and included within Turnover.

17. CONCESSIONARY LOANS

	2025 £'000	2024 £'000
<i>Repayable in instalments</i>		
States of Guernsey	85,269	88,638
	85,269	88,638
<i>Estimated capital balances due for repayment</i>		
Due within one year (note 15)	3,496	3,369
Due after more than one year		
- Due between one and two years	3,624	3,496
- Due between two and five years	11,709	11,287
- Due after more than five years	66,440	70,486
	81,773	85,269
At 31 December	85,269	88,638

The loan arrangements with the States of Guernsey comprise of six loans, one of £51,000,000 over a 30 year term with a fixed interest rate of 3.742% repayable by 31 December 2045. The second arrangement is a £24,000,000 loan over a 21 year term with a fixed interest rate of 3.667% repayable by 31 December 2036. The third arrangement for £5,100,000 was made on 2 March 2016 and is for a 30 year term with a fixed term interest rate of 3.625% repayable by 31 March 2046. The fourth arrangement for £10,000,000 was made on 29 March 2018 and is for a 28 year term with a fixed term interest rate of 3.625% repayable by 31 March 2046. The fifth arrangement for £14,000,000 was made on 31 October 2019 and is for a 27 year term with a fixed term interest rate of 3.625% repayable by 31 December 2046. The sixth arrangement for £7,200,000 was made on 3 January 2023 and is for a 24 year term with a fixed term interest rate of 3.625% repayable by 31 December 2046. All loans are unsecured.

During 2025, interest of £3,221,739 (2024: £3,343,050) has been paid in relation to the loans and capital repayments amount to £3,369,008 (2024: £3,247,696).

18. PARTIAL OWNERSHIP PROVISION

The Company retains capital grant on partial ownership staircasings as a provision in line with FRS102, section 21, for future partial ownership buy backs. The Company policy on partial ownership is for the purchaser to buy a proportion of the property (of between 40% and 80%). Typically, the initial purchase is 50% with staircasings at 10% until the full 80% has been purchased. The Company would then buy back the 80% at the current market value should the purchaser wish to sell. The current provision is £185,249 (2024:£185,249).

19. FINANCIAL INSTRUMENTS - RISK EXPOSURE AND MANAGEMENT

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. The Company does not undertake any significant transactions in currencies other than Sterling and therefore no exchange rate exposure exists.

Principal financial instruments

The principal financial instruments used by the Company from which financial instrument risk arises, are as follows:

- Trade debtors
- Cash at bank
- Trade and other creditors
- Loans

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's ability to operate. Further details regarding these policies are set out below.

Credit risk

Credit risk arises when a failure by a counter party to discharge their obligations to the company could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company's credit risk principally arises from cash at bank as well as credit exposures with respect to tenants included within trade debtors. In the event of default by a tenant, the Company will suffer a rental shortfall and incur additional costs, including legal and other expenses in maintaining, insuring and re-letting the property, until it is re-let. General economic conditions may affect the financial stability of tenants and prospective tenants.

The Company carries out checks on prospective tenants and monitors the payment record of current tenants in order to anticipate, and minimise the impact of, default by tenants.

The Company holds cash balances with RBS International, and RBS International was assessed prior to entering into any arrangements. The credit rating of the bank is reviewed periodically (currently Standard and Poors has assigned a short term A - 1 rating (2024: A rating)).

The Company receives its loan financing from the States of Guernsey to which Standard & Poors has assigned an A+/A-1 credit rating (2024: A+/A-1). The Directors monitor the credit rating but at the current level consider the credit risk to be low.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities do not match. The Company has procedures to minimise such risks, such as maintaining sufficient cash and by having available an adequate amount of committed credit facilities. Cash at bank is placed with financial institutions on a short term basis reflecting the Company's desire to maintain a high level of liquidity in order to enable timely completion of development transactions.

The contractual maturity of the Company's government borrowings are stated in note 17. The Company believes its monthly rental stream is sufficient to satisfy the repayment terms of its loan facilities. The Company continues to review its finance arrangements for future developments with the banks and the States of Guernsey. The Company's other main contractual obligations stem from amounts due to contractors for development work and retention payments. Having assessed the future forecasted cash flows of the Company, the directors believe that the Company has sufficient resources to continue to settle its liabilities as they fall due for at least the next 12 months, including to satisfy the payment terms of the amounts due to contractors and other suppliers (as stated in note 15) for work and services performed to date and for future contracted work.

19. FINANCIAL INSTRUMENTS - RISK EXPOSURE AND MANAGEMENT (continued)

Interest rate risk

The Company's interest rate risk arises only on cash at bank and interest charges on the Revolving Credit Facility. The weighted average interest rate receivable on cash at bank at the reporting date was 2.71% (2024: 3.48%). The weighted average interest rate payable on its loans at the reporting date was 3.72% (2024: 3.72%) and the weighted average on the Revolving Credit Facility is 1.80 % (2024: 1.38%).

Interest rate risk on borrowings is mitigated by loans with a fixed interest rate for a fixed term. The Revolving Credit Facility is used to fund short term requirements between additional loans being drawn down.

20. LEASING COMMITMENTS

	2025 £'000	2024 £'000
The Company's future minimum operating lease payments are as follows:		
Within one year	172	171
Between one and five years	681	692
After five years	176	337

21. MATERIAL NON-CASH TRANSACTIONS

During the year, land grants of £nil (2024: £nil) have been capitalised for land transferred from States of Guernsey Housing to the Company. These transfers had been treated as a capital grant and are non cash transactions.

22. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2025 £'000	Cashflow £'000	31 December 2025 £'000
Cash in hand and at bank	2,546	(608)	1,938
Revolving Credit Facility (note 28)	(6,500)	(11,000)	(17,500)
Loans (note 17)	(88,638)	3,369	(85,269)
Total	(92,592)	(8,239)	(100,831)

23. PENSION COSTS

Employees of the Company are eligible to take out a personal pension plan which is partially funded by the Company. These are defined contribution pension arrangements whereby the Company's funding is based on a fixed percentage of salary and the assets of the pension plans are held separately from those of the Company in independently administered funds. The amounts paid by the Company in pension contributions during the year totalled £169,823 (2024: £147,555).

24. LIMITATION OF GUARANTEE

The Company is a company limited by guarantee. The registered members have guaranteed to provide the total sum of £80 (2024: £70) in the event of the Company's insolvency.

The shares do not have a right to any dividends or distribution. Shares are not transferable and a member shall cease to be a member, upon retirement from the board. Each shareholder has full voting rights.

25. CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

In the opinion of the directors, there is no ultimate controlling party of the Company, in line with the definition given by FRS102 as no party has the ability to direct the financial and operating policies of the Company with a view to gaining economic benefits from their direction. The Company retains a register of directors' interests. During the year there were no interests in related parties that require to be declared by the directors. The Non-Executive Directors received no emoluments for their services to Guernsey Housing Association LBG (2024: £nil).

During the year an administration fee of £11,058 (2024: £22,958) was charged by the Company to its subsidiary, Alderney Housing Association Limited, for management and financial administration services provided. Due to an adjustment of £22,572 reducing prior year fees, for 2025 this has shown as an expense to the company and is included within operating expenses.

As at the year end, £13,659 (2024: £47,867) was receivable. This has reduced from prior years as the Company's Executive Directors' time is no longer charged for.

Key management personnel include the Directors. Total key management personnel compensation for the year ended 31 December 2025 was £453,150 (2024: £320,475).

26. CONTINGENT LIABILITY

The Company has a contractual obligation under the terms of leasehold agreements to repurchase the sold percentage of partial ownership properties in the event of a surrender or default by the leaseholder of the terms of the lease or on the death of a leaseholder. The repurchase value is determined by current market values and has been estimated to be £ 57,275,950 as at 31 December 2025 (2024: £59,737,300).

27. FINANCIAL COMMITMENTS

The Company has capital commitments on properties under development at La Vieille Plage, The Cliff Face at The Tyre Yard and Oberlands. The Company is currently committed to spend a further £2,762,220 on these developments (2024: £6,715,735 on La Vieille Plage and Oberlands).

28. REVOLVING CREDIT FACILITY

The Company has a Revolving Credit Facility with Butterfield Bank (Guernsey) Limited and incurs interest charges of 0.65% above the Bank of England base rate and non utilisation fees of 0.20%. There has been a drawdown of £11,000,000 during the year. £17,500,000 was outstanding at 31 December 2025 (2024: £6,500,000). Interest and non utilisation fees totalling £607,262 (2024: £206,365) were incurred and were allocated to incomplete developments. Set up fees of £8,625 (2024: £3,000) and credit guarantee fees of £26,250 (2024: £15,000) were expensed during the year. The credit guarantee fee is charged by the States of Guernsey at 0.10% per annum on the maximum facility amount. The facility will expire on the 29 March 2027.

29. SECURITY IN PLACE

The States of Guernsey provide a guarantee for £30,000,000 (2024: £15,000,000) against the Revolving Credit Facility with Butterfield Bank (Guernsey) Limited.

30. LEGAL CLAIM

During 2024 the Company settled a legal claim with a developer for £610,000 (2025: nil) paid to the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

31. LEASEHOLD DEVELOPMENT

The Company entered into an agreement with Guernsey Water on 29 April 2020 to redevelop one of their properties known as 'Shamrock Cottage'. In return this would form part of the Company's stock for a period of 15.5 years. The completed development cost was £230,824. This amount will be depreciated over the remaining life of the development, being 15 years. Total depreciation for 2025 was £15,388 (2024: £15,388). The current net book value is £151,325 (2024: £166,713). Should Guernsey Water terminate the contract, Guernsey Water would be liable to repay the Company the cost of development. There are no future lease payments as the £1 charge per year was paid on completion of the property.

32. POST BALANCE SHEET EVENTS

Resignation of Director

Mr JM Dunford will retire on 30 June 2026 and resign as a Director of the Company effective 7 May 2026.

THE FOLLOWING PAGE DOES NOT FORM A
PART OF THE AUDITED FINANCIAL STATEMENTS
OF THE COMPANY AND ARE PRESENTED FOR
INFORMATION PURPOSES ONLY

Guernsey Housing Association LBG
STATEMENT OF TANGIBLE NET WORTH (unaudited)
At 31 December 2025

	2025 £'000	2024 £'000
FIXED ASSETS - per statement of financial position	213,929	205,158
CURRENT ASSETS - per statement of financial position	4,284	4,737
GROSS ASSETS PER STATEMENT OF FINANCIAL POSITION	218,213	209,895
ADJUSTMENTS		
Revaluation to market value	188,817	192,924
ADJUSTED GROSS ASSETS	407,030	402,819
LIABILITIES		
Amounts falling due within one year - per statement of financial position	25,886	14,111
Amounts falling due after more than one year - per statement of financial position	176,719	180,662
	202,605	194,773
ADJUSTMENTS		
Grant liability	(96,080)	(96,497)
ADJUSTED GROSS LIABILITIES	106,525	98,276
CONSOLIDATED TANGIBLE NET WORTH	300,505	304,543
STATES OF GUERNSEY LOANS (note 17)	85,269	88,638
Government debt as a percentage of Consolidated Tangible Net Worth	28.38%	29.11%

This statement is presented to disclose the "Tangible Net Worth" of the Company at the balance sheet date, as defined in the Company's Agreement with the States of Guernsey dated 6 April 2005.

APPROVED BY THE BOARD OF DIRECTORS



Mr D Brown

7 May 2026