Annual report and financial statements 2025-26

Using insight to deliver better customer experiences

Contents

About this report

As well as this PDF version, we have an online microsite to give you a much more readable, interactive, device-responsive experience, especially in relation to the content of section 1 – our annual review.

Here you'll be able to gain an even greater understanding of our organisation and our year.

You can view it here and there are links to it in places throughout this report.

Our highlights

Much has been achieved this year to provide the best possible homes and services for customers.

Won the Housing Technology award for Artificial Intelligence for better customer experiences

Invested **£95.9m** in our existing homes

8.7/10 customer satisfaction with repairs**

3,284 hours customers spent influencing our services

70% of customer households have an online account

Secured **£13.75m** of income for customers*

Tpas re-accreditation for customer influence

Completed **1,549** new homes

* Secured £13.75m income for customers made up of ongoing and backdated awards of benefit, including giving advice to customers with new tenancies
** This score is based on customer feedback from our transaction surveys

Introduction from Charles Alexander

Chair of the Board

The last year has brought continued pressure for many of our customers and further change across the housing sector. While inflation has slowed, the cost of living remains high, and many households continue to experience the impact. We know this is affecting people's day-to-day lives, and it underlines the importance of the role we play as a housing provider with the additional services and support we offer to customers when needed.

Expectations of housing services are changing. Customers rightly expect safe, well-maintained homes, quicker repairs, and services that are easy to access and responsive to their needs. Regulators and government are also setting higher standards, particularly around safety, quality, and how housing associations listen and respond to their customers.

We continue to evolve our services and how we work to ensure we are well-placed now and in the future. We're focused on providing services that are simple, reliable, and easy to use - more like the experience people expect from the best organisations they deal with every day. This means making it easier to contact us, get things resolved quickly, and access support when it's needed.

We are also making better use of data and customer insight to guide our decisions. By understanding more about our homes and the people who live in them, we can target investment where it makes the biggest difference - improving services, supporting communities, and planning effectively for the future.

Alongside this, we remain focused on addressing the growing demand for good-quality, affordable homes across the sector. Too many people are still unable to access housing that meets their needs. We are playing our part by investing in our existing homes to ensure they are safe and of a high standard, while also continuing to build new homes at scale to help increase supply and support future customers.

We know there is more to do, and the year ahead may bring further challenges. However, we are clear about our priorities: supporting our customers, delivering reliable and accessible services, improving the quality and safety of our homes, and increasing the supply of affordable homes. I'm confident that this clear direction will enable us to keep improving and continue making a real difference in our communities.

Introduction from Mark Perry

Chief Executive

For customers to truly benefit from our vision of "More homes, bright futures", they need confidence that their home is safe, of high quality, and backed by services they can rely on - day in, day out.

That focus has shaped our work over the past year. We've continued to strengthen the foundations of our core services, building on improvements in areas such as repairs and complaint handling, and ensuring we respond consistently to what matters most to customers.

Central to this has been our customer promises which you can read more about on this page. These promises are about being clear on what customers can expect from us, and holding ourselves to account for delivering on those expectations. They're not just statements of intent; they are shaping how we design services, how we prioritise work, and how we measure success.

We've also continued to place customer influence at the centre of what we do, listening, understanding, learning and acting on their feedback. Retaining our Tpas accreditation for a second year reflects the genuine influence customers have in shaping our services - from setting standards to improving processes. Through this report, you'll see the difference that partnership is making.

Equally important has been the investment we've made in our people. This year, we have introduced a City & Guilds credentialling programme that all colleagues will undertake. This is a significant step in building a consistent, organisation-wide understanding of what great customer service looks like, ensuring every interaction reflects the same high standards, skills and behaviours.

As well as improving services, we've maintained a strong focus on delivering new homes. For the third consecutive year, we've completed more than 1,500 homes, meaning more individuals and families now have a safe and secure place to live. Since our creation, we've delivered more than 11,500 new homes - a scale of delivery that reflects both our ambition and our sustained commitment to addressing housing need.

Our progress across these areas also strengthens the role we play beyond our organisation. Increasingly, we are seen as a key partner for wider stakeholders, recognised for our practical, collaborative and solutions-focused approach. We're proud to be known as an organisation that combines innovation with a strong can-do mindset, enabling us to work effectively with local authorities, partners and others to tackle shared challenges and deliver lasting impact for our communities.

Our focus is on consistently providing high-quality homes and services, embedding our customer promises in day-to-day practice, and equipping our people with the skills they need to deliver the best outcomes for customers. We'll build on our progress and create even greater impact for our customers and communities in the years ahead.

About us

At VIVID, we're driven to transform lives, providing more than 38,600 homes for people across the south of England. We're here to ensure that everyone, regardless of their background, has access to a safe, affordable and welcoming place to call home.

We believe our homes are more than just buildings - they're the springboard for dreams, connections and futures. By listening closely to our customers, we shape not only the homes we provide but the services around them. This year, their insight and involvement have continued to guide our work to support customers and communities to thrive.

We're here to create lasting, positive impact for our customers and communities.

We support **84,272** customers to live in homes across Hampshire, Surrey, Berkshire, West Sussex and Wiltshire, operating in more than 20 local authority areas in the Central South.

Number of homes by tenure type	2021-22	2022-23	2023-24	2024-25	2025-26	Value in use (£'000)	Market value (£'000)
General needs	24,454	25,120	25,996	27,194	28,249	3,374,747	7,877,910
Older people's & supported housing	1,441	1,415	1,421	1,411	1,402	98,560	259,230
Shared ownership	5,679	6,066	6,614	7,036	7,334	667,315	1,004,828
Intermediate rent	310	304	302	294	287	43,200	63,255
Market rent	481	452	452	428	427	106,809	133,495
Leased or owned by others	646	615	579	571	542	13,762	23,600
Managed by others	344	353	346	356	402	630	1,350
Total homes	**33,355**	**34,325**	**35,710**	**37,290**	**38,643**	**4,305,023**	**9,363,668**
Garages	3,338	3,330	3,311	3,362	3,354		

Housing properties within a social housing business are valued using specific valuation techniques commonly referred to as 'value in use'. These values are used by financial institutions to lend money to social housing providers. Our housing properties are independently valued by JLL as at 31 March 2026. The value in use shown in the table exceeds the net book value of our completed housing properties by £941m. Together with our reserves of £955m, they increase our net worth to £1.9bn. The open market value is also shown for comparative purposes which in the case of shared ownership homes, only the retained equity that VIVID owns has been valued.

Our corporate plan

Our vision today remains as it's always been: **more homes, bright futures**. Supporting our efforts to deliver against this vision, we created a 5-year Corporate Plan in 2023 to guide our work through to 2028.

We're driven by 3 clear ambitions:

Vision

More homes, bright futures

Ambitions

Our customers are our strongest advocates

People are proud to live in our homes and communities

Grow and influence to positively impact more lives

Values

Deliver a great customer experience

Encourage challenge and change

Work as one team

Section 1:

Annual review

Customers influence all that we do

Read more about customer influence over the last year **here**

Over the past year, our focus has been on continuing to strengthen customer influence and making sure it leads to real, visible change. This has meant taking the time to listen properly and involving customers early enough for their views to make a difference. We've also widened who we hear from, reaching people who don't usually get involved, and offered different ways to take part so customer influence works for more people.

Since achieving Tpas Landlord Accreditation last year, and with reaccreditation now secured, customer involvement is firmly embedded across the organisation. Tpas are England's tenant engagement experts. The accreditation strengthened our approach by providing a clear framework for good practice, while still allowing flexibility to involve customers in meaningful and relevant ways. As one of a small number of organisations nationally to hold this accreditation, it gives us continued confidence in how customer influence is built into decision making.

Listening locally

We held door knocking and roadshow events which gave customers the chance to talk with our teams about their communities - what they enjoy, what works well and where they feel improvements are needed. This work forms part of our Community Connected approach which focuses on reaching customers whose voices are less often heard.

Enhancing customer scrutiny

The VIVID customer scrutiny panel (VCSP), previously known as VIVID Impact, is a group of customers who take an independent look at how we're doing. Their role is to consider how customer views are reflected in service reviews and decision making, and whether changes could affect some customer groups more than others. This year the panel has reviewed corporate communications, challenged the clarity and accessibility of customer communication, looked closely at complaints and lessons learned, and shared learning from other housing organisations and Tpas events, helping bring fresh ideas in.

Customers are shaping much of our work

We established specialist customer groups focused on inclusion, repairs, complaints and knowledge articles. These groups give customers regular opportunities to influence how services are reviewed, communicated and improved, bringing lived experience into areas that directly affect everyday interactions.

Customers reviewed 10 key policies and have been involved in the recruitment of several senior roles at VIVID, including Head of Customer Experience and Head of Building Maintenance. Customers also reviewed and influenced several service standards to reflect what matters most to customers.

Our customer promises

To understand what a good experience truly means, we spent time having in depth conversations with customers and listening closely to the insight shared through everyday interactions. Customers' input is guiding everyday decisions, behaviours and service delivery across VIVID.

What customers shared was used to shape a clear and simple overarching aim for our customer promises:

That every customer feels we provide a good place to live.

Building services our customers can trust

Read more about building services customers can trust **here**

Everyday services play a big part in how living somewhere feels. Over the past year, we've paid closer attention to these moments, using customer feedback and data to understand where services work well and where they could be better.

The focus has been on making small, practical improvements that add up: clearer and more effective communication, simpler interactions and getting the basics right, consistently. Customer feedback and involvement have helped guide those decisions, shaping what feels helpful, reassuring and workable in real life.

Getting repairs right

We're always looking for ways to make things better for customers by learning from every job we do. We've seen this with additional visits needed to complete gas repairs, where looking at past repairs and engineer notes helps us spot common issues and fix them right first time, reducing repeats visits from **17% to 9%**.

At the same time, jobs are completed more quickly by making sure engineers carry the materials needed for the most common repairs, helping to avoid delays and repeat visits.

From what we've learned, we've also created a series of simple how to guides and videos to help customers feel they're able to tackle smaller fixes quickly and easily.

Using technology to spot problems earlier

A key part of our digital transformation is our award winning use of predictive AI and data led tools to spot patterns and early signs that customers might need extra support. That insight gives us the opportunity to act sooner, sometimes before a customer even needs to get in touch.

In our repairs service, we use what we know to identify problems that might become more complicated. This helps us step in early and fix things before they escalate.

Our pioneering use of technology and data in this way has also led to us winning an award for Predictive AI for Better Customer Experiences at Housing Technology 2026.

Customer contact via online channels

Use of our online services and self-help digital tools continues to grow, with 84% of customer contacts involving a digital tool, such as the online account or a knowledge article. In addition, 58% of service requests are submitted through digital channels, including raising repairs online or contacting us via live chat. These interactions often combine digital with colleague support, helping to streamline processes and free up capacity to focus on more complex needs.

70% of our customer households now have an online account, online chat sessions have nearly tripled since last year and logins to the online account rose by 57%.

	2025-26	2024-25
Total customers registered to the online account	**35,324**	30,027
Total logins to the online account	**759,775**	482,678
Repairs raised online	**25,495**	16,134
Online account chats	**138,157**	47,009

VIVID Plus

Over the past year VIVID Plus, our charitable arm, has supported Families Matter, a weekly group in Aldershot running over 12 weeks where parents came together to share experiences and grow confidence while children played and explored.

Read more on other community impact projects we've supported **here**.

Creating homes and communities our customers are proud of

Read more about our work creating homes and communities **here**

Our investment of over £95.9m this year reflects our commitment to improving customers' lives homes and communities - enhancing repairs services, energy efficiency and green spaces.

Remaining focused on repairs

We've continued to strengthen our repairs service by focusing on what matters most to customers - faster response times, better communication and learning from feedback. Alongside this, we're working to the standards set out in Awaab's Law, with clear processes to respond quickly - ensuring homes are safe, healthy and well maintained.

Having a responsive, reliable repairs service matters, and we're continuing to build on this by listening to customers and learning from their experiences. A dedicated Customer Repairs Working Group is helping us better understand how things are working in practice and where we can improve.

This has helped us complete more repairs on time, with 86.9% of non-emergency repairs finished within published targets. When something urgent does happen, we act quickly - 95.7% of emergency repairs are completed within 24 hours.

Bringing everything together to plan ahead

Listening to our customers plays an important role in how we improve our services and shape our investment plans. Feedback, including complaints, gives us a clear view of what's working well and where things need to be better.

This year, we've focused on bringing everything together: what customers tell us, the experiences they share, and what we know about the condition of our homes through home health checks. This helps us build a more complete picture of where improvements are needed and investment will have the most impact.

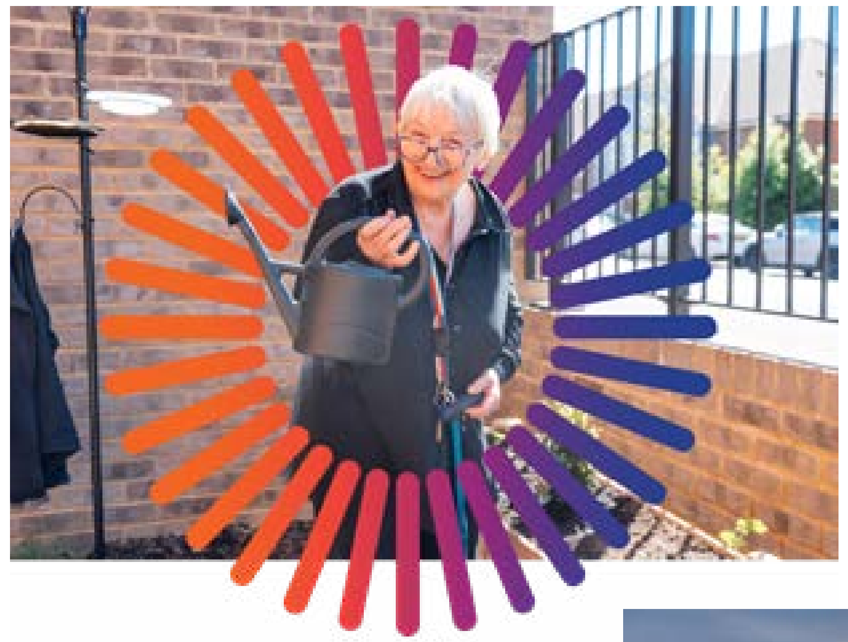
Having a bigger picture helps us plan ahead, so we can focus our investment where it will make the biggest difference for customers and communities.

Environment and sustainability

Having delivered year 1 of our 2025–30 energy and sustainability strategy, it's already making a tangible difference for customers while reducing environmental impact. Through warmer homes, improved green spaces and support for biodiversity, we're continuing to create better places to live.

We remain focused on scaling up delivery each year, particularly on warm homes as energy costs stay high. 658 of our least energy efficient properties have been upgraded since 2023. Over the past 12 months, we've strengthened our delivery model and contracting approach by aligning our procurement process with our sustainability goals helping us ensure that future contracts contribute to reducing environmental harm.

Our commitment to achieve net zero carbon by 2050 remains as strong as ever, and we're improving our resilience to climate change by better understanding how our customers and their homes might experience risks like flooding or overheating.



Delivering positive impact for our customers

Read more about the impact of our work here

Underlying our work is the acknowledgement that having a decent home to call your own, that's safe, affordable, and gives you your own personal space and security, is one of the most important elements to enjoying a good quality of life.

In the last 12 months, we've welcomed a range of government initiatives and reforms that should better support the delivery of new affordable homes in future. We actively contribute to national sector discussions and plans wherever we can. In the meantime, and with household numbers on council housing waiting lists standing at a 10-year high, we've played an ongoing strong role in driving the delivery of homes.

Number of new homes completed	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Social rented	44	144	202	226	260	267	371	335	685
Affordable rented	360	265	333	194	429	455	509	526	353
Shared ownership	189	312	408	319	480	507	522	459	391
Market rented	0	122	74	44	87	18	0	0	0
Market sale	156	162	355	227	145	143	122	185	120
Total	**749**	**1,005**	**1,372**	**1,010**	**1,401**	**1,390**	**1,524**	**1,505**	**1,549**

A key player addressing the supply challenge

As one of the biggest builders among housing associations in England, we've successfully completed 1,549 new homes in the last 12 months.

By buying land, working with partners and joint ventures, and continuing to purchase Section 106 homes, we have successfully delivered more new homes. Demonstrating the effectiveness of our development strategy, we've completed a long-term regeneration scheme in Aldershot and delivered affordable family homes in Whiteley.

Looking to future schemes, we achieved the major milestone of breaking ground at our Victory Quay development in Portsmouth, where we'll deliver over 800 new homes together with community and green spaces.

Last year, we marked the completion of our 10,000th new home since VIVID was formed, located at Stoneham Park in Eastleigh.

We're proud of the number and mix of homes we've built this year. 92% were affordable tenures - 685 are for social rent, 353 for affordable rent and 391 shared ownership homes.

A top 10 trusted and influential homes provider

Committed to sharing our expertise and using our influence to improve things for our customers and the wider sector, we've had another year featuring positive, front-foot engagement. Building and strengthening our working relationships with officials, elected representatives, industry groups and more, locally and nationally, has continued. As a result, our voice has been increasingly heard, enabling us to raise challenges and share thinking on a range of topics impacting existing and future customers.

It was particularly rewarding to see our calls for change around future delivery of energy efficiency improvements reflected in the government's 'Warm Homes Plan' this year.

Bargate

Bargate's commitment to developing new homes responsibly, with a focus on design, continues to underpin its success. From gaining consent for 464 new homes across 6 sites, through to completing 229 new homes, Bargate has had another positive year. The business has moved forward planning applications for 5 more sites, creating the potential to secure the delivery of over 360 further homes in future.

Bargate has also secured a 5-star customer satisfaction rating in the Home Builders Federation's annual survey, one of a limited group to have met the threshold needed.

There's more about how we work **here**

Our customers are at the centre of how we work

Spend time talking to people across VIVID and one thing becomes clear very quickly: culture matters. It's something that's been valued for a long time and continues to be shaped, refined and strengthened as the organisation grows.

Ensuring customers are at the centre of all we do isn't new, it's always been how we work. Over the past year, though, that focus has become more intentional and more visible across teams, services and decision making. By strengthening our customer experience approach, listening closely to customers, and building this into our learning programme around our customer promises, customer insight now plays a clearer and more consistent role in shaping how we all work together to deliver great services.

Of course, delivering great customer outcomes starts with the people behind them. That's why so much attention has gone into creating an environment where colleagues feel supported, trusted and able to do their best work.

Growing, learning and progressing

Over the past year, learning and development has been about creating space for people to grow through the work they're already doing. It's less about ticking off courses and more about real opportunities, learning on the job, getting involved in new projects, and taking on something different when the chance comes along. 33,000 learning opportunities were delivered for new starters, upskilling and training.

Listening to colleagues

Actively listening continues to play an important role in shaping how we work. The annual employee engagement survey continues to be delivered in house, helping keep the focus on what matters most and allowing questions to be shaped around real experiences.

This year's results were encouraging. 73% of colleagues took part, with an overall engagement score of 81%. Scores were particularly strong around having a respectful workplace (84%) and understanding performance (78%).

Routes in, ways forward and careers built locally

There are many ways people come into roles or build their careers here. Some join through apprenticeships, others move across teams or progress internally over time. What matters is that there are clear ways in, and real opportunities to grow.

Apprenticeships are one part of that wider picture, alongside internal moves, learning on the job and development opportunities. They span a range of roles, including technical and professional pathways and programmes like the Women in Management apprenticeship, which supports colleagues as they step into leadership roles.

Fair pay and transparency

Paying people fairly matters and being open about how pay works is an important part of the VIVID way.

The median gender pay gap remains at 0%, meaning women and men are paid equally overall. And our ethnicity pay gap is also 0% which means that people are paid equally regardless of their ethnicity.

It's reassuring to be in this position, and one we're keen to maintain and improve where we can.

Visit our annual review microsite

Funding and treasury management

During the year we've maintained high levels of liquidity and managed the associated risks.

In 2022 we established our £2bn EMTN programme, including a sustainable financing framework. We continue to monitor market conditions ready for our debut issuance.

Key treasury risks:

- **Funding risk** – Our business plan identifies when and how much funding is required to fund our development programme. We spread our sources of financing and ensure we're not reliant on a single investor or bank.
- **Liquidity risk** – Our treasury policy includes a golden rule which calculates the level of liquidity we need to maintain a strong business. On 31 March 2026 we had £863m of liquidity.
- **Counterparty credit risk** – We've set minimum credit ratings for each lender, investment counterparty and banker in our treasury policy. We deposit surplus cash with various counterparties. The credit ratings of counterparties, rather than the returns, are the primary consideration when deciding how to invest cash balances. Counterparty credit ratings are provided by our treasury consultants and monitored in house by our treasury team.
- **Interest rate risk** – Our treasury policy sets parameters for the percentage of fixed, floating and index-linked debt within our loan portfolio. On 31 March 2026, 87% of our drawn debt was at fixed rates to protect us against future interest rate volatility. None were index linked and 13% was exposed to variable interest rates.
- **Compliance risk** – Through our business planning and budgeting process we monitor the corporate financial covenants within our loan agreements. Our treasury policy requires us to maintain headroom above these covenants and we set a budget to exceed each lender's requirements. Performance against the budget is monitored monthly.

Our approach to value for money

To us, value for money means providing a standard of service that meets our purpose as efficiently as possible.

We have 3 value for money (VFM) objectives:

- **Provide efficient and effective landlord services**
- **Maximise our contribution to tackling housing need**
- **Continually improve the return on our assets**

We have 20 VFM measures that track our progress with each of these objectives. And we compare our performance with a group of 11 selected peers using the Sector Scorecard.

We have reported 5 year trend data and a summary for each VFM objective of our performance in the year.

With the increasingly uncertain economic outlook, rising inflation and the impact this has on the costs our customers have, our focus continues to be on supporting our customers in these extremely challenging times and applying our resources accordingly.

VFM objective 1: Providing efficient and effective landlord services

Measure	2021	2022	2023	2024	2025	2026	2027 target	Benchmark top quartile 2025
Overall customer satisfaction	80.4%	78.4%	66%	70%	73.3%	71.3%	75%	72.2%
Operating margin (overall) (6b)*	30%	33%	32%	31%	31%	33%	35%	21.3%
Operating cost per unit	£3,512	£3,516	£3,854	£4,275	£4,448	£4,451	£4,534	
Operating margin (social lettings) (6a)*	45%	45%	43%	42%	43%	44%	46%	25.7%
Social housing cost per unit (5)*	£2,909	£3,328	£3,930	£4,061	£4,249	£3,911	£4,281	£5,709
Properties managed per FTE staff	36.9	37.4	35.5	34.6	35.8	37.0	39.1	28.2
Overheads as % of turnover	6.30%	6.06%	6.10%	5.8%	6.0%	6.2%	5.8%	

*The numbers in brackets refer to the Regulator's VFM measures

We measure customer satisfaction through independent perception surveys run by TLF Research 4 times a year.

For our Tenant Satisfaction Measures (TSM) perception survey, this year we achieved 71.3% for overall satisfaction (LCRA), which is a slight drop compared to the 73.3% achieved in 2024-25. We moved to a mixed methods survey approach this year, which meant customers could take part by email, telephone or post, where previously all surveys were by telephone or post. This gives us a richer source of feedback and creates opportunities for a wider selection of customers to participate which is extremely important to us. If we had used the same methodology the overall result would have shown an improvement on a like for like basis, continuing our upward trend since 2023. Whilst the headline rate has declined, we're pleased that introducing a wider methodology has found customers who may have previously been silent. This was the driver for the change and we're working hard to increase this further.

In the coming year we've set ourselves a target of 75.0% as we want to improve customer satisfaction. For our transactional surveys, over the year our satisfaction levels have declined slightly across all touchpoints, the exception being planned maintenance, where we saw improvement. We're working hard to ensure satisfaction increases in 2026-27 with action plans focusing on key business areas such as repairs, customer contact, lettings and the quality of new homes. Last year we focused on service consistency and reducing repair wait times. This year, we'll focus on improving our self-serve offer to further reduce repair wait times, and delivering our customer promises.

Customer transaction performance scores	2026	2025
Contact into customer experience team	8.3	8.6
Repairs	8.7	8.9
Complaints handling	4.3	4.5
ASB case handling	5.4	6.3
Planned maintenance	7.9	7.0
Move in (lettings)	8.1	9.0
Move in (sales)	8.4	8.7

NB: Transactional scores are out of 10

VFM objective 2: Maximising our contribution to tackling housing need

Measure	2021	2022	2023	2024	2025	2026	2027 target	Benchmark top quartile 2025
New homes completed	1,010	1,401	1,390	1,524	1,505	1,549	1,504	1,028
Reinvestment in homes (1)	8.1%	8.7%	10.8%	13.2%	10.5%	5.5%	6.8%	8.8%
Social housing growth (2a)	2.4%	3.7%	3.7%	4.3%	3.6%**	3.8%	3.4%	2.4%
Other housing growth (2b)	0.8%	0.7%	0.7%	0.3%	0.5%	0.0%	0.0%	0.1%

*The numbers in brackets refer to the Regulator's VFM measures
**Figure previously reported as 4.7%

We can develop more than our peers because we generate more of the funding ourselves:

Funding for our developments (£m's)	2021	2022	2023	2024	2025	2026	2027 target
Grant funded	78.0	28.8	0.8	34.8	47.3	50.8	33.0
Debt funded	2.0	74.3	140.8	298.5	189.0	74.1	180.0
Self-funded	205.0	207.4	214.9	198.9	234.7	201.3	237.0
Total	**285.0**	**310.5**	**356.5**	**532.2**	**471.0**	**326.2**	**450.0**

With 1,549 new homes this year we've delivered over 10,000 new homes since we were formed in 2017. Out of those 10,000 new homes, over 80% are affordable tenures. These homes reflect a strong commitment to giving people across communities more choice, greater stability, and the security of a place they can truly call their own.

We achieve this by generating a healthy surplus and using it to subsidise our development costs.

We manage the mix of our programme to generate a profit from sales which subsidises our affordable rented homes, taking care not to over-expose ourselves to the housing market.

We've locked in interest rates by fixing the rates on 87% of our debt, enabling us to put more resources into development without worrying about rising interest rates.

We're clear that building homes for social rent is a vital part of meeting housing needs, making maximum use of our surplus to make our new homes as affordable as possible.

VFM objective 3: Continually improving the return on our assets

Measure	2021	2022	2023	2024	2025	2026	2027 target	Benchmark Top Quartile 2025
Gearing – historic cost % (3)	47%	47%	48%	52%	52%	52%	56%	45%
EBITDA MRI interest cover (4)	229%	213%	177%	144%	141%	140%	142%	101.7%
Return on capital employed (7)	3.8%	3.9%	3.8%	3.3%	3.5%	3.5%	4.5%	3.1%
Occupancy rate (LCRA)	99.5%	99.1%	98.9%	99.1%	99.1%	99.6%	99.1%	99.7%
Rent collected	103.4%	102.2%	101.6%	100.7%	101.3%	103.1%	101.5%	
Current tenant arrears %	4.45%	4.06%	4.08%	4.09%	3.71%	3.51%	3.4%	
Average re-let days (LCRA only)	52	43	46	47	34	47	28	30
Void loss %	1.28%	1.14%	1.09%	1.30%	0.85%	0.98%	0.80%	

* The numbers in brackets refer to the Regulator's VFM measures
** Benchmarks are derived from the Sector Scorecard data of 9 peers

We have continued to perform well on rent collection and improved the level of arrears. In these areas we compare well against our peers.

We're committed to achieving our targets on both re-let days and void loss. Whilst we improved performance in 2025, in 2026 we ended up with more homes empty for longer than expected.

We're focusing on the end-to-end re-let process across repairs, lettings and neighbourhood teams as we work towards our published target. Improved collaboration, reporting and controls are expected to underpin performance. improvement.

Section 2:

The Board's report

Our legal structure

VIVID Housing Limited is registered in England and Wales as a registered society under the Co-operative and Community Benefit Societies Act 2014 under number 7544 with exempt charitable status and as a registered provider of social housing with the Regulator of Social Housing under number: 4850. We're authorised by the Financial Conduct Authority, number 776452.

Here's an overview of the companies within our group:

- **Bargate Homes Limited (05626135)**
  Wholly owned by VIVID (100% share capital)
  Provides development services and carries out market sales
- **Bargate SPV1 Limited (07957165)**
  Wholly owned by Bargate Homes Limited (100% share capital)
  A dormant subsidiary of Bargate Homes
- **Mitre Court (Fareham) Ltd (01350375)**
  Limited by guarantee, with VIVID as the member
  Delivers property management services
- **Peninsular Capital PLC Company number (14372582)**
  A Public Limited Company established to transact our EMTN programme
- **Vestal Developments Limited (05509078)**
  Wholly owned by VIVID (100% share capital)
  Provides development services and market sales
- **VIVID Build Limited (07930319)**
  Wholly owned by VIVID (100% share capital)
  Focuses on development and construction activities
- **VIVID Plus Limited (8540)**
  Registered as a community benefit society under the Co-operative and Community Benefit Societies Act 2014, with VIVID as the parent entity. Its charitable purpose is to create and support long term, sustainable communities by improving opportunities and prospects for local residents

Our Board

Non-executive Board members

Charles Alexander	Group Board Chair
Jo Moran	Senior Independent Director, Chair of Customer Service Committee
Sandeep Agarwal	Chair of Treasury Committee
Naleena Gururani	Chair of Remuneration and Nominations Committee
Anne-Marie Mountifield	Chair of VIVID Plus
Caroline Stockmann	Chair of Audit and Risk Committee
Ian Playford	Non-Executive Director
Andrew Binnie	Non-Executive Director
Abi Kee	Co-opted member of Treasury Committee and Board Observer

Executive Board members

Mark Perry	Chief Executive
Margaret Dodwell	Chief Operating Officer
Mike Shepherd	Chief Investment Officer (since January 2026)
David Ball	Chief Financial Officer (since March 2026)

Retired during the year

Shena Winning	Until July 2025
Tristan Samuels	Until January 2026

The Board sets the strategic direction for VIVID and its subsidiaries, helping us stay ahead by anticipating future trends and challenges. Their forward-thinking approach supports our ambitious goals and ensures we continue to meet the evolving needs of our customers.

Our Board also plays a vital role in overseeing the services we deliver. They monitor our performance and financial management closely, making sure everything runs effectively and that we maintain strong standards of excellence and accountability.

We believe in being open and transparent about how much we pay our Board members. To ensure fairness and competitiveness, we review their remuneration regularly. We use independent advice and benchmarking at least every 3 years. Details of remuneration for Non-Executive Board members and executive directors can be found pages 47 and 48.

Visit our annual review microsite

Bargate Homes Ltd Board
The Board of Bargate Homes Ltd is appointed by the VIVID Group Board. It's chaired by Mark Perry, with Board members Mark White, Steve Birch and Tristan Samuels (serving until January 2026), and Mike Shepherd joining from January 2026.

Vestal Developments Ltd Board
The Board of Vestal Developments Ltd is appointed by the VIVID Group Board. It's chaired by Mark Perry, joined by David Ball and Tristan Samuels (until January 2026), with Mike Shepherd joining from January 2026.

VIVID Build Ltd Board
The Board of VIVID Build Ltd is appointed by the VIVID Group Board. It's chaired by Mark Perry, with David Ball serving alongside him as a fellow Board member.

VIVID Plus Board
The Board of VIVID Plus is appointed by the VIVID Group Board. It's chaired by Anne-Marie Mountifield, who is joined by Board members Duncan Short, Margaret Dodwell, Robert Bowley and Giuseppe Severgnini with Sarah Andrews attending as an observer.

Peninsular Capital PLC Board
The Board of Peninsular Capital PLC is appointed by the VIVID Group Board. It's chaired by Mark Perry, with David Ball and Jonathan Roberts serving as directors.

Our committees

Audit and Risk Committee
Chair: Caroline Stockmann

The Audit and Risk Committee is responsible for overseeing our risk management processes and providing assurance on the effectiveness of our internal control framework. Additionally, it provides audit and assurance services to Vestal Developments Limited and VIVID Build Limited under the terms of the Intra-Group Agreements.

During the year, the committee met 5 times and provided strong independent oversight of our risk, assurance and control framework, supporting the Board through a challenging regulatory and operating environment.

The committee monitored the strategic risk register, reviewed quarterly assurance and audit activity, and scrutinised the effectiveness of key controls. It considered the findings of independent reviews, including an economic standards health check and agreed further targeted external assurance where this would strengthen confidence and assurance.

The committee oversaw financial, regulatory and audit governance matters. It approved the 2025-26 assurance plan and endorsed a new 5-year assurance programme, ensuring that assurance activity remains proportionate, forward looking and closely aligned to our strategic risks.

Customer Service Committee
Chair: Jo Moran

The Customer Service Committee (CSC) is focused on ensuring clear service standards are in place and consistently delivered. The committee oversees how complaints are handled to ensure they're managed promptly, effectively and fairly, and that learning from complaints is used to drive continuous service improvement.

During the year, the committee met 4 times and provided focused oversight of service delivery, customer experience and complaint handling, ensuring customer priorities remained central to decision-making. The committee reviewed performance against service standards and Tenant Satisfaction Measures, scrutinised complaints handling and learning, and monitored customer feedback to drive service improvement.

It approved the Customer Influence Strategy and delivery plan, strengthened customer involvement in governance, and supported ongoing progress following our achievement of the Tpas Landlord Accreditation.

The committee also oversaw key service standards, repairs performance and customer communications, providing assurance to the Board that services are responsive, fair and continuously improving in line with customer expectations.

Remuneration and Nominations Committee

Chair: Naleena Gururani

The Remuneration and Nominations Committee (RNC) oversees our approach to people, culture and reward, and is responsible for matters relating to the appointment, performance and remuneration of our non-executive directors and the Chief Executive.

During the year, the committee met twice and provided assurance over key people, culture, reward and governance matters. The committee monitored progress against the governance improvement plan, reviewed regular people and culture updates and oversaw the application of the people policy and code of conduct. This included consideration of gender and ethnicity pay reporting, supporting transparency, fairness and our commitment to inclusive employment practices.

The committee also supported the recruitment and appointment of Board and committee members, including customer representatives, helping to ensure the Board continues to have the right balance of skills, experience and perspectives. In addition, the committee considered executive and staff remuneration, ensuring decisions were fair, transparent and aligned with our values, strategic priorities and long-term objectives.

Project Approvals Committee

Chair: Mark Perry

The Project Approvals Committee approves major project expenditure that supports our Development Strategy and Corporate Plan. It provides oversight of contract awards and improvement programmes to ensure projects deliver expected benefits and that associated risks are well managed. Its remit covers new developments, remodelling, rehabilitation, regeneration, stock disposal, and other projects within the asset management strategy.

During the year the committee met 11 times and provided robust oversight of major development and asset investment decisions. This included ensuring projects were strategically aligned, financially viable and delivered value for money.

The committee considered and approved a range of development, regeneration and asset management projects, scrutinising financial viability, delivery risk and strategic alignment. It monitored progress across the development programme, reviewed completed schemes to capture learning, and maintained oversight of our Homes England strategic partnerships, including progress against Strategic Partnership 1 (SP1) and Strategic Partnership 2 (SP2).

In addition, the committee provided assurance on contract awards and project risk management, supporting the delivery of new homes and continued investment in existing homes to meet the needs of our customers.

Treasury Committee

Chair: Sandeep Agarwal

The Treasury Committee is responsible for overseeing our Treasury Strategy and approving new funding to support the delivery of our corporate plan and development ambitions.

During the year, the committee met 5 times and oversaw delivery of the Treasury Strategy, providing assurance on funding, liquidity and financial risk management in a volatile market environment. The committee approved new funding arrangements, monitored covenant compliance and liquidity levels, and reviewed treasury risks, including interest rate and counterparty risk.

It supported the continued diversification of our funding base, strengthened relationships with lenders and capital markets, and maintained oversight of the EMTN programme and our unencumbered asset position. Through this work, the committee helped ensure we remained financially resilient and well positioned to support ongoing investment in new and existing homes.

About us

Chief Executive
Mark Perry

Executive Officers
David Ball, Chief Financial Officer (appointed 16 May 2025)

Margaret Dodwell, Chief Operating Officer

Duncan Short, Group Resources Director

Mike Shepherd, Chief Investment Officer (appointed 19 January 2026)

Tom Robinson, Executive Director of Assets and Sustainability (Until December 2025)

Tristan Samuels, Group Development and New Business Director (until January 2026)

Company Secretary
David Ball, Chief Financial Officer (appointed 16 May 2025)

Registered office
Peninsular House, Wharf Road, Portsmouth, Hampshire, PO2 8HB

Bankers
Royal Bank of Scotland, 250 Bishopsgate, London, EC2M 4AA

External auditors
BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Internal auditors
KPMG, 15 Canada Square, London, E14 5GL

Accountancy and tax advisors
BDO LLP, 2 City Place, Beehive Ring Road Gatwick, West Sussex, RH6 0PA

Solicitors
Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES

Ashfords LLP, Ashford House, Grenadier Road, Exeter, Devon, EX1 3LH

Bevan Brittan LLP, Kings Orchard, 1 Queen Street, Bristol, BS2 0HQ

Capsticks LLP, Staple House, Staple Gardens, Winchester, Hampshire, SO23 8SR

Clarke Wilmott LLP, Burlington House, Botleigh Grange Business Park, Southampton, SO30 2AF

Devonshires Solicitors LLP, 30 Finsbury Circus, London, EC2M 7DT

Foot Anstey LLP, Salt Quay House, 4 North East Quay, Sutton Harbour, Plymouth, Devon, PL4 0BN

Penningtons Manches Cooper LLP, 125 Wood Street, London, EC2V 7AW

Sharratts (London) LLP, 1 The Old Yard, Rectory Lane, Brasted, Westerham, Kent, TN16 1JP

Talbots Law, 31 Wolverhampton Street, Dudley DY1 1DB

Trowers & Hamlins LLP, 3 Bunhill Row, London, EC1 8YZ

Winckworth Sherwood, Arbor, 255 Blackfriars Road, London SE1 9AX

Treasury advisors
Chatham Financial, 68 Broadwick Street, London, W1F 9QZ

More details on our Board and Executive team members can be found on our website.

Corporate governance

The Board is committed to maintaining the highest standards of governance, and we're proud to follow the National Housing Federation's 2020 Code of Governance. It's an important part of how we make sure we're doing things the right way. Every year, we carry out a detailed self-assessment, with oversight from both the Audit and Risk Committee and the Board. We're pleased to say that we met every requirement of the code over the past year.

This year, we commissioned an independent governance effectiveness review to provide external assurance over our governance arrangements and their alignment with best practice. The review has confirmed areas of strength and helped to shape our ongoing focus on effective governance.

Compliance with regulatory standards

The Board confirms that we continue to meet all the economic and consumer standards set by the Regulator of Social Housing.

To reach this conclusion, the Board has taken time to review our performance, ask the right questions, and gather the assurance needed to be confident that we're fully compliant with all regulatory expectations.

Regulatory performance

We're proud to have maintained the highest gradings for our governance and viability (G1/V1), following our stability check completed by the Regulator of Social Housing on 17 December 2025.

Risk and internal controls

The Board is responsible for our system of internal control and for reviewing its effectiveness. This system is designed to manage rather than eliminate the risk of failure to achieve our corporate ambitions. It provides reasonable, but not absolute, assurance over the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

Our system of internal control includes:

Governing documents

- Our rules provide a comprehensive governance framework
- Our standing orders and financial regulations provide clearly defined roles, responsibilities, management and reporting structures, including a system of delegation
- Our Intra-group Agreements set out agreed terms, roles and responsibilities between VIVID and our subsidiaries

Policy framework

- Our Treasury Management Policy sets out our golden rules, ensuring we can provide financial resources necessary to achieve our business plan objectives and manage the risks inherent in our treasury activity
- Our Investment Policy sets out clear parameters for us to invest our funds to either produce a financial return or further our charitable aims
- Our Prevention of Financial Crime Policy sets out our approach to preventing, detecting, managing and reporting financial crimes. This is supported by our Response Plan, which strengthens our organisational readiness and ensures a consistent response to suspected incidents
- Our Speak Up (whistleblowing) and Complaints policies further support this by encouraging individuals to raise concerns over any wrongdoing

Risk management

- Our Risk Management Framework provides a structured approach for identifying, assessing and managing risks. It supports effective decision making and ensures that risk considerations are embedded within our governance and assurance processes
- Our Strategic Risk Register, owned by the Board, serves as a critical tool for identifying and managing risks that could impact our strategic objectives. The register is reviewed regularly:
  - Monthly by the Directors Group
  - Quarterly by the Executive Board
  - At every meeting of the Audit and Risk Committee
  - At least 4 times a year by the Board
- It is always accompanied by a Strategic Risks / Issues Report, ensuring that risk oversight remains comprehensive and aligned with our governance framework. Additionally, the register plays a key role in driving our specialist audit assurance work, supporting a proactive approach to risk management and internal controls
- Our Operational Risk Register is owned by the executive and captures risks that may affect our day-to-day operations and overall efficiency. It's reviewed quarterly by Heads of Service and other operational risk owners. The register drives our operational quarterly controls internal audits

Assurance activities

- Strategic risks - our Assurance Plan, approved by the Audit and Risk Committee, sets out the forward programme of specialist audit work designed to support pro-active risk management. The plan is devised based on our top strategic risks, agreed risk appetite, core business functions and landlord health and safety compliance. The plan is reviewed at every Audit and Risk Committee meeting to ensure it remains aligned to the current risk environment and operational priorities

- Operational risks - Heads of Service (and other operational risk owners) complete quarterly self-certification confirming that their controls for operational risks are operating effectively or that action is being taken where they are not. Our internal audit service, provided by KPMG, assesses compliance with our operational controls each quarter

- The outcomes of strategic and operational audits are reported to Audit and Risk Committee and managed through our Control Improvement Plan (CIP) which tracks actions taken to strengthen our risk management and internal controls. The Executive team maintain oversight of the CIP and it is reviewed at every Audit and Risk Committee meeting

- Our Business Plan is stress tested using several scenarios linked to our Strategic Risk Register. We use these to understand what would “break the plan.” We also use combinations of these tests to simulate extreme economic/financial shocks and understand their impact on the business plan. In response to the more extreme stress tests, we’ve developed recovery plans which will enable us to respond to these scenarios without breaking our covenants

Fraud reporting

We keep a clear and up-to-date Fraud Register, and every entry is reported to the Audit and Risk Committee at each of their meetings. We also submit the full register to the regulator once a year, ensuring full transparency and accountability.

Self-assessments

- Every year, we look at how well we’re living up to the Code of Governance, Economic Standards, Consumer Standards and the Housing Ombudsman’s Complaint Handling Code. We carry out a full self-assessment and share what we’ve learned with both the Audit and Risk Committee and the Board, keeping everyone aligned and informed

- To stay on top of legal and regulatory changes, we run an ongoing compliance programme supported by structured assessments and 6 monthly legal updates. This helps us spot changes early and make sure our practices continue to meet the latest requirements

Performance monitoring

- Each month, our executive team and the Board take time to review our management accounts and performance report

- The Board receive an update on strategic issues at each of their meetings, together with updates from our committees where they have met

Risk appetite

To meet our strategic objectives, we need to take some calculated risks whilst maintaining strong oversight and responsibility. To do this effectively, the Board has considered the level of risk it is prepared to accept and defined this in its risk appetite statements.

These cover 6 categories of risk:
- Financial
- Health and safety
- Reputational
- Service delivery
- Legal and regulatory compliance
- Cyber and data protection

Our risk appetite supports our vision, “More homes, bright futures” by helping us provide safe, quality and affordable homes, provide a good service and protect the safety and wellbeing of our customers and colleagues.

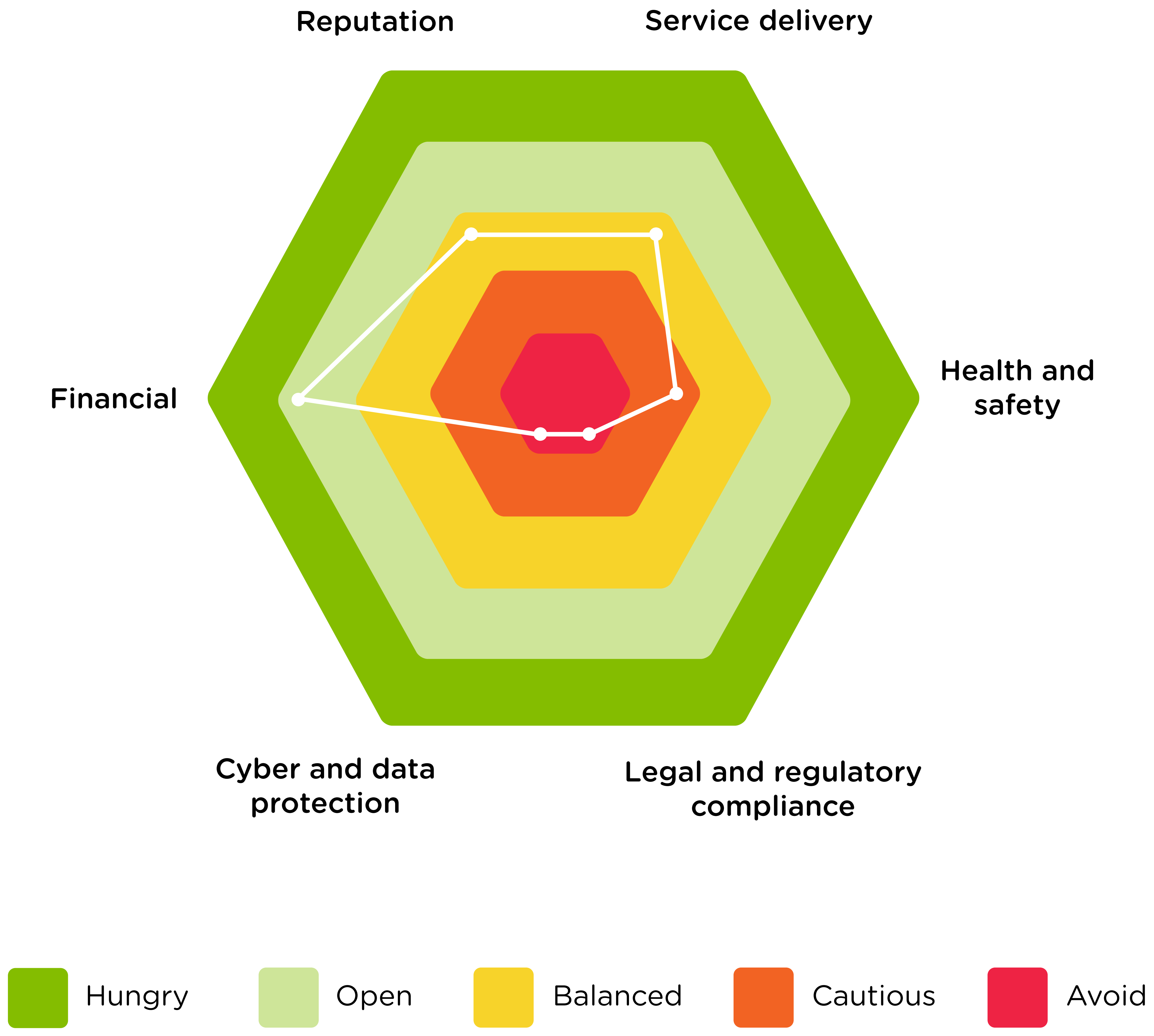
We have an open appetite for financial risk where this enables investment, innovation and the delivery of more homes, provided risks are well-managed and aligned to our long-term viability.

We take a balanced approach to risks that could affect service delivery or our reputation, ensuring we protect customer trust while enabling improvement and change.

We have a cautious appetite for health and safety related risk and aim to avoid all legal and regulatory compliance, and cyber security and data risks. This reflects our commitment to keeping our customers and colleagues safe.

Across all activities we take disciplined and transparent decisions to ensure risks are understood and well-controlled.

Our Risk Management Framework is built around our risk appetite and is designed to highlight any exposures which exceed the level of risk that we’re comfortable with.



Key strategic risks and how we're managing them

Risk	How we're managing the risk
Lack of data integrity leading to inaccurate business decisions and regulatory data submissions	• We have a robust Data Governance Framework in place to oversee the management of the availability, usability, integrity and security of our data • A Data Quality Tool monitors key business rules as defined by the data owners and stewards and informs them when a rule is broken • Data Impact Assessments are carried out on all changes accepted by the Change Advisory Board (CAB) to ensure new data being collected is effectively managed and is aligned with GDPR • We have an AI Strategy and an AI Steering Group who ensure responsible/ethical use of AI. And we have AI model monitoring in place to ensure the accuracy of our machine learning models at any given point in time
Failure to comply with new regulatory consumer standards and tightening of regulation of existing standards	• We receive regular legal update reports and review our compliance against new and upcoming legislation and action where required. All reports go to our Audit and Risk Committee for review • We maintain a live self-assessment document against the Regulatory Standards which is regularly reviewed and updated to ensure continued compliance. The process serves as a key driver for continuous improvement, allowing us to identify areas for enhancement and pro-actively address emerging challenges • Regular assurance of our compliance against the standards is embedded within our Assurance Plan ensuring continuous oversight • We conduct annual reviews of compliance with the Code of Governance, the Ombudsman's Complaint Handling Code and Consumer and Economic Standards to ensure adherence to regulatory requirements and best practices. These are overseen annually by the Executive team, Audit and Risk Committee and Board
Failure to maintain or improve customer experience and satisfaction	• We have a dedicated Customer Resolution team who support the business in our complaints handling. The team ensure we work effectively within the Housing Ombudsman framework and we undertake an annual self-assessment to ensure we are compliant • We capture and analyse all data and feedback from customer surveys and complaints, identifying key themes to gain valuable insights into customer experiences. These findings are shared across the business, informing service enhancements and ensuring that customer feedback directly shapes improvements to our operations and service delivery • We have a set of core service standards, developed in collaboration with our customers, which set out our level of service which are published on our website. We measure our achievement of these standards via metrics which are published regularly shared with the Operations Management Team and our Customer Service Committee and published on our website
Failure to maintain the condition of our homes which leads them to fall into disrepair	• We undertake targeted stock surveys to increase our knowledge of the properties and estates to ensure properties are kept up to all required standards and we use this data to inform our investment prioritisation • We have a dedicated Damp and Mould (D&M) team who manage disrepair cases through to completion and maintain contact with the customer throughout. And we have trained D&M specialists who carry out assessments, inspections and reports • Our Transformation Programme, P25, has enabled us to create enhanced reporting dashboards and end-to-end workflows to ensure we fully comply with the requirements of Awaabs Law
A cyber incident that seriously disrupts our ability to deliver services as normal or has a major impact on reputation	• We have critical incident response plans in place to specifically manage our response to any potential cyber-attack, ensuring that our key services can continue in the event of an incident • As part of our critical incident response plans a separate Office 365 environment is available to use in the event of a severe systems outage on VIVID systems. Senior Management and members of the Critical Incident Response team all have access, and business critical documents are uploaded here on a regular basis • We have very sophisticated defences against cyber threats including an array of security controls, products and services in place to protect from external threats and various technological measures in place to protect our perimeter • We continually monitor security intelligence from our managed service partners, IT professional websites and vendor specific feeds. We have a specialist IT Security team who monitor this information and take appropriate action to mitigate risks and respond to emerging threats
Failure to anticipate and prepare for emerging housing, fire and building safety legislative and regulatory requirements	• We have a comprehensive Fire Safety Strategy and Policy, aligned to current regulatory requirements. This is reviewed annually and approved by the Board • Horizon scanning is a key component of our risk management framework. The Risk and Assurance team monitor legislative, regulatory and sector developments and shares relevant fire and building safety updates with operational teams and the Executive. Emerging risks are reviewed monthly by Operational Leadership, supported by six monthly external legal updates, with progress and actions reported to the Audit and Risk Committee twice a year. • We undertake internal gap analysis reviews to assess VIVID's readiness for key emerging housing, fire and building safety legislation. Recommended improvement actions are captured and progress is monitored through to completion by the relevant business area. External reviews are commissioned as required in response to significant legislative change, providing additional assurance and allowing a flexible, proportionate approach

Board's statement on internal control

During the year, the Board received the following assurance about our system of internal control:

- Chief Executive's annual report on internal control
- Audit and Risk Committee's annual report on its work and opinion on internal control
- Internal auditor's annual report on its work
- Self-assessments confirming our compliance with:
    - The Code of Governance
    - Economic Standards
    - Consumer Standards
    - The Housing Ombudsman's Complaint Handling Code

The Board confirms that there are currently no significant control weaknesses, and that our established and sound system of internal controls has operated satisfactorily throughout the year.

Directors' indemnities

Directors' and officers' liability insurance cover has been arranged for all directors and officers to provide indemnity for the cost of claims of alleged mismanagement of the organisation.

Our rules indemnify each of the directors of the company and/or its subsidiaries and the directors' and officers' liability insurance provides reimbursement to the organisation in such circumstances.

The indemnity was in force during the 2025-26 financial year and remains in force for all current and past directors of VIVID.

Disclosure of information to the auditor

The directors who held office at the date of signing this report confirm that, so far as they are each aware, all relevant information has been provided to the auditor and each director has taken all the steps they ought to have taken to be aware of any relevant audit information and provided it to the auditor.

Statement of Board responsibilities

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Societies law requires the Board to prepare financial statements for each financial year. Under those regulations, the Board has 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.

The financial statements are required by law to give a true and fair view of the state of affairs of the group and the association and of the income and expenditure of the group and the association for that period. In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022 and the Statement of Recommended Practice (SORP) 2018.

The Board has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities. The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The Board reviewed the association's business plan in January 2026 and was content that these plans were affordable and that the accounts should be prepared on a going concern basis.

Given the strength of the balance sheet and availability and liquidity of undrawn loan facilities, totalling around £863m, the Board believes that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the association's ability to continue as a going concern.

The Board, therefore, considers it appropriate for the accounts to be prepared on a going concern basis.

C Alexander

Charles Alexander

On behalf of the Board
18 June 2026

Section 3:

Financial statements

Independent auditor’s report to the members of VIVID Housing Ltd

Opinion

In our opinion the financial statements:

- **the financial statements give a true and fair view of the state of the Group and of the Association’s affairs as at 31 March 2026 and of the Group and the Association’s surplus and the Group’s and the Association’s cash flows for the year then ended;**

- **the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and**

- **the financial statements have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.**

We have audited the financial statements of VIVID Housing Limited (“the Association”) and its subsidiaries (“the Group”) for the year ended 31 March 2026 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in reserves, consolidated statement of cash flows, association statement of comprehensive income, association statement of financial position, association statement of changes in equity, association statement of cash flows, and the related 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 remain independent of the Group and the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Group's and 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. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information including the Strategic Report and 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 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 the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- **the information given in the Report of the Board of management for the financial year for which the financial statements are prepared is not consistent with the financial statements;**
- **adequate accounting records have not been kept by the parent Association; or**
- **the parent Association financial statements are not in agreement with the accounting records and returns; or**
- **we have not received all the information and explanations we require for our audit.**

Responsibilities of the Board

As explained more fully in the Statement of Boards' Responsibilities, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the group's and 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 group or 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.

Non compliance with laws and regulations

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounting Direction for Private Registered Providers of Social Housing and tax legislation.

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 including the Audit and Risk Committee regarding and known or suspected instances of fraud and;
- Obtaining and understanding of the Group'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 minuets of meeting of those charged with governance 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;
- 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 control and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Testing a sample of journal entries throughout the year, which met a defined risk criterion, by agreement to supporting documentation; and
- Challenging assumptions made by management in their significant accounting estimates and judgements in relation to the impairment, investment property classifications, defined benefit obligation, arrears provisions, classification of housing loans, useful economic lives and goodwill;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing.

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

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:
BDO LLP
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BDO LLP
Senior Statutory Auditor
Gatwick, UK

21 July 2026

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

Statement of Comprehensive Income for the year ended 31 March 2026:

All of the Group's activities relate to continuing operations.

The notes on pages 37-66 form part of these financial statements.

	Notes	Group		Association	
		2026 £'000	**2025 £'000**	**2026 £'000**	**2025 £'000**
Turnover	**2**	388,681	407,478	333,520	321,753
Operating costs	**2**	(170,179)	(164,294)	(167,170)	(161,255)
Cost of sales	**2**	(88,640)	(118,344)	(35,611)	(39,257)
Operating surplus	**2**	**129,862**	124,840	**130,739**	121,241
Surplus on sales of properties	**4**	7,803	6,638	7,803	6,638
Operating surplus after sale of properties		**137,665**	131,478	**138,542**	127,879
Share of (deficit) / surplus in Joint Ventures	**15**	(102)	145	165	266
Interest receivable and similar income	**8**	2,038	1,675	6,609	7,128
Interest and financing costs	**9**	(87,890)	(71,998)	(87,123)	(70,229)
Change in fair value of Investment Properties	**14**	(786)	765	(786)	765
Surplus before taxation		**50,925**	62,065	**57,407**	65,809
Taxation	**10**	(167)	(124)	(167)	(106)
Surplus for the year		**50,758**	61,941	**57,240**	65,703
Other comprehensive income					
Actuarial gain/(loss) in respect of pension schemes	**29**	1,978	(989)	1,978	(989)
Change in fair value of cash flow hedge	**21**	2,563	3,814	2,563	3,814
Total comprehensive income for the year		**55,299**	64,766	**61,781**	68,528

Statement of Changes in Reserves for the year ended 31 March 2026:

	Group		Group		Group	
	Revaluation Reserve 2026 £'000	Revaluation Reserve 2025 £'000	Cashflow Hedge Reserve 2026 £'000	Cashflow Hedge Reserve 2025 £'000	Revenue Reserve 2026 £'000	Revenue Reserve 2025 £'000
As at 1 April	6,211	5,075	1,012	(2,801)	892,698	832,149
Surplus for the year	-	-	-	-	50,758	61,941
Actuarial profit/(loss)	-	-	-	-	1,978	(989)
Other adjustment	-	371	-	-	206	362
Loss on financial derivatives	-	-	2,563	3,813	-	-
Revaluation during the year	(786)	765	-	-	786	(765)
At 31 March	**5,425**	6,211	**3,575**	1,012	**946,426**	892,698

	Association		Association		Association	
	Revaluation Reserve 2026 £'000	Revaluation Reserve 2025 £'000	Cashflow Hedge Reserve 2026 £'000	Cashflow Hedge Reserve 2025 £'000	Revenue Reserve 2026 £'000	Revenue Reserve 2025 £'000
As at 1 April	6,211	5,075	1,012	(2,801)	902,653	839,073
Surplus for the year	-	-	-	-	57,240	65,703
Actuarial profit/(loss)	-	-	-	-	1,978	(989)
Other adjustment	-	371	-	-	-	(369)
Loss on financial derivatives	-	-	2,563	3,813	-	-
Revaluation during the year - Investment Properties	(786)	765	-	-	786	(765)
At 31 March	**5,425**	6,211	**3,575**	1,012	**962,657**	902,653

Statement of Financial Position As At 31 March 2026:

The financial statements were approved by the Board on 18 June 2026 and signed on its behalf by:

Charles Alexander
Chair

Caroline Stockmann
Board Member

David Ball
Secretary

The notes on pages 37-66 form part of these financial statements.

	Notes	Group		Association	
		2026 £'000	2025 £'000	2026 £'000	2025 £'000
Fixed Assets:					
Housing properties	11	3,713,339	3,536,551	3,757,788	3,560,116
Other Fixed Assets	12	41,660	34,422	41,583	34,319
Intangible Fixed Assets	13	8,790	11,574	-	-
Investment Properties	14	26,538	26,352	26,538	26,352
Homebuy loans	15	1,887	1,976	1,887	1,976
Investments in joint ventures	15	2,981	3,248	3,215	3,215
Investments	15	110	110	50,833	50,833
		3,795,305	3,614,233	3,881,844	3,676,811
Current assets:					
Stock	16	197,809	185,094	43,671	54,876
Debtors	17	30,074	34,795	103,742	103,162
Cash at bank and in hand		84,127	72,779	70,484	50,352
		312,010	292,668	217,897	208,390
Creditors: Amounts falling due within one year	18	(135,986)	(135,024)	(121,817)	(110,793)
Net current assets		176,024	157,644	96,080	97,597
Total assets less current liabilities		3,971,329	3,771,877	3,977,924	3,774,408
Creditors: Amounts falling due after one year	19	(3,012,263)	(2,864,309)	(3,003,301)	(2,857,774)
Provisions for liabilities					
Pension scheme provision	29	(2,914)	(6,699)	(2,914)	(6,699)
Deferred tax	24	(726)	(948)	(52)	(59)
Total net assets		**955,426**	899,921	**971,657**	909,876
Capital and reserves:					
Share capital – non-equity	25	-	-	-	-
Revenue reserve		946,426	892,698	962,657	902,653
Revaluation reserve		5,425	6,211	5,425	6,211
Cashflow hedge reserve		3,575	1,012	3,575	1,012
Total reserves		**955,426**	899,921	**971,657**	909,876

Statement of Cashflows for the year ended 31 March 2026:

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Cash flows from operating activities:				
Operating surplus	129,862	124,840	130,739	121,241
Adjustment for surplus of sale of current asset	(9,797)	(19,541)	(4,773)	(10,127)
Proceeds on sale of current assets	98,437	137,909	40,384	49,384
Proceeds on sale of housing properties	17,800	15,727	17,800	15,727
Depreciation of tangible fixed assets	50,869	45,940	48,058	43,156
Increase in properties for sale	(101,356)	(107,290)	(24,406)	(38,067)
(Increase) in debtors	4,720	(7,057)	(580)	(608)
(Decrease)/increase in creditors	(16,185)	(12,730)	(8,557)	(443)
Grant amortisation	(7,085)	(6,616)	(7,085)	(6,616)
Pension payments	(1,806)	373	(1,806)	373
Fair value movement in financial derivatives	2,563	3,814	2,563	3,814
Other	57	46	71	58
Net cash from operating activities	**168,079**	175,415	**192,408**	177,892
Cash flows from investing activities:				
Additions to fixed assets and investments	(224,760)	(363,711)	(245,644)	(367,362)
Investment in Peninsular Capital	-	-	-	(10,000)
Proceeds from sale of assets	89	106	89	106
Grants received	50,760	47,285	50,760	47,285
Interest received	2,038	1,675	6,609	7,128
Return on Investment	165	266	165	266
	(171,708)	(314,379)	**(188,021)**	(322,577)
Cash flow from financing activities:				
Interest Paid and other finance costs	(102,485)	(89,067)	(101,718)	(87,298)
Loan repaid	(501,638)	(274,065)	(501,638)	(274,065)
Drawdown from loan facilities	619,100	519,000	619,101	519,000
	14,977	155,868	**15,745**	157,637
Net change in cash and equivalents	**11,348**	16,904	**20,132**	12,952
Cash and equivalents at beginning of year	72,779	55,875	50,352	37,400
Cash and equivalents at end of year	84,127	72,779	70,484	50,352
Movement in cash and equivalents	**11,348**	16,904	**20,132**	12,952

Notes to the accounts

1. Accounting policies

1.1 Accounting convention, compliance with accounting standards and constitution

The Association is incorporated in England and Wales under the Co-Operative and Community Benefit Societies Act 2014 and is a registered housing association. The registered office is Peninsular House, Wharf Road, Portsmouth, Hampshire, PO2 8HB.

The financial statements have been prepared under the UK General Accepted Accounting Practice (UK GAAP) including the Financial Reporting Standard 102 (FRS102) and the Housing SORP 2018: Statement of Recommended Practise (SORP) for Registered Social Providers and complies with the Accounting Direction for Private Registered Providers of Social Housing 2022.

VIVID is a public benefit entity in accordance with FRS 102.

The Group financial statements are required to be prepared and consolidate those of the Association and its subsidiary undertakings drawn up to 31 March 2026. Profits or losses on intra-group transactions are eliminated in full.

1.2 Going concern

The group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

The group has in place long-term debt facilities, including £704m of undrawn loan facilities and £302m of shelf facilities, which provide adequate resources to finance committed reinvestment and development programmes, along with the group's day to day operations.

On this basis, the board has a reasonable expectation that the group has adequate resources to continue to meet its financial obligations as they fall due for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

1.3 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

a) Impairment

Management consider that there have been no impairment indicators in the year.

b) Investment property classifications

Investment properties consist of commercial properties and other properties not held for social benefit or for the use in the business under FRS 102. VIVID Housing reviewed all commercial properties and determined the majority were held for social purpose, and the stock held as market rental has been revalued and this is recognised in the financial statements.

c) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases.

Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in note 29).

d) Arrears provisions

Arrears provisions have been set based on our experiences of cash flows and recovery rates. We make allowances for housing benefit due and treat former tenant arrears prudently (see note 17).

e) Classification of housing loans

Judgements have been applied in determining whether our housing loans are "basic" or "other" financial instruments.

f) Useful economic lives

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components.

g) Goodwill

Goodwill has been recognised on the acquisition of Bargate Homes Limited. The useful economic life has been assessed as 10 years from the acquisition date to reflect the expected return on investment through the completion of its development pipeline.

1.4 Turnover

Turnover represents rental income, fees and service charges receivable in respect of the year, after deduction of void losses. It also includes revenue grants received from local authorities, Homes England, other stakeholders along with other income relating to the year which is recognised in the same period as the related expense. Turnover includes the proceeds of first tranche sales of properties developed for shared ownership and outright sales that are recognised on completion. Turnover also includes amortised government grant as required under the accrual model as defined by FRS102.

1.5 Tangible fixed assets

a) Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses.

The cost of acquiring properties includes all costs of acquiring the land and buildings, construction and interest on borrowings to finance the construction of assets.

Costs of construction are capitalised at their full amount and any retention is included within creditors due within one year.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the property are capitalised as additions in the year.

The cost of shared ownership properties held at the year end is included in Housing properties only to the extent that it represents the cost of subsequent tranches. The costs attributable to the unsold first tranche sales are classified as current assets within stock.

b) Depreciation

Depreciation is provided on a straight-line basis on properties to write-down the cost less residual value over the estimated useful lives of the assets, at the following rates:

Type of property	Depreciation rate
Freehold housing (structure)	1% per annum
Leasehold property	Over the life of the lease
Commercial and office buildings	1% - 2% per annum
Hostels	2% per annum

Depreciation is not provided on freehold land or on assets in the course of construction.

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, at the following annual rates:

Component	Depreciation life	Depreciation rate
Kitchens	20 years	5.00%
Bathrooms	30 years	3.33%
Roof	60 years	1.67%
Structure	100 years	1.00%
Windows / Doors	30 years	3.33%
Gas Boilers (domestic)	12 years	8.33%
Gas Boilers (communal)	25 years	4.00%
Heating Systems	30 years	3.33%
PV Panels	20 years	5.00%
Rewire	40 years	2.50%
Retrofit/Sustainability works	Up to 100 years	1.00%

Sustainability and retrofit projects will involve both the replacement of existing components as well as the inclusion of new additions and new technologies (new wall systems, external insulation solutions, ventilation systems etc) to significantly improve the energy efficiency of the property and ensure it continues to meet decent homes standards. Where a new system or technology is added to the property this will be capitalised as a new addition and depreciated over the expected useful life.

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c) Impairment

Annually housing properties are assessed for impairment indicators. Where an indicator is identified an assessment for impairment is carried out comparing the scheme's carrying amount to the recoverable amount of the asset of the respective cash generating unit. Where the carrying amount of a scheme is deemed to exceed the recoverable amount the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure.

Additional reviews are carried out to include properties developed for shared ownership sales, shared ownership properties earmarked for change in use and properties developed for outright sale which remain unsold at the year end.

d) Sales of housing accommodation

The surplus/deficit arising on sales of housing properties comprises of proceeds from property sales, which are recognised at the date of completion, less the net book value of the properties taking into account any associated sales costs.

The surplus or deficit on sales of housing accommodation takes into account any liabilities under right to buy sharing agreements with local authorities.

Sales of second or subsequent tranches of shared ownership properties are dealt with in the income and expenditure account after the operating surplus for the period within the surplus/deficit on sales of properties. Proceeds from first tranche sales of shared ownership and properties for constructed for outright sales properties are included within turnover with attributable costs being included within cost of sales.

e) Improvements to property and major repairs

The Group capitalises items of expenditure on housing properties if they result in an enhancement to the economic benefits from the property or if they replace a component that has been treated separately for depreciation purposes.

Works to existing properties which do not meet the above criteria are charged to the income and expenditure account.

f) Capitalisation of interest

Interest on loans financing a development scheme is capitalised to the extent that it accrues in respect of the period of development.

g) Capitalisation of development on-costs

Staff salary costs which are directly attributable to our Business Transformation project (Programme 2025) are capitalised. Other costs are capitalised only to the extent that they are incremental as a result of the project. Costs incurred, which are identified as abortive, are written off at the point at which it becomes apparent that the scheme is likely to be aborted.

h) Other tangible fixed assets

Other tangible fixed assets are stated at cost less accumulated depreciation and any impairment losses. On other fixed assets depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation used are as follows:

The rates of depreciation used are as follows:

Type of asset	Depreciation rate
Furniture, equipment, fixtures and fittings	10% to 33.3% per annum
Office refurbishment	20% per annum
Computer equipment	20% to 50% per annum
Leasehold improvements	Over the life of the lease

1.6 Investment properties

Investment properties are measured at cost on initial recognition and subsequently at fair value and any gains or losses arising from changes in the fair value are recognised in the surplus for the year. No depreciation is provided in respect of investment properties.

1.7 HomeBuy loans

Under the HomeBuy scheme, the Association receives HomeBuy grant representing a percentage of the open market purchase price of a property in order to advance interest free loans to a homebuyer. The loans advanced by the association meet the definition of concessionary loans and are shown as fixed asset investments on the statement of financial position. The HomeBuy grant provided by the government to fund all or part of a HomeBuy loan has been recognised as a creditor due in more than one year.

1.8 Accounting for joint ventures

Investments in joint ventures and jointly controlled entities will be held as part of Fixed Asset Investments. In accordance with section 9.26 of FRS102 the Association will account for these investments at cost (less impairment). On consolidation the investments will be accounted for in accordance with section 15.9a of FRS102, being initially held at cost and subsequently adjusted using equity accounting.

1.9 Investments

Unlisted fixed asset investments are stated at cost less provision for any impairment in value. Listed fixed asset investments are stated at market value and the unrealised gain/loss is recognised in the statement of comprehensive income.

1.10 Stocks and Work in Progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Work in progress represents the cost of assets (for outright sale) under development, and first tranches of shared ownership housing accommodation. For first tranche units, cost is allocated to work in progress on the basis of a 33% share until the point of actual completion, when the actual % sold is used.

1.11 Value added tax

The Group is VAT registered but a large proportion of its income, rent, is exempt for VAT purposes and therefore gives rise to a partial exemption calculation. Expenditure is therefore shown gross of VAT, with any net recovery of VAT included within operating costs.

1.12 Deferred Taxation

Deferred taxation is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those assets have not been rolled over into replacement assets. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in the future is uncertain. Any assets and liabilities recognised have not been discounted.

1.13 Rentals under operating leases

Rentals under operating leases are charged to the income and expenditure accounts as incurred.

1.14 Housing Grant

Housing Grants include grant received from Homes England, local authorities and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing properties structure under the accruals model.

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

Grants due or received in advance are included in current assets or liabilities.

Grants released on the disposal of an asset are credited to Recycled Capital Grant Fund. Where individual components are disposed of and this does not create a relevant event for recycling purposes any grant which has been allocated to the component is released to income. Upon disposal of the associated property, the group is required to recycle these proceeds and recognise them as a liability.

1.15 Pension costs

VIVID has four distinct pension arrangements in operation for its employees:

Hampshire County Council Pension Fund – Defined Benefit (DB)

VIVID participates in a defined benefit pension scheme which provides benefits based on final pensionable salary. VIVID has closed new membership admissions to the scheme for all staff. The assets of the scheme are held by the Hampshire County Council Superannuation Fund.

The pension costs relating to the scheme are accounted for in accordance with FRS102. Current service costs and interest costs relating to the net defined obligation are included in the income statement in the period to which they relate. Actuarial gains and losses as well as any other remeasurements are recognised in the statement of comprehensive income.

VIVID Housing Ltd Defined Benefit Scheme

On 31 January 2021 VIVID bulk transferred its share of assets and liabilities in the Social Housing Pension Scheme (SHPS) to a new standalone pension scheme. The scheme is closed to new entrants and any future accruals. The scheme is administered by The Pensions Trust with Verity Trustees Limited acting as Trustees.

The pension costs relating to the scheme are accounted for in accordance with FRS102. Current service costs and interest costs relating to the net defined obligation are included in the income statement in the period to which they relate.

The scheme surplus, actuarial gains and losses as well as any other remeasurements are recognised in the statement of comprehensive income.

Pensions Trust Growth Fund – Defined Benefit

VIVID participates in the Pensions Trust Growth Fund administered by The Pensions Trust Retirement Solutions. This is a multi-employer defined benefit scheme. VIVID has closed new membership admissions for all staff.

Sufficient information does not exist to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the scheme, the accounting charge for the period under FRS102 represents the employer contribution payable.

The scheme currently has a shortfall of assets compared to liabilities. Deficit recovery payment plans have been agreed between the participating employers and Trustees of the schemes to eliminate this shortfall. In line with FRS102 requirements, this cash payment plan has been recognised as a liability in the Statement of financial position and is measured at the reporting date by discounting the future cash outflows at the rate of a AA corporate bond. The unwinding of this discounting is recognised as a finance charge in the period to which it relates.

TPT FRP – Defined Contribution

VIVID participates in a defined contribution scheme provided by The Pensions Trust Retirement Solutions (TPT). This scheme is open to new members and is the preferred vehicle for auto enrolment. The accounting charge for the period represents the employer contribution payable.

1.16 Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument defined in section 11 of FRS102 are accounted for under an amortised cost model. Basic instruments which have undergone a substantial modification in terms are measured at the present value of future cashflows discounted at a market rate of interest for a similar instrument.

Non-basic financial instruments which meet the criteria in section 12 of FRS102 are recognised at fair value using a valuation technique. At each year end, the instruments are revalued to fair value, with the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. Where a hedge has become ineffective, the gain or loss relating to the ineffective portion is recognised in the income statement.

1.17 Hedge accounting

The Group designates certain derivatives as hedging instruments as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge, and on an ongoing basis, the Group documents whether a hedging relationship meets the hedge effectiveness requirements under FRS102 and whether there continues to be an economic relationship between the hedged item and the hedging instrument.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. Where a hedge has become ineffective, the gain or loss relating to the ineffective portion is recognised in the income statement.

Amounts previously recognised in other comprehensive income are reclassified to earnings in the periods when the hedged item is recognised in the income statement. These earnings are included within the same line of the income statement as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer meets the criteria for hedge accounting. Any gain or loss recognised in the cash flow hedge reserve remains in equity and is recognised in the income statement when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the income statement.

1.18 Corporation tax

The charge for taxation is based on surpluses arising on certain activities which are liable to tax.

1.19 Reserves

Revenue – contains all historic surplus' and deficits to date.

Revaluation reserve – contains the difference between the value in the statutory accounts and historic cost of assets and investments held fair value, incorporating an annual adjustment to the revenue reserve for excess depreciation.

Cash flow hedge reserve – contains the changes in the fair value of derivatives that are designated and qualify as cash flow hedges.

2. Group particulars of turnover, operating costs and operating surplus

	2026 Turnover	2026 Operating Costs	2026 Cost of Sales	2026 Operating Surplus/(Deficit)	2025 Turnover	2025 Operating Costs	2025 Cost of Sales	2025 Operating Surplus/(Deficit)
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
a) Group								
Social housing lettings (Note 3a)	280,216	(156,896)	-	123,320	259,153	(148,430)	-	110,723
Other social housing activities:								
Current asset property sales (Shared Ownership 1st tranche)	40,384	-	(35,611)	4,773	46,524	-	(36,742)	9,782
Development services	226	(1,008)	-	(782)	201	(2,864)	24	(2,639)
Total for social housing activities	**320,826**	**(157,904)**	**(35,611)**	**127,311**	305,878	(151,294)	(36,718)	117,866
Open market property sales	58,053	-	(53,029)	5,024	91,385	-	(81,626)	9,759
VIVID Plus Charitable Activities	36	(2,506)	-	(2,470)	43	(2,566)	-	(2,523)
Activities other than Social Housing Activities (Note 3b)	9,766	(9,769)	-	(3)	10,172	(10,434)	-	(262)
Total for all activities before disposals	**388,681**	**(170,179)**	**(88,640)**	**129,862**	101,600	(164,294)	(118,344)	124,840
Surplus on disposal of housing properties	-	-	-	7,803	-	-	-	6,638
Total for all activities	**388,681**	**(170,179)**	**(88,640)**	**137,665**	407,478	(164,294)	(118,344)	131,478

2. Association particulars of turnover, operating costs and operating surplus

	2026 Turnover	2026 Operating Costs	2026 Cost of Sales	2026 Operating Surplus/(Deficit)	2025 Turnover	2025 Operating Costs	2025 Cost of Sales	2025 Operating Surplus/(Deficit)
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
b) Association								
Social housing lettings (Note 3a)	280,216	(156,895)	-	123,321	259,153	(148,431)	-	110,722
Other social housing activities:								
Current asset property sales (Shared Ownership 1st tranche)	40,384	-	(35,611)	4,773	46,524	-	(36,742)	9,782
Development services	226	(999)	-	(773)	201	(2,852)	-	(2,651)
Total for social housing activities	**320,826**	**(157,894)**	**(35,611)**	**127,321**	305,878	(151,283)	(36,742)	117,853
Open market property sales	-	-	-	-	2,860	-	(2,515)	345
VIVID Plus Charitable Activities	2,681	(2,497)	-	184	2,414	(2,557)	-	(143)
Activities other than Social Housing Activities (Note 3b)	10,013	(6,779)	-	3,234	10,601	(7,415)	-	3,186
Total for all activities before disposals	**333,520**	**(167,170)**	**(35,611)**	**130,739**	321,753	(161,255)	(39,257)	121,241
Surplus on disposal of housing properties	-	-	-	7,803	-	-	-	6,638
Total for all activities	**333,520**	**(167,170)**	**(35,611)**	**138,542**	321,753	(161,255)	(39,257)	127,879

3a. Group & Association particulars of income and expenditure from social housing lettings

	General needs	Supported housing & housing for older people	Low cost home ownership	Other	Total 2026	Total 2025
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Rent receivable net of identifiable service charges	217,156	11,044	28,771	2,995	259,966	239,912
Service charge income	5,367	4,032	3,808	6	13,213	12,699
Amortised government grants	5,602	361	858	216	7,037	6,542
Turnover from social housing lettings	**228,125**	**15,437**	**33,437**	**3,217**	**280,216**	259,153
Management	25,931	1,800	2,986	383	31,100	27,493
Service charge costs	14,286	3,911	4,155	614	22,966	21,542
Routine maintenance	30,636	1,439	183	263	32,521	30,179
Planned maintenance	5,906	470	11	66	6,453	8,088
Major repairs expenditure	17,677	643	624	17	18,961	19,591
Bad debts	880	95	-	4	979	1,289
Rent charges & property lease charges	85	-	11	569	665	615
Depreciation of housing properties	36,552	1,779	4,069	851	43,251	39,634
Operating costs on social housing lettings	**131,953**	**10,137**	**12,039**	**2,767**	**156,896**	148,431
Operating surplus on social housing lettings	**96,172**	**5,300**	**21,398**	**450**	**123,320**	110,722
Void losses	1,593	495	-	70	2,158	1,853

3b. Turnover from non-social housing activities

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Lettings				
Market renting	1,712	1,918	1,712	1,918
Garage renting	1,705	1,683	1,705	1,683
Private sector leasing	878	1,149	878	1,149
Commercial	939	840	939	840
Leaseholder and owned by others	2,050	1,627	2,050	1,627
Total lettings	7,284	7,217	7,284	7,217
Other				
Management fees	565	489	844	944
PV panel income	479	534	479	534
VAT partial exemption recovery	336	626	336	626
Amortised government grants	15	15	15	15
Gift aid	14	-	14	-
Other income	1,073	1,291	1,041	1,265
Total other	2,482	2,955	2,729	3,384
Total all activities	**9,766**	10,172	**10,013**	10,601

3c. Units of accommodation in management and managed by others

	Group & Association	
	No. of units at 31 March 2026	No. of units at 31 March 2025
Units of accommodation in management		
Social housing		
General needs – social	21,228	20,536
General needs – affordable	7,021	6,658
Supported housing – social	162	171
Supported housing – affordable	6	6
Housing for older people – social	1,173	1,173
Housing for older people – affordable	61	61
Intermediate rent	287	294
Low cost home ownership	5,447	5,150
Total	**35,385**	34,049
Non-social housing		
Low cost home ownership 100% equity sold	1,887	1,886
Market rented	427	428
Other	542	571
Total	**2,856**	2,885
Total units of accommodation in management	**38,241**	36,934
Units of accommodation managed by others	402	356
Total of all units of accommodation	**38,643**	37,290

4. Surplus on disposal of properties

	Group		Association	
	2026 £'000	**2025 £'000**	**2026 £'000**	**2025 £'000**
Gross sales proceeds	18,451	16,639	18,451	16,639
Amounts payable to Local Authority	(309)	(486)	(309)	(486)
Cost of sales	(10,339)	(9,515)	(10,339)	(9,515)
Surplus for the year	**7,803**	6,638	**7,803**	6,638

5. Expenses and auditor remuneration

	Group		Association	
	2026 £'000	**2025 £'000**	**2026 £'000**	**2025 £'000**
Surplus on ordinary activities before taxation is stated after charging:				
Depreciation and amortisation:				
Depreciation of social housing properties	43,338	39,718	43,338	39,718
Depreciation of other housing properties	82	83	82	83
Depreciation of other tangible fixed assets	4,300	3,049	4,262	3,013
Amortisation of Intangibles	2,784	2,784	-	-
Amortisation of Grant	7,053	6,557	7,053	6,557
External auditors' remuneration (excl. VAT and incl. expenses):				
In their capacity as auditors of statutory accounts	123	118	75	72
Other non-audit services paid to related companies of the auditors	120	86	98	65
Operating lease rentals				
Land and buildings	1,478	1,893	1,352	1,763
Motor vehicles	2,618	2,839	2,618	2,839
Hire of plant and machinery	128	292	128	292

6. Employees

The average number of employees, including the executive officers, expressed as full-time equivalents based on 37 hours per week.

	Group		Association	
	2026	2025	2026	2025
Average number of employees	**1,118**	1,110	**1,033**	1,031

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Salaries	50,967	48,212	45,807	43,439
Social security	6,481	4,855	5,755	4,280
Pensions	2,913	2,792	2,683	2,581
	60,361	55,859	**54,245**	50,300

7. Key Management Personnel – Group and Association

We define the Key Management Personnel of the Group as the Board and Committee Members, the Chief Executive and the other members of the Executive Management Team.

		2026 £'000	2025 £'000
Emoluments of executive staff members		1,726	1,411
Emoluments of non-executive board members		188	178
Total Emoluments (excluding pension contributions and benefits in kind)		**1,914**	1,589
Remuneration of non-executive board members:			
Charles Alexander	Board Chair	35	35
Sandeep Agarwal		20	20
Andrew Binnie		16	7
Liam Coleman	*Left 24/09/2024*	-	9
Naleena Gururani		20	20
Abi Kee		16	7
Jo Moran		20	18
Anne-Marie Mountifield		20	20
Ian Playford		16	11
Caroline Stockmann		19	7
Jean-Marc Vandevivere	*Left 18/07/2024*	-	4
Shena Winning	*Left 17/07/2025*	6	20
		188	178

7. Key Management Personnel – Group and Association

	2026 £'000	2025 £'000
Emoluments (excluding pension contributions, or pay in lieu thereof) payable to the Chief Executive	304	294
Pension contributions, or pay in lieu thereof payable to the Chief Executive	18	17
Performance bonus payable to the Chief Executive	38	37

During the year, aggregate compensation for loss of office of key management personnel included above was £88k (2025: £0k).

Employer's National Insurance contributions relating to Key Management Personnel was £265,072 (2025: £198,673).

The full-time equivalent number (based on a 37 hour week) of staff whose remuneration (including any compensation for loss of office) fell within each band:

	Group		Association	
	2026	2025	2026	2025
£60,000 - £69,999	61.6	63.1	57.6	54.1
£70,000 - £79,999	40.4	23.6	31.4	18.6
£80,000 - £89,999	12.9	11	7.9	4
£90,000 - £99,999	9.8	6.9	5.8	4.9
£100,000 - £109,999	9	7	7	7
£110,000 - £119,999	2	2	2	2
£120,000 - £129,999	4	7	4	3
£130,000 - £139,999	3	3	-	1
£140,000 - £149,999	5	1	2	1
£150,000 - £159,999	2	2	2	1
£160,000 - £169,999	0.3	-	0.3	-
£170,000 - £179,999	1	-	-	-
£180,000 - £189,999	1	1	1	1
£190,000 - £199,999	-	-	-	-
£200,000 - £209,999	1	2	1	1
£210,000 - £219,999	1	2	1	2
£220,000 - £229,999	1	-	-	-
£230,000 - £249,999	-	-	-	-
£250,000 - £259,999	-	1	-	1
£260,000 - £269,999	-	-	-	-
£270,000 - £279,999	0.8	-	0.8	-
£280,000 - £289,999	0.8	-	0.8	-
£290,000 - £319,999	-	-	-	-
£320,000 - £329,999	-	1	-	1
£330,000 - £339,999	1	-	1	-

8. Interest receivable and similar income

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Interest receivable and similar income	2,038	1,675	1,604	1,278
Interest receivable from subsidiaries	-	-	5,005	5,850
	2,038	1,675	**6,609**	7,128

9. Interest and financing costs

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Loans and bank overdrafts	102,109	88,801	101,343	87,032
Interest on RCGF	101	48	101	48
Net interest charge DB pension schemes	376	265	375	265
	102,586	89,114	**101,819**	87,345
Capitalised interest	(14,696)	(17,116)	(14,696)	(17,116)
	87,890	71,998	**87,123**	70,229

10. Tax on surplus on ordinary activities

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Taxation charge for the year				
Corporation tax charge for the year	(92)	(113)	(92)	(113)
Deferred tax	7	7	7	7
Adjustment in respect of prior years	(82)	(18)	(82)	-
Total taxation charge for the year	**(167)**	(124)	**(167)**	(106)

The tax assessed for the period has been charged at the 25% rate of corporation tax in the UK (2025: 25%). The differences are explained below:

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Surplus for the year before taxation	50,925	62,065	57,407	65,809
Surplus multiplied by effective tax rate of 25% (2025: 25%)	12,731	15,516	14,352	16,452
Surplus relating to charitable activities	14,915	15,936	14,260	16,339
Group relief	-	-	-	-
Effect of timing differences	-	-	-	-
Capital allowances in excess of depreciation	7	7	7	7
Adjustments to brought forward balances	(82)	(18)	(82)	-
Other	(2,276)	(533)	-	-
Total tax charge	**(167)**	(124)	**(167)**	(106)

11a. Tangible fixed assets – Housing properties

	Properties held for letting	Under Construction	Total
Group	**£'000**	**£'000**	**£'000**
Cost:			
Balance at 1 April 2025	3,407,986	529,333	3,937,319
Additions	34,568	195,556	230,124
Disposals	(17,985)	-	(17,985)
Transfers	375,468	(375,468)	-
Balance at 31 March 2026	3,800,037	349,421	4,149,458
Depreciation & Impairment:			
Balance at 1 April 2025	400,768	-	400,768
Depreciation charge for year	43,338	-	43,338
Disposals	(7,987)	-	(7,987)
Balance at 31 March 2026	436,119	-	436,119
Net book value at 31 March 2026	**3,363,918**	**349,421**	**3,713,339**
Net book value at 31 March 2025	3,007,218	529,333	3,536,551

Expenditure on works to existing properties	**2026 £'000**	**2025 £'000**
Components capitalised	24,714	34,286
Amounts charged to income and expenditure	18,061	17,194
	42,775	51,480
Additions to the cost of housing properties include:		
Capitalised Interest charged in the year	14,696	17,116

All housing properties for letting or shared ownership are held on a freehold or long leasehold tenure. Completed shared ownership properties have a cost of £690,942k (2025: £612,952k) and accumulated depreciation of £25,170k (2025: £21,646k) giving a Net Book Value of £665,772k (2025: £591,306k).

11b. Tangible fixed assets – Housing properties

	Properties held for letting	Under Construction	Total
Association	**£'000**	**£'000**	**£'000**
Cost:			
Balance at 1 April 2025	3,431,551	529,333	3,960,884
Additions	36,217	214,791	251,008
Disposals	(17,985)	-	(17,985)
Transfers	375,468	(375,468)	-
Balance at 31 March 2026	3,825,251	368,656	4,193,907
Depreciation & Impairment:			
Balance at 1 April 2025	400,768	-	400,768
Depreciation charge for year	43,338	-	43,338
Disposals	(7,987)	-	(7,987)
Balance at 31 March 2026	436,119	-	436,119
Net book value at 31 March 2026	**3,389,132**	**368,656**	**3,757,788**
Net book value at 31 March 2025	3,030,783	529,333	3,560,116

Expenditure on works to existing properties	**2026 £'000**	**2025 £'000**
Components capitalised	24,714	34,286
Amounts charged to income and expenditure	18,061	17,194
	42,775	51,480
Additions to the cost of housing properties include:		
Capitalised Interest charged in the year	14,696	17,116

All housing properties for letting or shared ownership are held on a freehold or long leasehold tenure. Completed shared ownership properties have a cost of £690,942k (2025: £612,952k) and accumulated depreciation of £25,170k (2025: £21,646k) giving a Net Book Value of £665,772k (2025: £591,306k).

12a. Tangible fixed assets - other

	Freehold Commercial Buildings	Leasehold Office Buildings	Other	Total
Group	**£'000**	**£'000**	**£'000**	**£'000**
Cost or valuation:				
Balance at 1 April 2025	7,009	9,715	39,044	55,768
Additions	-	34	11,962	11,996
Disposals	-	-	-	-
Balance at 31 March 2026	7,009	9,749	51,006	67,764
Depreciation:				
Balance at 1 April 2025	1,839	4,137	15,370	21,346
Charge for the year	82	324	4,352	4,758
Disposals	-	-	-	-
Balance at 31 March 2026	1,921	4,461	19,722	26,104
Net Book Value at 31 March 2026	**5,088**	**5,288**	**31,284**	**41,660**
Net Book Value at 31 March 2025	5,170	5,578	23,674	34,422

12b. Tangible fixed assets - other

	Freehold Commercial Buildings	Leasehold Office Buildings	Other	Total
Association	**£'000**	**£'000**	**£'000**	**£'000**
Cost or valuation:				
Balance at 1 April 2025	7,009	9,715	38,751	55,475
Additions	-	34	11,950	11,984
Disposals	-	-	-	-
Balance at 31 March 2026	7,009	9,749	50,701	67,459
Depreciation:				
Balance at 1 April 2025	1,839	4,137	15,180	21,156
Charge for the year	82	324	4,314	4,720
Disposals	-	-	-	-
Balance at 31 March 2026	1,921	4,461	19,494	25,876
Net Book Value at 31 March 2026	**5,088**	**5,288**	**31,207**	**41,583**
Net Book Value at 31 March 2025	5,170	5,578	23,571	34,319

13. Intangible Assets

On the 22 May 2019 VIVID acquired an investment in Bargate Homes Limited. This purchase was made for the sum of £40,672,309 for 100% of the share capital. The total net assets of Bargate on purchase were £14,479,477, with intangible assets consisting of land options for future developments valued at £8,547,907 and goodwill recognised of £19,296,718. Goodwill and intangible assets are being amortised over 10 years.

Group	Intangible	Goodwill	Total Intangible Assets
	£'000	£'000	£'000
Balance as at 1 April 2025	3,563	8,011	11,574
Amortisation	(855)	(1,929)	(2,784)
Balance as at 31 March 2026	**2,708**	**6,082**	**8,790**

14. Investment Properties

Group and Association	2026 £'000	2025 £'000
Balance as at 1 April	26,352	25,587
Additions	972	-
Net (loss)/gain from fair value adjustments	(786)	765
Balance as at 31 March	**26,538**	**26,352**

Investment properties held are market rental residential properties and commercial units. All investment properties have been valued at fair value by external valuers, using the Royal Institution of Chartered Surveyors approved valuation methods. The Market rent portfolio (£24.5m) valuation is based on Market Value of Vacant Possession (MV-VP) assuming all units are marketed in an orderly manner and not placed on the market at the same time. The commercial units valuation (£2.3m) is based on Market Value.

15. Fixed Asset Investments

Group	Listed £'000	Unlisted £'000	Joint Ventures £'000	Homebuy Loans £'000	Starter Home Initiative £'000	Total £'000
Cost or valuation						
At 1 April 2025	-	-	3,215	1,976	110	5,301
Additions	-	-	-	-	-	-
Disposal	-	-	-	(89)	-	(89)
At 31 March 2026	**-**	**-**	**3,215**	**1,887**	**110**	**5,212**
Share of retained profits						
At 1 April 2025	-	-	33	-	-	33
Loss for the year	-	-	(102)	-	-	(102)
Distributions	-	-	(165)	-	-	(165)
At 31 March 2026	**-**	**-**	**(234)**	**-**	**-**	**(234)**
Net book value						
At 31 March 2026	**-**	**-**	**2,981**	**1,887**	**110**	**4,978**
At 31 March 2025	-	-	3,248	1,976	110	5,334

Association	Subsidiary £'000	Listed £'000	Unlisted £'000	Joint Ventures £'000	Homebuy Loans £'000	Starter Home Initiative £'000	Total £'000
Cost or valuation							
At 1 April 2025	50,723	-	-	3,215	1,976	110	56,024
Additions	-	-	-	-	-	-	-
Disposal	-	-	-	-	(89)	-	(89)
At 31 March 2026	**50,723**	**-**	**-**	**3,215**	**1,887**	**110**	**55,935**

Investments in joint ventures

VIVID Housing is a co-investor in Aspect Building Communities Ltd. ("Aspect") with another Registered Provider and two Local Authorities. Aspect was formed to bring forward housing developments to increase housing supply and boost the local economy by working in partnership with local organisations. VIVID Housing has a 26% non-controlling interest in Aspect. Since Aspect is a company limited by guarantee the Association has no right to distribution of profits.

Aspect has created two special purpose vehicles through which the development of housing is undertaken and VIVID has invested in these partnerships (Woodside LLP £2,318k, Stoneham LLP £897k). Both investments are shown at cost with no indicators of impairment.

VIVID Housing is a corporate member of Homes for Eastleigh LLP along with Eastleigh Borough Council. VIVID Housing has a 5% non-controlling interest in Homes for Eastleigh LLP.

Investment in subsidiaries

Bargate Homes Limited
A limited company carrying out development activities and sale of open market properties for the Group. VIVID Housing owns 100% of the share capital.

Peninsular Capital plc
A public limited company set up to raise funds through the bond markets to extend to other members of the group. VIVID Housing holds 50,000 £1 shares of which £12,500 has been paid.

VIVID Housing also has £1 investment in VIVID Build and Vestal Developments, it is the ultimate parent undertaking of:

VIVID Build Limited
A limited company carrying out development activities for the Group. VIVID Housing owns 100% of the share capital.

Vestal Developments Limited
A limited company carrying out development activities and sale of open market properties for the Group. VIVID Housing owns 100% of the share capital.

VIVID Plus Limited
A company registered under the Co-operative and Community Benefit Society Act 2014 as a community benefit society. Its charitable purpose is to create and support long term sustainable communities. VIVID is the parent entity.

16. Properties held for sale and stock

	Group		Association	
	2026 £'000	**2025 £'000**	**2026 £'000**	**2025 £'000**
Raw materials and consumables	**575**	568	**575**	568
Completed Units				
Shared ownership	4,802	6,073	4,802	6,073
Work in progress				
Shared ownership	35,964	48,235	35,964	48,235
Outright Sales	156,468	130,218	2,330	-
	192,432	178,453	**38,294**	48,235
	197,809	185,094	**43,671**	54,876

17. Debtors

	Group		Association	
	2026 £'000	**2025 £'000**	**2026 £'000**	**2025 £'000**
Due within one year				
Rental debtors	15,240	14,633	15,240	14,633
Less: provision for bad debts	(5,638)	(5,199)	(5,638)	(5,199)
	9,602	9,434	**9,602**	9,434
Trade debtors	2,374	219	711	101
Other debtors	2,158	4,516	2,158	4,516
Prepayments and accrued income	9,756	12,091	9,320	12,017
VAT/CT debtor	718	2,449	73	2,096
Capital grants	38	11	38	11
Derivative financial instruments	1,154	1,176	1,154	1,176
	25,800	29,896	**23,056**	29,351
Due more than one year				
Prepayments and accrued income	901	2,408	-	-
Amounts owed by subsidiary undertaking	-	-	77,313	71,320
Derivative financial instruments	3,373	2,491	3,373	2,491
	30,074	34,795	**103,742**	103,162

18. Creditors: Amounts falling due within one year

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Loans	24,010	17,638	24,010	17,638
Deferred grant	7,376	6,647	7,376	6,647
Trade creditors	11,707	14,998	7,044	11,629
Rent received in advance	6,103	5,130	6,071	4,991
Other creditors	4,427	2,118	1,254	566
Derivative financial instruments	575	1,137	575	1,137
Taxation and social security	1,519	1,229	1,339	1,071
Local authority RTB claw back	309	-	309	-
Leaseholders' sinking fund *	17,051	16,518	17,051	16,518
Corporation tax	11	-	11	-
Amounts owed to subsidiary	-	-	2,470	367
Accruals and deferred income	62,898	69,609	54,307	50,229
	135,986	135,024	**121,817**	110,793

*The cash for the Leaseholders' Sinking Fund is held in separate client accounts in accordance with the provisions set out in the Commonhold & Leasehold Reform Act 2002 S156.

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

	Note	Group		Association	
		2026 £'000	2025 £'000	2026 £'000	2025 £'000
Housing loans	20	2,232,491	2,117,079	2,223,491	2,115,079
Recycled capital grant fund	22	2,560	2,331	2,560	2,331
Deferred grant income	23	775,925	732,897	775,925	732,897
Grant on HomeBuy Equity Loans		910	911	910	911
Derivative financial instruments		377	1,518	377	1,518
Accruals and deferred income		-	9,573	-	-
Called up share capital		-	-	38	5,038
		3,012,263	2,864,309	**3,003,301**	2,857,774

20. Housing loans analysis

Facilities	Principal Amount	Year of final maturity	Carrying Value	
	2026 £'000		2026 £'000	2025 £'000
AHF	162,158	2043-48	167,763	170,565
AHGS	385,000	2042-52	382,236	183,843
Barclays	166,275	2029-49	182,938	175,775
Harbour Funding	75,000	2034	74,995	74,995
HSBC	40,000	2030-36	40,000	100,000
Lloyds/Scottish Widows	138,665	2028-37	136,111	273,174
NAB	-	Matured	-	100,000
Nationwide	75,000	2034	73,904	74,075
Private Placements	523,000	2028-56	522,658	522,635
RBS	445,000	2030-40	445,807	220,801
Santander	176,667	2031-35	176,667	189,534
THFC	10,000	2030	9,262	9,103
Yorkshire Building Society	34,250	2035	35,160	38,216
Loans in Association	**2,231,015**		**2,247,501**	2,132,716
Subsidiary Loans				
Barclays	9,000	2028	9,000	2,000
Total loans	**2,240,015**		**2,256,501**	2,134,716
The average interest rate after hedging for the above loans is			**4.24%**	4.31%

Maturity of loans:	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Within one year	24,010	17,638	24,010	17,638
Greater than one year	2,232,491	2,117,078	2,223,491	2,115,078
	2,256,501	2,134,716	**2,247,501**	2,132,716

Some loans are secured by fixed charges on individual properties and land. Of the Association borrowings detailed above £2,203,915k (2025: £1,998,552k) drawn is secured and £27,100k (2025: £115,000k) drawn is unsecured.

The value of our secured properties using EUV-SH valuations is £2,678,533k (2025: £2,539,394k).

Maturity of principal debt:	Group Arranged Loan Facilities		Group Amounts Drawn	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Within one year	24,010	17,638	24,010	17,638
Between one and two years	386,925	265,343	85,925	205,343
In two to five years	682,853	770,945	347,853	592,945
In five years or more	1,850,460	1,467,959	1,782,226	1,299,626
	2,944,248	2,521,885	**2,240,014**	2,115,552

As at 31 March 2026 VIVID group has £704,233k (2025: £406,333k) of available liquidity in the form of undrawn loans. We also have shelf facilities of £302,000k (2025: £502,000k).

We have not yet issued a note under our £2bn EMTN Programme. Notes will be issued by Peninsular Capital plc, and any proceeds received will be on-lent to VIVID Housing Limited.

This year, 1,478 of the new homes we delivered had EPC ratings of B and above. We also secured £13.8m of income for our customers made up of ongoing and backdated awarded benefit.

Changes in net debt:	At 1 April 2025	Cashflows	Other Non-cashflows	At 31 March 2026
Group	**£’000**	**£’000**	**£’000**	**£’000**
Cash at bank and in hand	72,779	11,348	-	**84,127**
Debt due within one year	(17,638)	17,638	(24,010)	**(24,010)**
Debt due after one year	(2,117,078)	(139,423)	24,010	**(2,232,491)**
Net debt after issue costs	(2,061,937)	(110,437)	-	**(2,172,374)**
Derivative financial instruments	1,012	-	2,563	**3,575**
	(2,060,925)	(110,437)	2,563	**(2,168,799)**

Changes in net debt:	At 1 April 2025	Cashflows	Other Non-cashflows	At 31 March 2026
Association	**£’000**	**£’000**	**£’000**	**£’000**
Cash at bank and in hand	50,352	20,132	-	**70,484**
Debt due within one year	(17,638)	17,638	(24,010)	**(24,010)**
Debt due after one year	(2,115,078)	(132,423)	24,010	**(2,223,491)**
Net debt after issue costs	(2,082,364)	(94,653)	-	**(2,177,017)**
Derivative financial instruments	1,012	-	2,563	3,575
	(2,081,352)	(94,653)	2,563	**(2,173,442)**

21. Derivative financial instruments

Interest rate swaps (Group and Association)		Interest rate swap 2026	Interest rate swap 2025
	note	**£’000**	**£’000**
Debtors			
Due within one year	17	1,154	1,176
Due after one year	17	3,373	2,491
Creditors			
Due within one year	18	(575)	(1,137)
Due after one year	19	(377)	(1,518)
		3,575	(1,012)

As at 31 March 2026, VIVID Housing Limited had notional £455,000k (2025: £480,000k) of derivative financial instruments. The instruments hedge interest risk, swapping drawn floating rate debt into fixed rates. The instruments have been revalued to fair value as at 31 March 2026. They qualify as effective cash flow hedges, with movement in the fair value recognised in other comprehensive income and accumulated under the cash flow hedge reserve.

Of the fair value detailed above, £952k (2025: £2,374k) is unsecured, and £0k (2025: £0k) is outside of security thresholds requiring extra securitisation.

22. Movements on the recycled capital grant fund

	Group & Association	
	2026 £'000	**2025 £'000**
Opening balance at 1 April 2025	2,331	217
Inputs to fund:		
Grants recycled	1,418	2,130
Interest accrued	101	47
Outputs from fund: New build	(1,290)	(63)
Closing balance at 31 March 2026	**2,560**	2,331
Due within 1 year:	2,560	2,331
Due after 1 year:	-	-
Closing balance at 31 March 2026	**2,560**	2,331

23. Deferred grant income

	Group		Association	
	2026 £'000	**2025 £'000**	**2026 £'000**	**2025 £'000**
At 1 April 2025	739,544	700,612	739,544	700,612
Net Grant received in the year	50,631	45,163	50,631	45,163
Net amount recognised in the Statement of Comprehensive Income in the year	(6,874)	(6,231)	(6,874)	(6,231)
Transfers & Adjustments		-		-
At 31 March 2026	**783,301**	739,544	**783,301**	739,544
Amounts to be released in one year	7,376	6,647	7,376	6,647
Amounts to be released in more than one year	775,925	732,897	775,925	732,897
	783,301	739,544	**783,301**	739,544

Total Social Housing Assistance	Group		Association	
	2026 £'000	**2025 £'000**	**2026 £'000**	**2025 £'000**
Total accumulated social housing grant received or receivable at 31 March:	888,533	837,902	888,533	837,902
Recognised in reserves as at 1 April	98,358	92,127	98,358	92,127
Amortised Grant recognised in the Statement of Comprehensive Income	7,053	6,557	7,053	6,557
Recycled Grant recognised in the Statement of Comprehensive Income	(211)	(385)	(211)	(385)
Transfers & Adjustments	32	59	32	59
Held as deferred income	783,301	739,544	783,301	739,544
	888,533	837,902	**888,533**	837,902

24. Provisions for liabilities and charges

	Group		Association	
	2026 £'000	**2025 £'000**	**2026 £'000**	**2025 £'000**
Deferred Tax	726	948	52	59
Deferred Tax consists of:				
Capital allowances	52	59	52	59
Provision on assets acquired as part of business combination	674	889	-	-
	726	948	52	59
Balance at 1 April 2025	948	1,689	59	65
Charge for the year	(222)	(741)	(7)	(6)
Balance at 31 March 2026	**726**	948	**52**	59

25. Share Capital – Association

	2026 £	**2025 £**
As at 1 April 2025	14	15
Issued during the year	2	1
Cancelled during the year	(2)	(2)
As at 31 March 2026	**14**	**14**
Issued share capital consists of 14 £1 shares		

26. Commitments under operating leases

Future minimum lease payments at 31 March:

	Group & Association	
	2026 £'000	**2025 £'000**
Land and buildings		
Amounts due within one year	1,260	1,431
Amounts due between one and five years	3,585	3,776
Amounts due after five years	61,762	62,349
	66,607	67,556
Land and buildings lease payments recognised as an expense	**1,547**	1,912
Vehicle leases		
Amounts due within one year	2,266	2,375
Amounts due within two to five years	2,552	3,774
	4,818	6,149

27. Capital commitments

Capital commitment at the end of the financial year for which no provision has been made in these financial statements, were as follows:

	Group		Association	
	2026 £'000	**2025 £'000**	**2026 £'000**	**2025 £'000**
Contracted for	339,451	329,223	339,451	329,223
Authorised by the Board but not contracted for	225,858	149,891	225,858	149,891

To support our future capital expenditure, at the 31 March 2026 we had £84.1m of cash, £704.2m of arranged and undrawn loan facilities, and £302.0m of shelf facilities. We also have a £2bn EMTN programme. Our business plan shows discounted operating cashflows over the next four years of £519.1m without reliance on sales proceeds or grant. Additionally, during the next four years we expect to receive in excess of £32.9m grant and £170.4m of sales proceeds from shared ownership sales.

28. Financial assets and liabilities

	Group		Association	
	2026 £'000	**2025 £'000**	**2026 £'000**	**2025 £'000**
Financial assets:				
Measured at undiscounted amount receivable*	20,065	18,127	94,814	89,329
Financial liabilities:				
Financial liabilities measured at undiscounted value	95,609	111,676	81,652	77,891
Financial liabilities measured at amortised cost	2,256,501	2,134,717	2,247,501	2,132,717
Total	**2,372,175**	2,264,520	**2,423,967**	2,299,937

*excludes cash

29. Pension obligations – Group and Association

VIVID Housing currently operates and contributes to three defined benefit pension schemes and a defined contribution scheme. The assets of the schemes are held in separate trustee administered funds.

Pension scheme summary

	2026 £'000	**2025 £'000**
LGPS Pension scheme deficit	(152)	-
VIVID Defined Benefit Scheme deficit	3,064	6,696
Pension Scheme Deficit Provision	**2,912**	6,696
Growth Plan deficit	2	3
Total Pension Deficit	**2,914**	6,699

Hampshire County Council Pension Fund

The disclosures below relate to the funded liabilities within the Hampshire Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS").

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local
Government Pension Scheme Regulations 2013' and 'The Local Government Pension Scheme Regulations 2014'.

The funded nature of the LGPS requires participating employers and their employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2025. No further deficit payments are required based on the results of the March 25 valuation exercise. The next review of the scheme is due March 28. The Fund Administering Authority, Hampshire County Council is responsible for the governance of the Fund.

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return over the accounting period. The Fund holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole is shown in the disclosures.

The Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

The latest funding valuation results include the impact of GMP equalisation and McCloud cases. No further allowances have been made for the other various cases in progress on the basis of materiality to the fund and / or uncertainty of outcome.

The result at 31 March 2026 shows an excess of assets over liabilities. VIVID has applied an asset ceiling and restricted the majority of the surplus, showing a corresponding movement in Other Comprehensive Income. The Scheme Actuary has calculated that £152k of the excess of scheme assets over liabilities can be used to offset future employer contributions and therefore VIVID has recognised this an asset.

The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS102 purposes were:

Principal financial assumptions (% per annum)	**2026 % pa**	**2025 % pa**	**2024 % pa**
Discount rate	6.1	5.8	4.8
Pension accounts revaluation rate	3.0	2.8	2.8
Pensions increases	3.0	2.8	2.8
CPI Inflation	3.0	2.8	2.8
Salary increases	4.5	4.3	4.3

Mortality Assumptions

The mortality assumptions for 2026 are based on the fund's VitaCurves (prior year S3 tables) with improvements in line with the CMI 2025 model, with a 15% weighting of 2023 and 2022 data, a 0% weighting of 2021 and 2020 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% pa.

Based on these assumptions, the average future life expectancies at age 65 is summarised below.

Assumed Life expectancy at 65	**2026**	**2025**
Males		
Member aged 65 at accounting date	22.1	22.0
Member aged 45 at accounting date	22.8	22.5
Females		
Member aged 65 at accounting date	24.7	24.7
Member aged 45 at accounting date	25.9	25.6

Asset allocation	**2026**	**2025**
Equities	54%	52%
Bonds	35%	36%
Property	10%	10%
Cash	1%	2%
Total	**100%**	100%

Present values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Liability

	2026 £'000	2025 £'000
Fair value of assets	10,817	10,590
Present value of funded defined benefit obligation	(7,029)	(6,875)
Plan surplus	**3,788**	3,715
Effect of derecognising surplus	(3,636)	(3,715)
Plan surplus	**152**	-

Amounts recognised in Income Statement	2026 £'000	2025 £'000
Operating cost		
Current service cost	18	23
Financing net income		
Interest income on net defined benefit liability	(4)	(2)
Expense recognised in Income Statement	**14**	21

Amounts recognised in other Comprehensive Income	2026 £'000	2025 £'000
Asset losses arising during the period	(75)	(192)
Liability (loss)/gains arising during the period	(176)	1,134
Changes in the effect of asset ceiling	294	(1,039)
Total amount recognised in other Comprehensive Income	**43**	(97)

Changes to present value of the defined benefit obligation	2026 £'000	2025 £'000
Opening defined benefit obligation	6,875	8,116
Current service cost	18	23
Interest expense on defined benefit obligation	387	378
Contributions by participants	12	10
Actuarial losses/(gains) on liabilities	176	(1,134)
Net benefits paid out	(439)	(518)
Closing defined benefit obligation	**7,029**	6,875

Changes to the fair value of assets	2026 £'000	2025 £'000
Opening fair value of assets	10,590	10,669
Interest income on assets	606	503
Remeasurement losses on assets	(75)	(192)
Contributions by employer	123	118
Contributions by participants	12	10
Net benefits paid out	(439)	(518)
Closing fair value of assets	**10,817**	10,590

Actual Return on Assets	2026 £'000	2025 £'000
Interest income on assets	606	503
Gain on assets	(75)	(192)
Actual return on assets	**531**	311

VIVID Housing Defined Benefit Scheme - formerly Social Housing Pension Scheme (SHPS)

On 31 January 2021 VIVID Housing exited SHPS. Working with The Pensions Trust (TPT) and Verity Trustees Limited (VTL), VIVID transferred its share of SHPS scheme assets and liabilities into a new separate scheme managed by TPT. The scheme is closed to new entrants and any additional service accruals.

The Scheme liabilities to 31 March 26 were calculated using the projected unit method by rolling forward results of the previous accounting disclosure 31 March 2025.

The projected unit method results were then adjusted according to FRS102 financial and demographic assumptions applicable at 31 March 26. The liability calculations made allowance for the payments of benefits and actual inflationary increases over the period to 31 March 2026.

The asset values at 31 March 2026 are based on the bid market values.

VIVID have agreed with the scheme Trustee to make a payment of £2.25m in the 25/26 and 26/27 year in order to eliminate the deficit.

The results presented do not include any allowance for the Verity Trustees Ltd V Wood case in progress. The outcome is expected to be known after the balance sheet signing date therefore due to the level uncertainty involved no provision has been made.

The principal assumptions used by the actuary in updating the latest valuation of the Scheme for FRS102 purposes were:

Principal financial assumptions (% per annum)	**March 2026**	**March 2025**	**March 2024**
Discount rate	6.05	5.60	4.91
RPI Inflation	3.55	3.37	3.41
CPI Inflation	3.42	3.21	3.25
Salary increases	4.92	4.71	4.75
Deferred revaluation	3.55	3.37	3.41
Pension increases in payment	3.24	3.08	3.11

Mortality assumptions	**Assumed Life expectancy at 65 years 2026**	**Assumed Life expectancy at 65 years 2025**
Female retiring in 2025	24.6	24.3
Female retiring in 2045	26.0	25.7
Male retiring in 2025	22.5	22.0
Male retiring in 2045	24.1	23.6

Asset allocation	**March 2026**	**March 2025**
Equities	6.0%	5.0%
Bonds	31.5%	22.7%
Property	1.8%	7.1%
Cash	6.7%	1.3%
Other	10.9%	15.1%
LDI	31.9%	35.4%
Liquid Alternatives	7.2%	8.3%
Private Credit	4.0%	5.1%
Total	**100.0%**	100.0%

Present values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Liability

	2026 £'000	2025 £'000
Fair value of assets	51,938	50,325
Present value of funded defined benefit obligation	(55,002)	(57,020)
Plan (deficit)	**(3,064)**	(6,695)

Amounts recognised in Income Statement	**2026 £'000**	**2025 £'000**
Operating cost		
Expenses	175	206
Financing cost		
Interest on net defined benefit liability	379	267
Expense recognised in Income Statement	**554**	473

Amounts recognised in other Comprehensive Income	**2026 £'000**	**2025 £'000**
Asset loss arising during the period	(757)	(7,332)
Gain from change in assumptions	2,727	6,022
Liability (loss)/gain arising during the period	(35)	422
Total amount recognised in Other Comprehensive Income	**1,935**	(888)

Changes to present value of the defined benefit obligation	**2026 £'000**	**2025 £'000**
Opening defined benefit obligation	57,020	62,403
Interest expense on defined benefit obligation	3,125	3,017
Actuarial gain on liabilities	(2,692)	(6,444)
Net benefits paid out	(2,451)	(1,956)
Closing defined benefit obligation	**55,002**	57,020

Changes to the fair value of assets	**2026 £'000**	**2025 £'000**
Opening fair value of assets	50,325	57,068
Interest income on assets	2,746	2,750
Remeasurement (loss) on assets	(757)	(7,332)
Contributions by employer	2,250	1
Expenses	(175)	(206)
Net benefits paid out	(2,451)	(1,956)
Closing fair value of assets	**51,938**	50,325

Actual Return on Assets	**2026 £'000**	**2025 £'000**
Interest income on assets	2,746	2,750
Loss on assets	(757)	(7,332)
Actual return on assets	**1,989**	(4,582)

The Pensions Trust Growth Plan

VIVID Housing participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for VIVID to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m.

Scheme deficit contributions

To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2025 to 31 March 2028:	£2,100,000 per annum

Our liability

We have recognised a liability for our share of this obligation based on the net present value of the deficit reduction contributions payable under the agreement made between TPT and VIVID. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	2026 £'000	2025 £'000	2024 £'000
Present value of liability	2	3	2

Reconciliation of opening and closing provisions	2026 £'000	2025 £'000
Provision at start of period	3	2
Deficit contribution paid	(1)	(2)
Remeasurement - impact of any changes in assumptions	-	3
Provision at end of period	**2**	3

	2026 £'000	2025 £'000
Impact on income statement		
Interest expense	-	-
Amounts recognised in other comprehensive income		
Remeasurement - impact of any changes in assumptions	-	3

Assumptions	2026 % per annum	2025 % per annum	2024 % per annum
Rate of discount	4.92%	4.84%	5.31%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Our deficit contributions schedule

The following schedule details the deficit contributions agreed with the scheme.

	2026 £'000	2025 £'000	2024 £'000
Year 1	1	1	2
Year 2	1	1	-
Year 3	-	1	-

Under FRS102, VIVID Housing must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. The cash contributions above have been used to derive the liability within the Statement of Financial Position.

30. Related party transactions

The companies listed below engage the services of members of our Board or Executive. The services are provided independently of VIVID on a non-executive or consultancy basis. VIVID received no income or fees for the services provided. During the year VIVID made payments to the companies in the normal course of business and unrelated to the services provided by our Board or Executive.

VIVID Housing operates predominantly in the Hampshire area. As such in the normal course of its business it transacts with Hampshire County Council (HCC). HCC also act as the Fund Administering Authority for the Hampshire County Council Pension Fund (details of which are set out in the Pensions obligation note above). This arrangement operates independently of other contractual agreements listed below.

During the course of the year, VIVID Housing paid HCC for the rental of units of accommodation, maintenance fees, Section 106 payments and other sundry purchases the sum of £1,144k (2025: £1,051k).

In terms of other influence, HCC act as the referral agent for VIVID Housing's extra care schemes. HCC also act as an administration body for the payment of Housing Benefit where residents have opted to have sums paid directly to VIVID Housing. The ultimate responsibility does however rest with the residents in respect of those payments. No amounts were owing to HCC at the year end in respect of these transactions.

Associates and subsidiaries

The association has a loan agreement with its subsidiary Vestal Developments Ltd. for £95.0m (2025: £95.0m) of which £50.3m (2025: £44.0m) was drawn at the balance sheet date. Interest was payable at Base Rate plus a commercial margin and amounted to £3.1m during the year (2025: £3.8m).

The association also has a loan agreement with its subsidiary Bargate Homes Ltd. for £27.0m (2025: £27.0m) which was fully drawn (2025: fully drawn) as at the balance sheet date. Interest was payable at Base Rate plus commercial margin and amounted to £1.9m during the year (2025: £2.0m)

VIVID Plus Ltd. has a loan agreement with Bargate Homes Ltd. for £7.1m (2025: £6.9m) of which £7.1m (2025: £2.7m) was drawn at the balance sheet date. Interest was payable at Base Rate plus a commercial margin and amounted to £0.4m during the year (2025: £0.4m).

During the course of the year, VIVID Housing paid £nil to Aspect Building Communities Limited in respect of the running costs of Aspect Joint Ventures (2025: £nil) and received £24k in respect of accounting services fees from Homes for Eastleigh LLP (2025: £12k).

31. Controlling party

At 31 March 2026, the ultimate controlling party was The Board of VIVID Housing.