

COASTLINE HOUSING LIMITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026



Coastline



Registered Number: 03284666

Registered Office:
Coastline House
4 Barncoose Gateway Park
Pool, Redruth
Cornwall
TR15 3RQ

Contents

Group Information	1
Chair’s and Chief Executive’s Report	3
Strategic Report and Performance Highlights	4
Statement of Directors Responsibilities	28
Section 172 Statement	29
Independent Auditor’s Report	34
Group and Company Statement of Comprehensive Income	37
Group and Company Statement of Financial Position	38
Group Statement of Cash Flows	39
Group and Company Statement of Changes in Equity	41
Notes to the Financial Statements	42

Group Information

BOARD MEMBERS AND SENIOR STAFF (as at 31 March 2026)

Board/Committee Member	Role	From	To	Board/Committee membership and % of available meetings attended 1 April 2025/31 March 26 (Note: this is dependent on appointment/retirement date and potential changes to Committee membership in year)					
				Common Board	ARAC	PIC	CEC	PC	Average
F Rhodes	Co-opted Non-Executive Director Chair	01 Jun2024 26 Sept 2024	26 Sept 2024	100.0	N/A	N/A	N/A	N/A	100.0
D Barlow	Vice-Chair	01 Jan 2022		71.0	100.0	100.0	N/A	N/A	90.3
K Harris	Non-Executive Director	01 Sept 2020		100.0	80.0	N/A	N/A	100.0	93.3
K Kemp	Independent Committee Member Co-opted Non-Executive Director Non-Executive Director	01 Feb 2021* 01 Jan 2022 01 Oct 2022	31 Dec 2021 30 Sept 2022*	100.0	N/A	N/A	100.0	N/A	100.0
J Fisher	Non-Executive Director	01 Apr 2025		71.0	N/A	75.0	N/A	N/A	73.0
G Pipkin	Co-opted Non-Executive Director Non-Executive Director	01 Jan 2024 26 Sept 2024	25 Sept 2024	100.0	N/A	N/A	100.0	N/A	100.0
M Tucker	Independent Committee Member Co-opted Non-Executive Director Non-Executive Director	01 Jan 2022 01 Jan 2024 26 Sept 2024	31 Dec 2023 25 Sept 2024	100.0	80.0	N/A	N/A	100.0	93.3
J Layzell [Retired 24.06.25]	Non-Executive Director	01 Apr 2025	24 June 2025	100.0	N/A	100.0	N/A	N/A	100.0
R Lloyd-King	Non-Executive Director	01 Apr 2025		100.0	80.0	N/A	N/A	100.0	93.3
K Surgenor	Independent Committee Member Co-opted Non-Executive Director Non-Executive Director	01 Jan 2024 26 Sept 2024 26 Sept 2025	25 Sept 2024 25 Sept 2025	85.7	N/A	100.0	N/A	100.0	95.2
H Meacock	Non-Executive Director	01 May 2026		N/A	N/A	N/A	N/A	N/A	N/A
M Ralling	Non-Executive Director	01 May 2026		N/A	N/A	N/A	N/A	N/A	N/A
A Young	Executive Director	9 October 2014		100.0	N/A	N/A	N/A	N/A	100.0
J Marshall-James	Independent Committee Member	1 Apr 2025		N/A	N/A	N/A	100.0	N/A	100.0
Y Stephens	Independent Committee Member	26 Sept 2024		N/A	80.0	N/A	N/A	N/A	80.0
D Willcocks	Independent Committee Member Co-opted Non-Executive Director Independent Committee Member	01 Jan 2024 26 Sept 2024 01 Apr 2025	25 Sept 2024 31 Mar 2025	N/A	N/A	100.0	N/A	100.0	100.0
E Chapman	Independent Committee Member	01 Feb 2021*		N/A	N/A	100.0	N/A	100.0	100.0
S Curtis [Resigned 08.05.26]	Independent Committee Member	01 Sept 2021	08 May 2026	N/A	N/A	100.0	N/A	100.0	100.0
M Gaunt	Independent Committee Member	01 Mar 2022		N/A	N/A	100.0	N/A	100.0	100.0
C Jones [Retired 31.08.25]	Independent Committee Member	01 Sept 2022	31 Aug 2025	N/A	N/A	100.0	N/A	100.0	100.0
Percentage attendance				93.4	84.0	95.8	100.0	100.0	95.5

The Board members are also Charity Trustees for the purposes of charity law.

Membership Key

Common Board – Board of Coastline Housing Ltd, Coastline Design and Build Limited, Coastline Care Limited, Coastline Homes Limited and Coastline Services Limited

ARAC - Audit, Risk and Assurance Committee

PIC - Property and Investment Committee CEC - Customer Experience Committee PC - People Committee

Executive Team	Role	From	To
A Young	Chief Executive (Note: also Executive Member of Board, see above)	9 Oct 2014	
L Beard	Deputy Chief Executive (with responsibility for Housing, Assets and Communities)	26 Nov 2007	
N Mallows	Director of Finance, People and Change [to 30 April 2026] Director of Development, Growth and Partnerships [from 01 May 2026]	26 Jan 2016	

Executive Team	Role	From	To
C Weston	Director of Development and Commercial Services	1 Mar 2016	30 Apr 2026
N Eden	Director of People, Technology and Transformation	13 Apr 2026	
Z Field	Director of Finance	01 May 2026	

Company Secretary	Role	From	To
R Wilde	Head of Governance, Risk and Assurance	1 Mar 2022	30 Jun 2025
A Young	Chief Executive	01 Jul 2025	31 Aug 2025
S Millard	Group Company Secretary	01 Sept 2025	

Corporate Information

Advisors	
Principal Solicitors	Trowers and Hamlins, The Senate, Southernhay Gardens, Exeter EX1 1UG Stephens and Scown, Osprey House, Malpas Road, Truro, Cornwall TR1 1UT
Funders	Santander, 2 Triton Square, Regent's Place, London NW1 3AN M&G Investments, Laurence Pountney Hill, London, EC4R 0HH Scottish Widows, Level 5C, 69 Morrison Street, Edinburgh, EH3 8YF Affordable Housing Finance, 3rd Floor, 17 St. Swithin's Lane, London EC4N 8AL NatWest plc, 9th Floor, 250 Bishopsgate, London EC2M 4RB Saltaire Finance plc, 1 Bartholomew Lane, London EC2N 2AX Homes England, 50 Victoria Street, Westminster, London SW1H 0TL
Bankers	NatWest plc, 4 Commercial Square Camborne TR14 8EB
External Auditors	PKF Francis Clark, Lowin House, Tregolls Road, Truro, TR1 2NA
Internal Auditors	Bishop Fleming, Chy Nyverow, Newham Road, Truro TR1 2DP

Group Structure

Coastline Housing Limited ('CHL' or 'the Company') was incorporated in November 1996 and is an independent registered charity and social business, run on a non-distribution basis. This means that all profits generated are retained for furtherance of Coastline's charitable objectives. CHL is a public benefit entity.

It has four wholly-owned subsidiaries and together these companies form Coastline Housing Group ('the Group'):

- Coastline Services Limited ('CSL'), a building maintenance and grounds contractor;
- Coastline Design and Build Limited ('CDB'), a design and build contractor;
- Coastline Homes Limited ('CHM'), a design, construction and sale of residential housing contractor; and
- Coastline Care Limited ('CCL'), which has remained Dormant throughout 2025/26

CHL is registered with the Charity Commission as a charitable company and with the Regulator of Social Housing ('the RSH') as a provider of social housing; both of these provide the primary regulatory framework for Coastline with the Regulator of Social Housing as principal regulator.

CHL is also registered with the Care Quality Commission (CQC) for the provision of extra care provided at Miners Court.

CHL is a company Limited by Guarantee registered at Companies House. CSL, CDB, CCL and CHM are all companies limited by shares and are also registered at Companies House.

The Group is governed by a paid Board of Non-Executive Directors and the Chief Executive. The Directors of the Company who have served during the year and up to the date of the signing of these financial statements are listed on page 1.

Chair's Foreword

This has been a significant year for Coastline.

As a Board, our role is to ensure Coastline remains a strong, well-governed and financially resilient organisation that delivers for our customers today whilst investing for our customers of the future. I am pleased to say that 2025/26 has demonstrated exactly that.

The highlight of the year was the outcome of the Regulator of Social Housing inspection. Receiving ratings of C1 for Consumer Standards, G1 for Governance, and V2 for Viability is a tremendous achievement and one of which we are immensely proud. These ratings provide independent assurance that Coastline is well run, financially robust and delivering high-quality services to customers. The ratings are particularly meaningful because they reflect years of commitment by colleagues, partners, and Board members to ensure that we continually improve what we do. They also provide confidence that Coastline is well placed to deliver the ambitions set out in our new Coastline Plan 2025–2030.

Cornwall continues to face profound housing challenges. Demand for affordable homes remains high and many people continue to struggle to access housing that meets their needs. Against this backdrop, Coastline remains ambitious. We are committed to building more affordable homes, and to investing in our existing homes, strengthening communities, and providing services that make a lasting difference.

On behalf of the Board, I would like to thank everyone who has contributed to our success this year especially our customers who provide such valuable feedback. We enter the future from a position of strength, with a clear purpose, strong foundations and confidence in our ability to make a positive impact across Cornwall.


Francesca Rhodes
Chair

CEO's Introduction

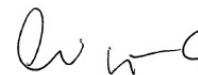
Behind every statistic in this report is a person, a family or a community whose life has been improved through the work of Coastline. Whether it is someone moving into a new home, receiving support to sustain a tenancy, accessing employment opportunities or benefitting from improvements to their home, our purpose is ultimately about people. That is what motivates us every day.

During 2025/26 we welcomed hundreds of households into Coastline homes, completed 216 new affordable homes and continued investing in the safety, quality and sustainability of our existing homes. We also saw customer satisfaction increase to 85%, reflecting the dedication and commitment of colleagues across the organisation.

I am incredibly proud that these achievements were recognised through our regulatory grading of G1, V2 and C1. While the grading is important, what matters most to me is what it represents: customers receiving good services, colleagues taking pride in their work and an organisation that is committed to doing the right thing.

The year has not been without its challenges. Demand for housing and support services continues to rise, and expectations rightly continue to increase. However, I believe Coastline is in a strong position to respond. We have talented people, strong partnerships, a clear strategy and a shared determination to help tackle Cornwall's housing crisis.

Thank you to our customers, colleagues, volunteers and partners for everything you have contributed throughout the year. Together, we are making a real difference, and I am excited about what we can achieve next.


Allister Young
Chief Executive

Strategic Report and Performance Highlights

Performance Highlights



Our homes

- **5,761** properties with an EUV-SH valuation of **£296.0** million
- **86** homes managed for Legal and General Affordable Homes plus **13** for Garlidna Alms Trust
- **216** new homes completed in the year, all of which were social housing
- **54** new shared ownership owners
- **9** Shared owners converted to full ownership
- **276** homes started on site

Maintenance of our homes

- **£18.1** million repairing and improving homes (expenditure on works to existing properties)
- **15,179** repairs of which **3,343** (22%) were emergencies
- **186** kitchens fitted
- **47** new bathrooms



Our financial strength

- **£45.7** million turnover
- **£8.7** million operating surplus
- **19%** operating margin
- **£55** million available liquidity



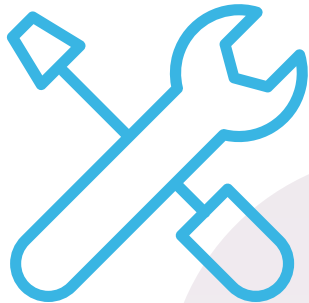
Our customer satisfaction

- Tenant Satisfaction Measure (TSM) Overall Satisfaction **85%**
- **69** second average call wait time
- **92,640** number of customer contacts made
- **46,642** telephone calls answered



Our customer-led services

- **101** people helped back into work or training
- **2,029** people helped by our homeless service



Levels of compliance

- **100%** compliance on; Asbestos, Awaabs Law, fire and gas safety checks, lifts and lifting equipment, Radon and water safety checks.
- Detectors – CO – **99.98%**
- Detectors – Smoke – **99.99%**
- Gas **99.99%**
- Electrical (5-year) **99.94%**



Our new customers

- **468** families moved into our homes in the year

G1 V2

Regulator Rating – September 2025

- Governance: G1
- Viability: V2
- Consumer: C1



Who Are We?

Coastline Group is one of the leading providers of affordable housing in Cornwall, providing 5,761 homes for more than 15,258 people, employing over 400 staff. We are a financially stable not-for-profit housing association that reinvests all its surpluses into improving existing homes, communities and services, and developing new homes.

Our Purpose and Principal Activity

To provide affordable housing for people on low incomes.

Our Vision

Our vision is to end the housing crisis in Cornwall, and it will remain our vision until there are enough good quality, affordable homes in Cornwall to meet people’s needs and aspirations. Our vision is supported by our mission statement of Great Homes, Great Services, Great People, underpinned by Great Foundations



Great homes



Great services



Great people



Great Foundations

Our Values

Customer Focused



Put our Customers first

Trustworthy



Be open, honest and accountable

Learning



Strive to be the best

Caring



Value each other



Our Homes

During the year, the number of homes we own and managed reached **5,761**. All of our homes are let at rents lower than full market to people who cannot afford to rent on the open market. We also provide shared ownership properties, market rent and accommodation for those requiring additional support.

In the year, we developed **209** new homes, including one affordable rented home for general needs, **72** for shared ownership and **136** social rented homes. We also acquired seven affordable rented homes for general needs from Cornwall Community Land Trust.

Property numbers

We have **5,662** owned and managed properties and **99** that we manage but do not own.

	2022	2023	2024	2025	2026
Property Stock	No.	No.	No.	No.	No.
Social housing – Social rent	2,268	2,252	2,218	2,257	2,336
Social Housing – Affordable rent	1,308	1,388	1,438	1,443	1,479
Social housing (housing for older people) – social rent	649	649	649	646	654
Social housing (housing for older people) – Affordable rent	121	121	149	149	149
Supported Housing – Homeless	83	84	80	80	77
Supported Housing – Homeless Crisis	18	18	18	18	18
Housing for Older People – Extra Care	64	64	64	64	64
Shared ownership	456	522	606	654	712
Market rented	3	2	1	1	-
Managed but not owned	89	99	99	99	99
Leasehold properties	126	128	151	167	173
Total Housing Stock	5,185	5,327	5,473	5,578	5,761
Garages	704	710	697	697	693
Total Property Stock	5,889	6,037	6,170	6,275	6,454



Strategy, Objectives and Performance



2025/26 was our first year of our Coastline Plan 2025-2030 which, along with our Asset Management Strategy, Homes, Communities & Customer Experience Strategy, Development strategy, Environmental Strategy, People & Culture Strategy and ICT Strategy set our strategic priorities and commitment to ambitious targets for our business.

The aims of the Coastline Plan 2025-2030 can be found below;

- We will invest in the quality of the homes and places where our customers live, to ensure they are safe, secure, well maintained and fit for the future.
- We will invest in providing the new affordable homes that Cornwall so badly needs, increasing the number of homes we build, and ensuring these meet both customer and community needs.
- We will invest in the quality of our services for customers, ensuring that our use of data and technology allows us to improve our productivity while enhancing our customer services.
- We will ensure that we are an employer of choice in Cornwall, investing in the quality of our people so that we have the skills and knowledge we need to achieve our aims, and empowering our teams to make a difference in the work that they do.
- We will ensure that our work is built on foundations of strong governance and financial sustainability, and we will ensure that we hold true to the shared values that underpin all that we do.

Our Financial Statements include an assessment of our performance against our strategic objectives.

Our budgets and forecasts were regularly reviewed, and we continued to review and undertake additional stress testing of our long-term business plan, including reforecasting our 2025/26 budget. We stress test our business on negative scenarios to identify any impacts on covenants, security and liquidity throughout the long-term business plan.

We continue to maintain our position as a financially robust organisation with substantial liquidity, covenant headroom and unencumbered assets coupled with strong margins.

Coastline continues to develop its approach to partnership working as an important aspect of what is required to solve the Housing Crisis in Cornwall.

CORPORATE PLAN DELIVERY

Overall Progress

During 2025/26, Coastline Housing delivered strong performance against its Coastline Plan 2025–2030, maintaining high levels of delivery across strategic priorities despite a challenging operating environment. Performance against corporate plan targets remained robust, with:

- **77%** of targets on track
- **19%** slightly off track
- **4%** significantly off track

Across all four strategic themes, the majority of activities were delivering as intended, with no theme showing material underperformance overall.

The year also saw:

- A positive Regulator of Social Housing grading of G1, C1, V2, placing Coastline in the top quartile for consumer standards
- Overall customer satisfaction increasing to **85%** (from 83%)
- **10** out of **12** customer measures in the top quartile and all above median
- Continued strong financial performance, including operating margin of **19%** (vs target 19.6%)

These results demonstrate a strong level of organisational resilience, service delivery and financial stability.

Performance by Corporate Plan Theme

Great Homes

Delivery under the Great Homes theme was consistently strong, supported by high levels of compliance and investment:

What went well

- 🏠 Near 100% compliance across key landlord safety areas (the “big ten”)
- 🏠 External assurance, including ‘substantial assurance’ audit outcome on health and safety systems
- 🏠 Planned investment programme broadly on track
- 🏠 Strong performance in energy efficiency:
 - **315** homes improved under ECO4 (target: 250)
 - **85%** of homes achieved an EPC rating of C or above, compared with the sector average of 72.5%.
- 🏠 Development delivery broadly in line with expectations:
 - **209** homes completed (target: 220)
 - **Seven** homes purchased from Cornwall Community Land Trust

What didn’t go as well

- 🏠 Investment in replacement roofs and external painting and repairs impacted by adverse weather, with some works around 10% behind target
- 🏠 Starts on site below target, with 276 vs 318 target, reflecting planning delays and Homes England funding uncertainties
- 🏠 Strategic constraints on Extra Care provision, with new scheme opportunities paused due to viability challenges
- 🏠 Full EPC planning remains in development, with a need to translate strategy into costed delivery plans

Great Services

What went well

Customer service performance remained a key strength, with sustained high satisfaction and operational delivery:

- 🔧 Overall customer satisfaction increased to 85%
- 🔧 Repairs performance strong:
 - Satisfaction **94%** (target 93%)
 - “Right first time” internal measures consistently above **90%**
- 🔧 Service responsiveness improving:
 - Service request satisfaction 83% (Q3)
- 🔧 Strong tenancy sustainment outcomes:
 - Over £60,000 distributed through support fund supporting around 250 households
 - £13,000 Discretionary Housing Payments funding secured to prevent arrears and tenancy failure

What didn’t go as well

- 🔧 ASB satisfaction remains significantly below target:
 - 38% TSM result vs 68% target
- 🔧 Complaints satisfaction below target:
 - Year-to-date 50% vs 64% target
- 🔧 Delivery of digital transformation:
 - My Coastline portal improvements delayed and carried forward



Great People

What went well

- 👥 Strong customer engagement and involvement contributing to C1 regulatory grading
- 👥 Volunteer programme exceeding expectations:
 - **89** volunteers contributing **5,224** hours, up from **76** volunteers and **4,955** hours
- 👥 Positive employee engagement:
 - “Red” dissatisfaction responses consistently below **10%** vs **20%** target
- 👥 Progress in EDI and engagement with under-represented groups, including measurable improvement in younger customer participation

What didn’t go as well

- 👥 Staff turnover above target in key areas:
 - Repairs: **37%** (target 30%)
 - Supported housing: **40%** (target 35%)
- 👥 Customer perception of influence declined:
 - **62%** satisfaction vs top quartile target **68%**
- 👥 Some workforce planning and skills analysis activity delayed due to system implementation dependencies

Great Foundations

The organisation maintained strong financial and governance foundations:

What went well

Regulatory success:

- G1 governance, V2 viability, C1 consumer grading

Strong financial performance:

- Operating margin: 19% vs 19.6% target
- Arrears: £0.99 million vs £1.5 million threshold
- EBITDAMRI: 155% vs 123% target
- Gearing headroom: £85.9 million

ICT and finance improvements:

- Successful implementation of new finance system
- Continued ICT infrastructure upgrades and system modernisation

Progress on carbon and sustainability:

- Achievement of SHIFT Gold standard

What didn't go as well

Slower progress on data quality and ICT-enabled transformation, reflecting capacity and structural challenges

Delays to CRM-related change projects, with implementation taking 3–6 months longer than planned

Knowledge and information management programme remains in progress but off track

AI-enabled initiatives constrained by data readiness and governance requirements

Overall, Coastline Housing delivered a strong year of performance in 2025/26, characterised by:

- High levels of target delivery (77% on track)
- Improved customer satisfaction and service outcomes
- Strong compliance, asset management and development delivery
- Robust financial performance exceeding key benchmarks

At the same time, the year highlighted priority areas requiring continued focus:

- Customer experience in ASB and complaints handling
- Workforce retention in key service areas
- ICT, data and transformation capability
- External constraints impacting development and specialist housing delivery

These areas form a clear focus for 2026/27, ensuring continued progress towards delivering Coastline's long-term strategic objectives.



Value For Money (VfM)

To deliver 'value for money' (VfM), Coastline must continually look at how resources are used to achieve continuous improvement and excellence in running the business and improving productivity. When viewed in this way, it is clear that VfM is not a stand-alone activity, but something that is intrinsic to all core activities and decision-making processes.

There is therefore no single policy or strategy that sets out how VfM will be achieved. The various threads are pulled together in the Coastline Plan and there is a particularly strong link with performance management and improvement processes, with robust and effective management integral in the process of delivering and improving business productivity.

Our approach to VfM is firmly embedded in our culture. From an ambitious Coastline Plan that is led by the Board and Executive Team and has clear, measurable and stretching objectives, that colleagues and customers were extensively involved in setting the aims of the plan in an inclusive 'bottom up' way. All colleagues are encouraged and supported to develop and propose improvements in what we do and how we do it. We have a Senior Leadership Team that meets monthly to review financial and non-financial performance indicators, to share knowledge and to make decisions based on this information. Our customers are also involved – with the Customer Voice and Customer Experience Committee specifying and reviewing a suite of performance information that they consider important. Performance reporting to Customer Voice is primarily via the Coastline Conversation which provides a regular update to the Customer Experience Committee meetings.

A summary of our performance across our key areas is provided below, including details of performance in line with the Regulator of Social Housing VfM Metrics. The RAG rating provided provides an indication of Coastline performance against the sector averages in simple terms with the commentary that follows explaining how the Board consider the wider importance of the cost/quality relationship.

Performance against the Regulator's Value for Money metrics remained strong overall. Coastline performed above sector median levels in a number of key measures, including reinvestment, new supply of social housing, EBITDA MRI interest cover and housing cost per unit.

The two metrics highlighted through benchmarking were social housing lettings operating margin and return on capital employed (ROCE).

The reduction in social housing lettings operating margin reflects deliberate strategic investment in existing homes, customer services and compliance activity during a period of sustained inflationary pressure. The Board considers this investment essential to maintaining the quality and safety of homes while delivering long-term value for customers.

Return on capital employed remains below sector median levels, reflecting Coastline's continued commitment to investing in new affordable homes and existing properties. While this impacts short-term returns, the Board believes this approach supports long-term asset performance, social impact and sustainable growth.

RSH Reference Indicator	Confirmed Results				Current Year	Budget
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Metric 1 - Reinvestment %	8.1%	8.9%	11.9%	8.3%	10.1%	16.9%
Metric 2 - New Supply Delivered % (a - Social housing units)	3.6%	3.3%	3.5%	2.8%	3.9%	4.2%
Metric 2 - New Supply Delivered % (b - Non social housing units)	0.0%	0.4%	0.2%	0.0%	0.0%	0.0%
Metric 3 - Gearing	59.2%	54.0%	54.3%	51.6%	52.2%	43.8%
Metric 4 - EBITDA MRI Interest Cover (note: different to Coastline loan covenants basis, excl. Capitalised interest)	103.0%	88.0%	112.0%	105.4%	122.5%	129.7%
Metric 5 - Headline Social Housing Cost Per Unit (£)	£4,431	£4,679	£4,462	£5,321	£4,969	£5,048
Metric 6 - Operating Margin (a - Social Housing Lettings)	22.9%	18.0%	22.1%	20.0%	19.6%	21.4%
Metric 6 - Operating Margin (b - Overall)	20.4%	18.2%	17.0%	19.9%	18.6%	20.3%
Metric 7 - Return on Capital Employed (ROCE)	4.4%	3.0%	4.1%	3.9%	2.7%	3.0%

RSH Reference Indicator	Sector LQ	Sector Median	Sector UQ	*SW Median	Coastline Trend	2025/26 to SW Median	2025/26 to Sector Median
	2024/25						
Metric 1 - Reinvestment %	5.3%	7.6%	10.0%	6.6%			
Metric 2 - New Supply Delivered % (a - Social housing units)	0.5%	1.3%	2.2%	1.1%			
Metric 2 - New Supply Delivered % (b - Non social housing units)	0.0%	0.0%	0.0%	0.0%			
Metric 3 - Gearing	54.7%	45.5%	34.4%	37.4%			
Metric 4 - EBITDA MRI Interest Cover (note: different to Coastline loan covenants basis, excl. Capitalised interest)	64.0%	113.0%	153.0%	142.0%			
Metric 5 - Headline Social Housing Cost Per Unit (£)	£6,997	£5,576	£4,975	£5,688			
Metric 6 - Operating Margin (a - Social Housing Lettings)	15.1%	20.5%	26.1%	18.5%			
Metric 6 - Operating Margin (b - Overall)	11.9%	17.6%	23.3%	16.7%			
Metric 7 - Return on Capital Employed (ROCE)	2.3%	3.1%	3.7%	3.0%			

The Board regularly reviews Coastline’s approach to VfM, including comparative performance across the Regulator’s VfM Metrics.

In addition to the reporting within the Statutory Accounts Coastline also produces as many of the measures from the Sector Scorecard as possible from the Sustainability Reporting Standard in a separate document later in the year.



The [Sustainability Reporting Standard for Social Housing \(SRS\)](#) is an environmental, social and governance standard designed to help the housing sector measure, report and enhance ESG performance in a transparent, consistent and comparable way.



Great Homes

We have completed **216** homes, a **4%** rate of growth, during the year:
8 Affordable rent **72** Shared Ownership and **136** Social Rent

Our 2025-30 strategic plan had an ambitious target delivery of delivering 250-300 new affordable homes each year. 216 new homes have been completed in year 2025/26 ensuring that we remained on target. Whilst we are in a strong financial position to pursue new development opportunities, we are not complacent about potential risks to the business. We continue to undertake robust risk assessment, use prudent assumptions and run analysis on all development opportunities.

This ambitious but thorough approach has seen us become one of largest providers of new affordable homes in Cornwall, in 2025/26 we featured in the Inside Housing top ten fastest growing housing associations (based on units delivered by size). This is against a continually challenging market for any new home delivery in the aftermath of an economy downturn and Coastline is not exempt from these pressures. We have seen both material and labour shortages and pressures on overall cost.

We continue to report nearly 100% compliance on our ‘big ten’ technical fields of compliance. With 100% compliance being achieved on six of the ten categories, with the remaining four being greater than 99%. Any overdue inspections were managed through robust risk mitigation arrangements and completed at the earliest opportunity.

During the year energy efficiency and related works has progressed well with improvements made on 311 homes as part of ECO4 improvement works.



Great Services

Whilst accounting differences can distort the ratio of responsive to planned maintenance spend; we maintained our approach of being more proactive with our service delivery and seeking investment and renewal as opposed to on-going repairs. During 2025/26, only 20% of our repairs were classed as an emergency, this is an increase from 17% in 2024/25 primarily due to changes to Awaabs Law, and also due to Storm Goretti in January 2026.

During 2025/26 performance was strong and the team meeting the demand. However, due to the damage caused by Storm Goretti across Cornwall, we saw additional pressure on our maintenance teams, which caused an increase in outstanding jobs as at March 2026. However, even with this additional challenge in the year, the average days to complete a repair improved from 32 days in April 2025 to 23 days by March 2026.

Responsive repairs KPI for emergency jobs completed within target has remained the same with strong performance of 99.1% in April 2025 to 99.1% in March 2026.

Non-emergency repairs improved from 83.9% in April 2025 to 89.1% in March 2026. The number of responsive repair jobs outstanding have also reduced this year with the team meeting the demand despite record number of repairs being reported.

Customer satisfaction results have seen a significant shift following the introduction of the Tenant Satisfaction Measures (TSMs) by the Regulator of Social Housing, which set out new requirements for customer satisfaction surveying and reporting from 1st April 2023.

In line with the regulatory framework, and as per 2024/25, the 2025/26 survey was conducted with the support of Acuity Research and Practice Ltd, specialists in resident satisfaction, benchmarking, and social housing research. The results were formally reported to the Regulator in June 2025 as part of our compliance with the TSM requirements.

We achieved an overall satisfaction score of 85% (increasing from 83% in 2024/25), placing Coastline in the upper quartile. We await the publication of comparative data for 2025/26 from other registered providers to better understand our relative performance and identify opportunities to further enhance the quality of services we deliver to our customers and communities.



Great People

We continue to ensure that our team has the capacity to grow and develop, which helps us become a great place to work and be respected for what we do and how we do it. We have continued to invest heavily in our ICT infrastructure, our place of work, our training packages and our overall reward packages for colleagues. The aim of these is to retain and develop talented individuals to help us meet the aims set out in the Coastline Plan. All salaries were subject to an external benchmarking exercise completed by professional advisors in January 2026 alongside explicit additional benchmarking of a number of trades where colleague retention and the external market place were considered of potential concern. The key aim of this work is to ensure that our pay reflects others in the sector, south west and Cornwall more specifically to ensure that pay levels are in line with median rewards levels.



Great Foundations

Our headline social housing cost per unit has reduced in 2025/26 from the prior year, this is mainly due to 2024/25 including significant investment in our Social Housing Decarbonisation Fund (SHDF) and solar photovoltaic panels at our Extra Care scheme. In comparison to previous years, excluding 2024/25, there is a slight increase in the housing cost per unit, this is as a result of our underlying costs have increased, not only in our customer's homes, but in our colleagues, but this has been offset by the growth in number of homes.

Our approach to the strategic financial stewardship is expressed through a primary focus on our EBITDAMRI ratio to interest payable, essentially operating cashflows. We seek to maintain a healthy balance on risk mitigation and deploying our resources effectively by planning in the longer-term to exceed 110% EBITDAMRI, to be in line with the regulatory Value for Money Metric, but accepting below this in any one financial period to ensure customer service, property quality as well as colleague health and wellbeing.

During 2025/26 there was a change in approach on disposals of existing stock, where the threshold of void costs was increased before a disposal was triggered. This resulted in a reduction of sales of existing stock in the year to 21, versus 53 in the prior year. The profit on surplus on sale properties decreased from £6.5 million in 2024/25 to £3.1 million in the 2025/26.

During 2025/26, we continued our investment in our customers' homes. Our asset management approach has meant that we have seen a reduction in short-term operating margin resulting from our property disposals, which do however improve long-term margins and returns.

Whilst the social housing operating margin has decreased from 2024/25 due to our increased investment in major repairs in 2025/26, we continue to perform above the sector and south west median. Operating margin overall has decreased by 1% due to investment in both our people and our properties. While we focus on interest cover as our main strategic financial planning tool, we still maintain a focus on our operating margin. While this measure has reduced, the Board keep the operating margin under constant review, as this helps with assessing Coastline's performance both in isolation and in the wider industry setting.

Within the year, as part of the treasury management two stand alone ISDAs with Santander were cancelled, resulting in a 'mark to market' receipt of £720,000. In order to ensure that there are sufficient liquid funds to support our ambitious development programme, there have been an additional £55 million of funding put in place during 2025/26. These actions have resulted in the year end hedge position of 89.2%, which is a reduction from 2024/25 where the hedge position was in excess of 100%.

Group Highlights, Five Year Summary

	2022	2023	2024	2025	2026
Statement of Consolidated Income	£m	£m	£m	£m	£m
Turnover: continuing activities	38.5	36.7	48.2	45.1	45.7
Turnover: Shared Ownership Sales	7.1	5.1	8.1	6.7	5.2
Income from lettings	27.2	28.7	32.0	35.0	37.6
Property depreciation	4.2	4.5	5.4	5.9	5.8
Operating surplus before housing sales	7.0	6.5	8.4	9.1	8.5
Operating surplus from social housing lettings	6.2	5.1	7.1	7.0	7.3
Operating surplus	7.9	6.7	8.2	9.0	8.7
Surplus for the financial year	7.4	6.3	7.3	7.4	4.3
Statement of Financial Position					
Housing properties	296.3	318.6	354.5	379.1	425.7
Cash and cash equivalents	6.2	61.5	5.7	12.1	9.3
Indebtedness	183.7	235.7	198.1	207.6	231.5
Total reserves	68.5	74.8	82.0	90.0	94.7
Statistics					
Operating margin	20.4%	17.2%	17.0%	20.0%	19.0%
Operating margin excluding sales	22.6%	20.6%	24.0%	23.7%	20.9%
Surplus as % of turnover	19.2%	17.2%	15.2%	16.3%	9.4%
Operating margin social housing lettings	22.9%	18.0%	22.0%	20.0%	19.6%
Rent losses	£459,000	£380,000	£336,000	£524,000	£570,000
Gearing (tightest covenant)	53.6%	59.1%	58.1%	53.4%	47.1%
EBITDA – MRI interest cover (tightest covenant)	131.3%	119.9%	126.5%	122%	155%
	Units	Units	Units	Units	Units
Total social and supported rental	4,600	4,675	4,715	4,757	4,876
Total low costs home ownership	456	522	606	654	712
Total leasehold and market rent	129	130	152	167	173
Total housing	5,185	5,327	5,473	5,578	5,761



The results remain strong for 2025/26 and we have delivered a surplus for the year of £4.3 million (2025: £7.3 million). This surplus is stated after £3.1 million profit from property sales, which is down from £6.5 million in 2024/25, due to a change in the approach on determining parameters for existing stock disposals. and £14.3 million costs to maintain our existing properties

We achieved first tranche shared ownership sales of 54 against a target of 72, delivering an operating margin of £0.1 million versus a target of £0.5 million.

The surplus for the year meant we increased our net assets by £3.4 million with housing properties increasing by £46.6 million. We spent £22.5 million on housing under construction and completed 216 new homes with a value of £53.6 million.

The operating margin shows how efficient we are in running the business; and the operating surplus provides the cash we need to fund the construction of new homes and invest in improvements to our existing homes.

The Board have taken the strategic view that Coastline should utilise its resources to invest in existing homes and services and in new homes, rather than protecting the operating margin (beyond what is appropriate for sensible risk management purposes).

Continuing strong performance is the result of an ongoing focus on delivering efficient, customer focussed services. Our strong financial performance, combined with our high levels of customer satisfaction, provide strong evidence that we are, in the main, delivering the right services in an efficient and cost-effective way.

Capital Structure And Treasury

During the year and at year end, our capital structure was based on bank borrowings, spread across three main lenders, together with capital market bond issues. At 31 March 2026, the breakdown of borrowings was as set out below:

	Arranged £m	Drawn £m	Undrawn £m
Bank loans	265.7	190.7	75.0
Bond issues	8.3	8.3	-
Private placement	32.5	32.5	-
Total funding	306.5	231.5	75.0

Borrowing facilities are at both fixed and floating rates of interest in order to manage exposure to interest rate fluctuations. At 31 March 2026, fixed rates of interest ranged from 1.5% to 7.0%.

Type of exposure	Actual	Minimum	Maximum
Fixed rate	206.5	185.2	231.5
Floating rate	25.0	0	46.3

Coastline ensures it has sufficient liquidity to cover 21 months forecast net cash requirements for all business activity and has sufficient liquidity to cover over the next five years contractual commitments.

At the year-end, our drawn borrowings of £231.5 million were repayable as follows:

	2022 £m	2023 £m	2024 £m	2025 £m	2026 £m
Within one year	-	-	-	-	1.2
Between one and two years	-	-	-	-	33.7
Between two and five years	46.8	89.5	48.5	32.5	28.4
After five years	136.9	146.2	149.6	175.1	168.2
Total borrowings	183.7	235.7	198.1	207.6	231.5

During 2025/26 additional loan facilities of £55.0 million were taken out in order to support investment in our new and existing homes. This includes a new £25.0 million fixed rolling credit facility with Lloyds, an additional £10 million rolling credit facility with Natwest and an addition £20.0 million term loan with Santander. During the year two stand alone ISDA trades of £20.0 million were cancelled, which resulted in a mark to market release of £720,000

Cash inflows and outflows are shown in the Group cash flow statement on page 39.

Governance



EXECUTIVE TEAM

The Board is currently composed of eleven non-executive members and one executive member, with meetings taking place at least six times a year. Board members are drawn from a range of backgrounds. Our appointments policy for non-executive Board and committee members is skills based and aims to ensure appropriate representation of the business needs.

The Board controls the Group’s strategic direction and reviews its operating and financial position. It is supplied with timely and relevant information to enable it to discharge its duties. Board papers are distributed in advance of meetings and papers are sufficiently detailed to enable the Directors to understand Coastline’s management and performance.

The Board delegates some of its responsibilities to committees. Each committee has clear terms of reference and delegated authority. The committees report back to the Board after each meeting, where their recommendations are considered and approved where appropriate. Each committee is chaired by a member of the Board, and with the exception of the People Committee, meet at least quarterly. The People Committee met three times in during 2025/26.

Board members undergo an induction programme with regular training either formal or through attending conferences. Each member is expected to attend at least 80% of meetings each year and all are subject to regular performance reviews. The Board members who have served throughout 2025/26 are listed on page 1.



Code of Governance

The Board has adopted the National Housing Federation Code of Governance (2020) and each year completes a self-assessment of compliance. In March 2026, the Members of Coastline Housing Ltd approved an update to its Articles of Association to:

- Increase the maximum number on the Board from 10 to 12; this was to provide additional flexibility when non-executive directors reached the end of their term, to support succession planning on the onboarding of new NEDs.
- Removal of the requirement for the Members to elect a Chair of the Board at each Annual General Meeting.

The Board confirms that Coastline has complied with the Governance and Financial Viability Standard set by the Regulator of Social Housing. The Board acknowledges its responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to the reliability of financial information used within the Association, or for publication; the maintenance of proper accounting records; the safeguarding of assets against unauthorized use or disposition, and ensuring compliance with relevant laws and regulations, including those relating to health and safety.

Customer Involvement

The Customer Experience Committee is a committee of Customers and non-executive directors that oversees the customer experience for Coastline and makes recommendations to the Board. This approach is considered a key element of ‘co-regulation’ and provides further assurance over performance and the internal control environment.

This year has seen the successful expansion of the Volunteer Scheme. We have had 89 volunteers working with us, donating 5,224 hours of their time.

Employees

Coastline relies on the quality and commitment of its employees in order to meet its corporate objectives. We ensure that sufficient staff with appropriate skills are employed and that effective employment policies are in place and good practice is followed. The Board expresses its thanks for the hard work and commitment shown by all employees and volunteers throughout Coastline.

Equality, Diversity and Inclusion (EDI)

We work with a diverse range of communities, safeguarding some of the most vulnerable and socially excluded people in society. We respect and value differences and recognise that diversity enriches our communities and strengthens our collective resources and effectiveness as One Coastline. We ask our customers to provide EDI and vulnerability/support needs information to know and understand our customer needs and requirements, making any reasonable adjustments as need be on a person-centred level. As we build EDI and vulnerability knowledge, this supports coastline in reviewing whether the services we deliver meet the breadth and diversity of our customers.

We are committed to giving fair and equal treatment to people and our EDI plan sets out how we employ a diverse profile of great people who are representative of the communities we serve. This helps us provide equal access to great services for our customers.

Fuller details of our approach and commitments can be found on our website under the EDI section where our Annual Equality, Diversity and Inclusion Statement is published: [Annual EDI position statement and action plan 2026-27](#)

Coastline retains accreditation as both a Living Wage Foundation and Living Pensions Employer and sees these as being an important aspect of avoiding in work poverty within our business. Coastline also has ‘Level 3’ Disability Confident status which allows us to be recognised for the work we do. It also enables us to be more proactive in attracting and supporting different candidates and volunteers into Coastline.

Gender Pay Reporting

Pay Quartiles by gender (adjusted rate which includes bonus)					
Band	April 2026		April 2025		Description
	Male	Female	Male	Female	
1	49%	51%	54%	46%	Includes all employees whose hourly rate places them at or below the lower quartile
2	37%	63%	37%	63%	Includes all employees whose hourly rate places them above the lower quartile but at or below the median
3	71%	29%	57%	43%	Includes all employees whose hourly rate places them above the median but at or below the upper quartile
Highest	58%	42%	65%	35%	Includes all employees whose hourly rate places them above the upper quartile

	April 2026		April 2025	
	Male	Female	Male	Female
Group Head Count	222	192	210	184
Mean Hourly Rate	£18.98	£17.96	£18.13	£16.67
Median Hourly Rate	£16.82	£15.43	£15.73	£14.71
Mean Bonus	£1648.52	£1435.33	£1321.53	£1133.55
Median Bonus	£1640.11	£1573.55	£1300.55	£1250.60
% Not receiving bonus	8.56%	8.85%	9.05%	10.33%

For the reporting year 2025/26, our gender pay gap was 5.37%, compared to 8.07% in 2024/25. This reduction reflects changes in workforce composition, including recruitment activity and career progression opportunities for female colleagues, as well as the pay differentials associated with specific roles.

During 2025/26, Coastline continued to strengthen female representation across the organisation through recruitment and career progression opportunities. Female colleagues were appointed into roles within the highest pay band, increasing representation at senior salary levels. In addition, female colleagues within higher pay bands received a number of significant salary increases through promotion and development opportunities. These changes have contributed positively to reducing the gender pay gap and demonstrate our ongoing commitment to supporting career progression for women across the organisation.

A higher level of bonus was paid during 2025/26, with the corporate element of the bonus increasing compared with the previous year, reflecting the strength of organisational performance. We have continued to address previous disparities in bonus outcomes by increasing the use of fixed-rate performance-related payments, helping to ensure a more consistent and equitable approach to reward.

During 2025/26, we also reviewed our pay policy with the People Committee to ensure that market-driven pay decisions do not unintentionally reinforce inequality within our remuneration framework.

We remain committed to fair and transparent practices in pay, recruitment, development and retention, and will continue to take steps to reduce the gender pay gap and improve gender representation across all levels of the organisation.

Another key measure for Coastline, reflecting the recommendations of the Hutton Review, is the ratio of the highest paid employee’s salary to the median salary level (excluding the highest paid employee). Based on April salary data used for gender pay reporting (excluding pension contributions), the ratio for Coastline was 5.41:1 in 2025/26, compared with 5.43:1 in 2024/25. This continued low ratio reflects Coastline’s long-standing commitment to paying at least the Real Living Wage, helping to maintain a fair pay structure across the organisation and supporting a narrower gap between the highest and median earners.

Further details of Executive and staff salaries can be found in the Notes to the Financial Statements (note 9, page 54-55).



Internal Control And Risk Management

Approach

The Group Board has overall responsibility for the system of internal control and risk management across the Group and for reviewing its effectiveness. The Board also takes steps to ensure the Group adheres to all of the regulatory standards and its associated Code of Practice. The Audit, Risk and Assurance Committee is responsible to the Board for monitoring these arrangements and reporting on their effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Group's assets and interests.

Assurance

Assurance over the internal control environment is provided in a number of ways, the most significant of which are set out below;

- An established management structure operating across the Group, with clearly defined levels of responsibility and delegated authorities as outlined in the Standing Orders which include Terms of Reference for the Board and Committees;
- Established policies designed to provide effective internal control and achieve effective corporate governance, including Group-wide policies on;
 - Financial Regulation;
 - Business Ethics Anti-Fraud Bribery & Money Laundering;
 - Risk Management and Assurance;
 - Safety, Health and Environment;
 - Code of Conduct, including Probity and Gifts and Hospitality;
 - Procurement;
 - Equality, Diversity and Inclusion;
 - Whistle Blowing – Confidential Disclosure;
 - Data Protection; and
 - All aspects of Employment Law.
- Ensuring that a supporting environment is maintained where the wellbeing, safety and support of our people and those who work with us is prioritised. We believe that all accidents are preventable and therefore operate an open environment to encourage, report and therefore learn from incidents. Coastline's Safety, Health and Environmental (SHE) Policy is reviewed annually by Board. There are quarterly meetings of a Health & Safety Committee, from which the minutes are reported to Executive Team meetings. The Board receives a SHE performance report including statistics of accidents, incidents and near misses each quarter.

- Adoption and compliance with the National Housing Federation 2020 Code of Governance;
- A Group wide risk management system – an established process for identifying, evaluating, and managing risks faced by the Group; of which our risk management and assurance policy was reviewed and updated within 2025/26 and updates approved by Board in May 2026;
- Customer Scrutiny – Direct lived experience from Coastline communities is brought to the Executive Team and the Board through the Customer Voice, Customer Experience Committee and a compliments and complaints process, which meets expectations of the Housing Ombudsman Service Complaint Handling Code. The Customer Feedback (Compliments and Complaints) Policy was reviewed and updated during 2025/26. All of which are used as a key feedback loop on assurance;
- Audit, Risk and Assurance Committee assurance – The Board has delegated authority to this Committee to review the effectiveness of internal control, including risk management and has received regular reports from this Committee throughout the year under review. This Committee meets regularly with members of the Executive Team and the internal auditors to review specific reporting and internal control matters and to satisfy themselves that the internal control systems are operating effectively. The Audit, Risk and Assurance Committee also reviews and follows up actions to correct identified weaknesses;
- Internal audit assurance – is managed through the Group governance function and is delivered by Bishop Fleming, whose reports are received by the Audit, Risk and Assurance Committee. The internal audit programme is designed to review key areas of risk and adherence to key policies and relevant laws. The programme is agreed formally and kept under review by the Audit, Risk and Assurance Committee;
- External audit assurance – is managed through the Group finance function and is delivered by PKF Francis Clark. The work of the external auditors provides further independent assurance, as outlined in their audit report. The external auditors have a duty to report to the Board significant matters relating to control weaknesses and inefficiencies that come to their attention during the course of their audit work under the Code of Audit Practice. The Group also receives a letter from the external auditors identifying any internal control weaknesses. In accordance with best practice, the Audit, Risk and Assurance Committee and Board consider this letter;
- Independent specialist compliance audits which are commissioned each year to supplement the assurance framework. These cover areas such as our governance, gas and electrical compliance, Health and Safety arrangements, Fire Risk Assessments, Legionella Management, Radon monitoring and Asbestos Management. In March 2026, two additional external reviews reported – UK GDPR Compliance and Cyber-Security.
- Preparation and monitoring of budgets – the Executive Team and Board review Group and subsidiary performance throughout the year. These reports ensure variances are investigated and acted upon. In addition, treasury activity and strategy are subject to regular Board review and approval; and
- A process for approving investment decisions – all investment decisions are subject to appraisal and approval by the Executive Team, the Property and Investment Committee and the Board, in accordance with a delegation framework.



Risk Management

Risk management during 2025/26 operated through:

- Board ownership of the risk management framework, risk appetite, and strategic risk themes.
- Audit, Risk and Assurance Committee oversight of the risk management and internal control framework, including risk deep dives and internal audit.
- Executive Team oversight of strategic risk themes, significant risks and, as individual directors, oversight of operational risks in their area.
- Strategic risk discussion at Board Strategy Days (last held in June 2026).
- Horizon-scanning to monitor regulatory and statutory changes within and outside of the sector, to anticipate new or changing (upside or downside) risks

Periodic deep dives ensure detailed scrutiny of specific risk areas. The Risk Management Policy sets out governance, appetite, and the three lines of defence model. ARAC receives a strategic risk report and oversees control effectiveness, while the Executive Team and directorates manage operational risks. All committees receive a summary of the risk position at each of their meetings, including the significant risk register.

Coastline takes an agile and responsive approach to risk management, with the risk portfolio updated throughout the year to reflect emerging issues, changes in operating context and strengthened management oversight. During 2025/26, this resulted in new risks being added, a number of risks being consolidated or removed following risk deep dives, and several probability and impact scores being adjusted to better reflect current exposure. Internal audits can also highlight additional risk considerations. Overall, changes to the significant risk register were driven by consideration of leadership capacity, economic and policy uncertainty, compliance and information governance considerations, and targeted improvements in controls.

The Group risk appetite definitions and appetites assigned to each theme are given in the tables below and have been confirmed as part of the Annual Risk Review approved by the Board in May 2026.

Appetite Level	Appetite Definition
Averse	Avoidance of risk and uncertainty is the key objective
Cautious	Preference for very safe options that have a very low degree of inherent risk, acceptance that potential rewards therefore likely to be limited
Fair	Preference for safe options that have a low degree of inherent risk, acceptance that potential rewards are likely to be limited
Moderate	Preference for options which offer greater potential rewards, willing to accept greater inherent risks
Opportunistic	Preference for innovative options with highest potential rewards and inherent risks

Strategic Risks are those which are considered to be of fundamental importance to the formulation and delivery of Coastline Plan 2025-2030 objectives and are summarised as:

Strategic Risk Map Theme	Risk Category	Risk Appetite
Product Safety (including landlord health and safety)	Operations	Averse
	Property	Averse
	Legal	Averse
Human resources and Governance (including Board, Executive, staff and volunteers in relation to skills)	People	Moderate
	Governance	Averse
Government policy, legislation and regulation	Legal	Averse
Funding and financial viability	Financial	Fair
Wider economic (including sales, rental level exposures as well as interest and inflation rates)	Wider economic	Moderate
Programme (impact of planned expansion on internal systems of governance, management and delivery)	Project/Programme	Fair
Reputation and Trust	Reputational	Fair
Markets and Supply Chain	Commercial	Fair
Technology, Data and Cybersecurity	Technology	Fair
	Data & information management	Cautious
	Cyber-security	Averse
Climate Change and related impacts across all of the above Strategic Risks.	Climate Change	Fair

A summary of the strategic risk themes and associated risk appetite levels are included as a standing agenda item in Board and committee meetings as a reminder to frame subsequent discussions as well as being included in papers recommending any key decisions.

During the year, the Board made the following changes to the strategic risk themes and risk appetite:

- Added a strategic risk theme on climate change (approved May 2025)
- Added a risk appetite level of ‘averse’ for cyber-security (approved November 2025)
- Approved a risk appetite statement for the strategic risk theme of Technology, Data and Cyber-security to articulate the relationship between the three different risk appetite levels (February 2026).

The benchmarking of risk against the sector risk profile (undertaken and reported on in January 2026 to ARAC and February 2026 to Board) confirmed that Coastline’s strategic risk themes, risk appetite and overall risk profile was relevant and comprehensive.



Fraud and Significant Control Failings

Coastline complies with the Regulator’s requirements with respect to fraud and has a policy requiring a register to be maintained of all actual and attempted fraud, with all cases reported to the Board through the Audit, Risk and Assurance Committee and submitted to the Regulator of Social Housing.

In May 2026, the Audit, Risk and Assurance Committee reviewed an annual report on Compliance and Internal Controls Assurance, which was subsequently received by the Board. No significant control failings or fraud were identified during the period.

Overall Assessment

The Board is satisfied that the Group’s risk management and internal control systems remained effective during the year to 31 March 2026 and up to the date of the approval of these financial statements.

No weaknesses in internal control which resulted in material misstatement or loss have been identified sufficient to cause material misstatement or loss, which would have required disclosure in these financial statements.

Merger Code

In March 2016, the Board considered and adopted the NHF Merger Code. This voluntary code sets out ten principles which form a framework for considering the various ‘partnering’ opportunities that may arise.

The Board regularly reviews its position, the latest being in February 2026 to update Coastline’s Mergers and Strategic Alliances Policy, re-asserting Coastline’s commitment to the principles within that Code. Coastline’s corporate values and approved policy includes involving the Board and Executive Team for evaluating merger and strategic alliance opportunities.

Other Disclosures

Directors’ and Officers’ Liability Insurance

The Company has maintained Directors’ and Officers’ liability insurance throughout the year. From April 2021 this cover has been provided by Weald Insurance Brokers Ltd following the discontinuation of the offering from the NHF.

Charitable and Political Donations

No political donations were made during the year (2025: £nil). Donations made to charity or other community funding arrangements during the year totalled £14,127 (2025: £11,006).

Disclosure of Information to Auditors

The Board members who held office at the date of approval of this Board report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Group’s auditors are unaware; and
- each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group’s auditors are aware of that information.

Going Concern

The Board confirms it has a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for a period of 12 months from the date of approval of these financial statements. Accordingly, it continues to adopt the going concern basis in preparing the Group’s and Company’s financial statements.

Statement of directors’ responsibilities in respect of the Strategic Report, the Directors’ Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

By order of the Board

F Rhodes

F Rhodes
Chair – Coastline



SECTION 172 STATEMENT

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. This S172 statement explains how our Directors:

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to foster Coastline's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the company during the financial year.
- The S172 statement focuses on matters of strategic importance to Coastline, and the level of information disclosed is consistent with the size and the complexity of the business.

How the Board complied with its Section 172 duty

The Board welcomes this reporting requirement as a further opportunity to explain how dialogue with stakeholders has been woven into the fabric of Coastline decision making. Recent examples of this are: Involvement in 'Homes for Cornwall'; establishment of and then strengthening of Customer Experience Committee, and other customer engagement through Customer Voice; engagement with Cornwall Council through Cornwall & Isles of Scilly Strategic Housing Group, and wider voluntary sector through the Voluntary Sector Alliance; independent review of effectiveness of governance; development of new People & Culture strategy with colleagues and completion of remuneration benchmarking, Living Wage Foundation membership, expert speakers at Board strategy sessions, including speakers from the Homes England and the National Housing Federation and extensive engagement with customers and colleagues on Environment Strategy.

The new Coastline Plan 2025–2030, launched in August 2025, was shaped through engagement with customers, colleagues and wider stakeholders. Management provides the Board with regular updates on progress against the Plan's objectives, which are designed to support the delivery of high-quality homes and services. The Plan balances ambition with the effective stewardship of Coastline's financial and human resources, ensuring maximum delivery against the organisation's charitable mission.

During 2025/26, board recruitment was in line with the National Housing Federation 2020 Code of Governance. We have improved the diversity of our Board and Executive Team, particularly in relation to gender representation. We have also strengthened our oversight of business continuity and housing-related matters through the expertise, experience and networks brought by our Directors, two newly appointed Board members and one new independent committee member.

Delegation of authority

The Board believes that governance of Coastline is best achieved by delegation of its authority for the executive management of Coastline to the CEO and Executive Team, subject to defined limits and monitoring by the Board and Committee structures (for reference see page 20).

The Board routinely monitors the delegation of authority, ensuring it is regularly updated, while retaining ultimate responsibility. The most recent review was completed in March 2025.

The Board has a long-standing corporate governance framework which reflects the charitable status of Coastline and the regulatory frameworks for Social Housing, Supported Housing and Extra Care services.

The current framework covers the following principal areas:

1. Company Purpose

Pursuing Coastline's charitable objectives and accountability to communities and other stakeholders for the company's actions. This means focussing primarily on strategic issues, while having regard to economic, political and social issues and other external factors particularly with reference to those impacting Cornwall.

2. Strategy

Responsibility for establishing and reviewing the long-term strategy, Corporate Plan and the financial business plan for Coastline, based on proposals made by management for achieving Coastline's purpose.

3. Monitoring decisions on the management team and the performance of Coastline

Including implementation of, and performance against the strategy and the business plan and the exercise of authority delegated to committees and management. The Board satisfies itself that emerging and principal risks to Coastline are identified and understood, systems of risk management, compliance and controls are in place to mitigate such risks and expected conduct of Coastline's business and its employees is reflected in a shared set of Coastline values.

4. Succession

Ensuring that systems and processes are in place for succession, evaluation and compensation of the CEO, executive and non-executive directors and all colleagues at Coastline.

During 2025/26 our directors continued to exercise all their duties, while having regard to these and other factors as they reviewed and considered proposals from management and governed the company on behalf of its charitable purpose through the Board.

Section 172 Factor	Key Examples	Page(s)
Section 172 (1) (A) Consequence of any decision in the long term	Company purpose Strategic Plan	5-8
Section 172 (1) (B) Interests of employees	Gender Pay Reporting	22
Section 172 (1) (C) Fostering business relationships with suppliers, customers and others	Strategy, objectives and performance	5 to 19
Section 172 (1) (D) Impact of operations on the community and the environment	Strategy, objectives and performance	5 to 19
Section 172 (1) (E) Maintaining high standard of business conduct	Governance and Committee Structures Risk management	20 23 to 27
Section 172 (1) (F) Acting fairly between members	Balanced long-term decision making Code of Governance	4 to 21 21

Streamlined Energy and Carbon Reporting (SECR)

Coastline Housing has requested a Streamlined Energy and Carbon Reporting (SECR) statement to comply with the latest SECR Regulations (2019). This report presents a full 3rd party verified SECR statement, compared to the previous financial year's energy usage, for use in Coastline's annual reporting.

As at 1 April 2026 Coastline owned 4,777 low-cost rental domestic homes which includes general needs, supported and Extra Care accommodation.

In addition, for the purposes of SECR operational impacts include utility costs from office spaces, fleet vehicle and staff vehicle mileage.

In terms of corporate impact which is directly accountable to the operations of the business;

Green House Gas Emissions (GHG) and Energy 1 April 2025-31 March 2026		
	Total Tonnes CO2	Units
Scope 1 – Direct Emissions		
Fuel for transport purposes	262.15	1,010,032 kWh
Natural Gas	245.00	1,339,068 kWh
Scope 2 – Indirect Emissions		
Electricity	188.17	1,063,105 kWh
Total – Scope 1 + 2	695.32	
Scope 3 – Other Indirect Emissions		
Housing Stock	6,623.98	4,777 homes
Business Travel (Employee owned)	30.85	126,845 kWh
Business Travel (not owned)	0.28	
Emissions from generation of electricity that is consumed in a transmission and distribution system which the company does not own or control	19.70	
Grand Total	7,370.12	
Intensity Ratio	1.54 tonnes CO2 per home managed	

Methodology

Each activity has been calculated in the appropriate units of measure and then converted to metric carbon tonnes to provide consistency.

Energy Efficiency Action

Coastline continues drive environmental improvements, such as carbon emissions reduction, improving the

efficiency of our office building, reviewing our utilities procurement, and actively engaging with our colleagues and customers, in line with the Environmental Strategy.

During 2025/26 these improvements included;

- The development of the Scope 1 & 2 carbon reduction plan;
- The completion of 315 retrofits under ECO4 funding;
- The creation of the Environmental & Sustainability Steering Group for colleagues;
- An increased focus on social value, especially in procurement practices;
- Reviewing the utilities contracts and opportunities to improve the services our customers receive;
- Working closely with suppliers and contractors such as Bradfords and Biffa;
- Engaging with our customers in a range of methods, including in workshops, Community Collaboration Sessions, and through improvements to our websites.

The Energy Company Obligation, Phase 4 (ECO4) funding allowed us to complete retrofit works to 315 homes, which included solar PV installations, and where necessary;

- Upgrades to heating systems;
- Insulation top-ups; and
- Ventilation upgrades

An internal household crisis fund remains available to customers and is used to support customers, including the provision of essential items, food vouchers, white goods and assistance with fuel debt to enable servicing to take place, 311 households accessed this service, with 61 self-referrals from customers. Over the year, we made payments worth £109,760 to our customers to help with energy bills in the cost-of-living crisis. The fund helps to support our customers and inform them on how to reduce energy usage and provide affordable warmth. Energy information relating to home ratings has been published on social media and regularly within “Coastlines” customer magazine, alongside energy saving advice and guidance.

A recent project with the University of Exeter (SmartHeat) engaged customers, colleagues and heat pump professionals to gain insight into perceptions and challenges of heat pumps to understand the knowledge gap between those using the systems and those installing them. The project resulted in changes to our customer welcome packs, new resources on the website, and volunteer roles for environmental and sustainability issues.

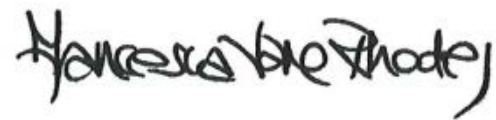
Our Scope 1 emissions have decreased by 54.99 tonnes CO2e, with the main decrease being in our emissions from combustion of gas used in our offices, communal areas and heat networks, which has decreased from 357.57 tonnes CO2e to 244.99 tonnes CO2e. This is due to continued efforts to improve our office heating system, along with the change our understanding of the definition of a communal heat network.

Scope 2 emissions have seen a slight increase but remain largely consistent with the previous year.

Scope 3 emissions have seen an 819.65 tonne CO2e increase in the last year, primarily from the emissions attributed to our homes. This has seen an increase from 5,810.32 tonnes CO2e to 6,623.98 tonnes CO2e (an 11% increase), which equates to 1.41 tonnes CO2 per Coastline home. These changes have occurred due to the increased data quality of our assets, with a data cleansing exercise completed to accurately record attributes in our third-party software Parity, the carbon emissions element is now calculated using actual data rather than assumed logic (where data was previously outdated or unknown). While seeing such a large increase, this does provide Coastline with reassurance that data quality is improving and allows us to more accurately assess our properties,including where retrofits are needed and the expected lifespans of attributes as well as the associated costs.

All of the above retrofit works have led to this significant reduction in emissions produced by our homes, and we aim to keep this momentum going with continued retrofit works planned over the coming years to bring all of our homes up to EPC C before the national deadline.

By order of the Board



Francesca Rhodes
Chair – Coastline Housing Ltd
30 July 2026



Independent Auditor's Report to the Members of Coastline Housing Limited

Opinion

We have audited the financial statements of Coastline Housing Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2026 which comprise the Group and Company Statement of Comprehensive Income, the Statement of Financial Position, the Consolidated Statement of Cash Flows, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2026 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 and parent company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Chair’s and Chief Executive’s report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Chair’s and Chief Executive’s report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Chair’s and Chief Executive’s report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Board of directors

As explained more fully in the directors’ responsibilities statement set out on page 29, the directors are 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the group and parent company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company 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 group 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 group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

During the audit, we obtained an understanding of the legal and regulatory framework that is applicable to the group to identify areas of laws and regulations that could be expected to have a material effect on the financial statements. This includes the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022 and requirements imposed by the Regulator for Social Housing and the Health and Safety at Work Act 1974. Whilst the group is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Based upon our understanding we designed and conducted audit procedures including:

- review of meeting minutes from Board meetings and Audit, Risk and Assurance Committee (‘ARAC’) meetings to identify any known instances of non-compliance with laws and regulations, including those relating to health and safety;
- review of the financial statements for specific disclosures required by housing legislation, such as the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing

2022 and requirements imposed by the Regulator for Social Housing;

- review of correspondence received during the financial year from the Regulator for Social Housing for potential breaches in sector specific regulations; and
- review of the risk register maintained by the group for any recordings of fraud or breaches in laws and regulations.

We also assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to property sales, and obtained an understanding of the controls in place to mitigate the risk of fraud. We also discussed with management whether there had been any instances of known or alleged fraud. Based upon our understanding we designed and conducted audit procedures including:

- review and specific item testing of property sales recorded close to the financial year end, to ensure they had been recognised in the correct accounting period;
- identification and testing of journals entries based on risk criteria, checking for appropriateness of the entries; and
- review of estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates, including in relation to the value of housing stock held in current assets as at year end.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. 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 omissions, collusion, forgery, misrepresentations, or the override of internal controls. We are also less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

A further description of our responsibilities is available on the FRC’s website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/descriptionof-the-auditor%E2%80%99s-responsibilities-for>

This description forms part of our auditor’s report.

Louise Bridgett

Louise Bridgett BA FCA (Senior Statutory Auditor)
For and on behalf of Francis Clark LLP, Statutory Auditor
Lowin House
Tregolls Road
Truro
TR1 2NA
Date: 3 August 2026

Group and Company Statement of Comprehensive Income
for the year ended 31 March 2026

	Note	Group		Company	
		2026 £'000	2025 £'000	2026 £'000	2025 £'000
Turnover: continuing activities	2	45,696	45,149	45,362	44,840
Cost of sales	2	(4,996)	(6,963)	(4,996)	(6,963)
Operating costs	2	(32,023)	(29,222)	(31,689)	(28,924)
Operating surplus	2	8,677	8,964	8,677	8,953
Gift aid receivable		-	-	262	152
Surplus on sales of properties	5	3,095	6,513	3,095	6,513
Other finance expenditure	6	(660)	(1,173)	(660)	(1,173)
Interest receivable & other income		213	391	213	391
Interest payable & similar charges	7	(7,046)	(7,318)	(7,046)	(7,318)
Surplus for the year before taxation	4	4,279	7,377	4,541	7,518
Tax on surplus	26	-	-	-	-
Surplus for the year		4,279	7,377	4,541	7,518
Other Comprehensive Income					
Actuarial gain/(loss) on pension scheme	24	418	622	418	622
Total recognised surplus for the year		4,697	7,999	4,959	8,140

All the above results derive from continuing operations and are on a historic cost basis.

The Statement of Comprehensive Income and Other Comprehensive Income was approved by the Board on 30 July 2026 and signed on its behalf by:

F Rhodes
Chair

K Harris
Chair of Audit, Risk and Assurance Committee

Statement of Financial Position as at 31 March 2026 (Reg. Number: 03284666)

	Note	Group		Company	
		2026 £'000	2025 £'000	2026 £'000	2025 £'000
Fixed assets:					
Intangible fixed assets	11	213	126	213	126
Housing properties	12	425,651	379,052	427,219	380,360
Other tangible fixed assets	13	5,572	5,562	5,482	5,413
Investments	14	25	25	100	100
Total fixed assets		432,461	384,765	433,014	385,999
Current assets:					
Stock	16	8,321	7,530	7,919	7,163
Rental and other debtors	15	5,584	8,095	5,486	7,983
Cash and cash equivalents	17	9,338	12,158	5,231	10,956
Total current assets		23,243	27,783	18,636	26,102
Creditors: amounts falling due within one year	18	(18,141)	(18,116)	(14,137)	(16,981)
Net current assets		5,102	9,667	4,499	9,121
Total assets less current liabilities		436,563	394,432	437,513	395,120
Creditors: amounts falling due after more than one year	19	(341,356)	(303,579)	(341,356)	(303,579)
Pension deficit funding liabilities	23	(65)	(66)	(65)	(66)
Pension defined benefit liability	23	(486)	(828)	(486)	(828)
Provision for tax liabilities	27				
Net assets		94,656	89,959	95,606	90,647
Represented by:					
Capital and reserves:					
Revenue reserves		94,656	89,959	95,606	90,647
		94,656	89,959	95,606	90,647

These financial statements were approved by the Board on 30 July 2026 and signed on its behalf by:

F Rhodes
Chair

K Harris
Chair of Audit, Risk and Assurance Committee

Consolidated Statement of Cash Flows for the year ended 31 March 2026

	2026 £'000	2025 £'000
Cash flows from operating activities		
Surplus for the year	4,279	7,377
Adjustments for non-cash items:		
Depreciation and impairment charges	6,728	6,396
Amortisation of intangible fixed assets	103	119
Profit on sale of housing properties	(3,095)	(6,513)
Profit/Loss on sale of tangible fixed assets	(163)	56
Loss on sale of shared ownership properties	-	0
(Decrease)/Increase in trade and other debtors	2,511	(3,360)
Increase/(Decrease) in stocks	(791)	5,180
(Increase)/Decrease in trade, other creditors and provisions	(1,197)	(774)
Pension costs less contributions payable	75	(23)
Adjustments for investing or financing activities:		
Interest receivable and similar income	(213)	(391)
Interest payable and similar charges	7,046	7,319
Amortisation of loan arrangement fees	247	804
Government grants utilised in the year	(1,661)	(1,349)
Tax paid		
Net cash from operating activities	13,869	14,841
Cash flows from investing activities		
Sale of housing properties	3,860	9,096
Sale of shared ownership properties	-	6,650
Acquisitions of housing properties	(48,025)	(32,414)
Capital improvements to existing properties	(3,789)	(5,314)
Acquisitions of other fixed assets	(1,221)	(1,370)
Sale of other fixed assets	162	-
Grants received to support capital expenditure	17,200	16,089
Purchase of shares in a company		
Net cash from investing activities	(31,813)	(7,263)
Cash flows from financing activities		
Interest paid	(8,033)	(8,516)
New secured loans	25,000	40,000
Repayment of loans	(1,150)	(32,174)
Loan arrangement fees	(694)	(391)
Net cash from financing activities	15,123	(1,081)
Net increase / (decrease) in cash and cash equivalents	(2,820)	6,497
Cash and cash equivalents at 1 April	12,158	5,661
Cash and cash equivalents at 31 March	9,338	12,158

(i)



(i) Analysis of changes in net debt

GROUP	At 1 April 2025 £'000	Cash flows £000	Other non-cash changes £'000	At 31 March 2026 £'000
Cash and cash equivalents				
Cash	12,158	(2,820)	-	9,338
Overdrafts	-	-	-	-
Cash equivalents	-	-	-	-
	12,158	(2,820)	-	9,338
Borrowings				
Debt due within one year	-	(1,150)	-	(1,150)
Debt due after one year	(207,636)	(22,700)	-	(230,336)
	(207,636)	(23,850)	-	(231,486)
Total	(195,478)	(26,670)	-	(222,148)

Group and Company Statement of Changes in Equity

GROUP	Revenue reserve £'000	Garlidna reserve £000	Restricted reserve £'000	Total equity £'000
Balance at 1 April 2024	81,681	247	32	81,960
Surplus for the year	7,377	-	-	7,377
Other comprehensive income (see note 24)	622	-	-	622
Total comprehensive income for the year	7,999	-	-	7,999
Transfer from Garlidna Reserve	(26)	26		
Balance at 31 March 2025	89,654	273	32	89,959
Balance at 1 April 2025	89,654	273	32	89,959
Surplus for the year	4,279			4,279
Other comprehensive income (see note 24)	418			418
Total comprehensive income for the year	4,697			4,697
Transfer to Garlidna reserve	(32)	32		-
Balance at 31 March 2026	94,319	305	32	94,656

COMPANY	Revenue reserve £'000	Garlidna reserve £000	Restricted reserve £'000	Total equity £'000
Balance at 1 April 2024	82,228	247	32	82,507
Surplus for the year	7,518	-	-	7,518
Other comprehensive income (see note 24)	622	-	-	622
Total comprehensive income for the year	8,140	-	-	8,140
Transfer from Garlidna reserve	(26)	26	-	-
Balance at 31 March 2025	90,342	273	32	90,647
Balance at 1 April 2025	90,342	273	32	90,647
Surplus for the year	4,541			4,541
Other comprehensive income (see note 24)	418			418
Total comprehensive income for the year	4,959			4,959
Transfer to Garlidna reserve	(32)	32		-
Balance at 31 March 2026	95,269	305	32	95,606

Notes to the Financial Statements

1 Accounting Policies

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102. The Financial Reporting Standard is applicable in the UK and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 30.

Measurement Convention

The financial statements are prepared on the historical cost basis.

Legal Status

The Company is a company limited by guarantee, and is registered in England under the Companies Act 2006. It is a registered social housing provider and a registered charity.

Basis of Preparation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2026. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated statement of comprehensive income from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

In the parent financial statements, investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment. The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards, the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Statement of Recommended Practice, “Accounting by Registered Social Housing Providers 2018” (SORP 2018) and the Companies Act 2006.

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

Going Concern

The financial statements have been prepared on a going concern basis which the Board consider to be appropriate for the following reasons.

The Group prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in May 2026 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure.

Notes to the Financial Statements - cont’d

The Board, after reviewing the group and company budgets for 2026/27 and the Group’s medium- and long-term financial position as detailed in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the Group and Company have adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

- The property market – budget and business plan scenarios have taken account of delays in handovers, lower numbers of property sales and reductions in sales values;
- Maintenance costs – budget and business plan scenarios have been modelled to take account of cost increases and delays in maintenance expenditure, with major works being phased into future years;
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of potential future reductions in rents;
- Liquidity – available cash and unutilised loan facilities of £62.0 million as at 31 March 2026 which gives significant headroom for committed spend and other forecast cash flows that arise;
- The Group’s ability to withstand other adverse scenarios such as higher interest rates increased periods for relets in addition to a higher number of void properties.

The Board believe the Group and Company has sufficient funding in place and expect the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

Consequently, the Board are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Consolidation

The consolidated financial statements include the financial statements of the Company and its four subsidiaries Coastline Services Limited; Coastline Care Limited; Coastline Homes Limited and Coastline Design and Build Limited. The acquisition method of accounting has been adopted. Transactions between the Company and its subsidiaries are eliminated on consolidation.

Basic Financial Instruments

Trade and other debtors/ creditors

Trade and other debtors/creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit or loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company’s cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Turnover

Group and Company turnover comprises rental income receivable net of voids, income from property sales, service charges and other services which are included at the invoiced value of goods and services supplied in the period with grant income recognised under either the performance method or accruals method dependent on the type of grant.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. The Company’s stock figure includes the proportion of shared ownership properties intended for first tranche sales, whether these have been completed and are ready for sale or in the course of construction.

Outright sale

Completed properties and properties under construction for open market sales are recognised at the lower of cost and net realisable value.

Interest Payable

Interest payable and similar charges include interest payable on long term borrowings. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Other Interest Receivable

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Gift aid income is recognised in the profit or loss account on the date the entity’s right to receive payments is established.

Retirement Benefits

The Group operates a defined contribution pension scheme through the Social Housing Pension Scheme operated by The Pensions Trust. The assets of the schemes are held separately from those of the Company in an independently administered fund. The amount charged to the profit or loss account represents the contributions payable to the schemes in respect of the accounting period.

The Group also participated in the defined benefit section of the Social Housing Pension Scheme operated by The Pensions Trust providing benefits based on final pensionable pay or on career average salary, although it is closed to future accrual. The assets of the scheme are held separately from those of the Group. For financial years ending on or after 31 March 2019, The Pensions Trust is able to obtain sufficient information to enable the Company to account for the Scheme as a defined benefit scheme.

Housing Properties

Housing properties are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period, and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties. Following the adoption of component accounting, completed housing properties are now split between their land and structure costs and a specific set of major components that require periodic replacement.

Depreciation is charged to the profit or loss account on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:

Structure	80 years
Cladding (as part of the structure)	20 years
Windows and doors	40 years
Roofs	75 years
Kitchens	20 years
Bathrooms	30 years
Lifts (excluding stairs)	15 years
Heating	30 years
Gas boilers/ Heat Pumps	15 years

Properties are reviewed for impairment annually. Where housing properties have suffered a permanent diminution in value, the impairment after deducting any related Social Housing Grant is recognised in the statement of consolidated income and included within cumulative depreciation.



Shared ownership properties are included in housing properties at cost related to the percentage of equity retained, less any provisions needed for impairment or depreciation.

Development costs which arise directly from the construction or acquisition of a property are capitalised to housing properties in the course of construction.

Capital expenditure on schemes which are aborted is charged to the statement of comprehensive income in the year in which it is recognised that the schemes will not be developed to completion.

Social Housing Grant

Social housing grant (SHG) is initially recognised at fair value as a long-term liability, specifically as deferred grant income and released through the statement of comprehensive income as turnover income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated SHG is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

Where, following the sale of a property, SHG becomes repayable, to the extent it is not subject to abatement, it is included as a liability until it is recycled or repaid. SHG is subordinated in respect of loans by agreement with the Regulator of Social Housing.

Government Grants

These include grants from local authorities and other organisations. Other grants are initially recognised at fair value as a long-term liability, specifically as deferred grant income and released through the statement of consolidated income as turnover over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

Grants in respect of revenue expenditure are credited to the statement of comprehensive income in the same period as the expenditure to which they relate.

Sale of Housing Properties

Surpluses on sales of housing accommodation comprise proceeds from property sales, which are recognised at the date of completion, less the net book value of the properties and take into account any liabilities under the original Transfer Agreement with Cornwall Council in relation to Right to Buy sales.

Sale of Housing Properties – Shared Ownership

Under shared ownership arrangements, the Company sells an interest of between 10% and 75% in a Low Cost Home Ownership housing property at open market value. The owner of a low cost home has the right to purchase further proportions up to 100% (subject to occasional restrictions) at the then current valuation. Proceeds of sale of first tranches are accounted for as turnover in the statement of comprehensive income. Subsequent tranches sold are disclosed in the profit or loss account after the operating result as a surplus or deficit on the sale of fixed assets

Improvements, Major Repairs, Cyclical Repairs and Day to Day Repairs

The amount of expenditure incurred which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the statement of comprehensive income in the period in which it is incurred.

Other Tangible Fixed Assets

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Other tangible assets include those assets with an individual value in excess of £500 and community alarm equipment, which is specifically associated with an income stream.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold office buildings	50 years
Solar PV panels	20 years
Smoke and carbon monoxide detectors	10 years
Furniture, fixtures and fittings	5 years
Motor vehicles	5 years
Plant and equipment	4 years
Computer hardware	3 years
Community alarm equipment	3 to 10 years
Grounds plant and equipment	3 years

Intangible Fixed Assets

Intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided evenly on the cost of intangible fixed assets to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for intangible assets are:

Computer software	3 years
-------------------	---------

Operating Leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit or loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit or loss over the term of the lease as an integral part of the total lease expense.



Notes to the Financial Statements - cont'd

Bad and Doubtful Debts

Provision is made against rent arrears of current and former tenants as well as miscellaneous debts to the extent that they are considered irrecoverable. All former tenant arrears are fully provided for in the year that they occur.

Capitalisation of Interest

Interest on loans financing development is capitalised up to the end of the month in which practical completion occurs.

Capitalisation of Development Costs

Development costs which arise directly from the construction or acquisition of a property are capitalised to housing properties in the course of construction.

Capital expenditure on schemes which are aborted is charged to the statement of comprehensive income in the year in which it is recognised that the schemes will not be developed to completion.

Taxation

Coastline Housing Limited is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The profit making companies within the Group (CSL, CCL, CDB and CHM) are liable to UK corporation tax. The credit for taxation for the year includes current tax on the taxable profits for the year for these companies, where the profits are not relieved by losses brought forward.

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit or loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Value Added Tax

The Company is registered for VAT, but a large proportion of its income, including rents, is exempt for VAT purposes and the majority of its expenditure is subject to VAT which cannot be reclaimed. Expenditure is therefore shown inclusive of VAT. The Company recovers VAT where appropriate and this is credited to the statement of comprehensive income account and back against capital expenditure where appropriate.

Gift aid payment presented within shareholders' funds

Gift Aid payment is only recognised as a liability at the year end to the extent that it has not been paid prior to the year end, there is a deed of covenant prior to the year-end or a Companies Act s288 written resolution has been approved by the shareholder in the year to pay the taxable profit for the year to its parent by a certain payment date.

Income statement

Tax charge to be recorded to the extent that a tax charge is payable (i.e., includes any tax credit related to gift aid)

2 Turnover, Operating Costs and Operating Surplus

GROUP	2026				2025			
	Turnover	Cost of sales	Operating costs	Operating surplus	Turnover	Cost of sales	Operating costs	Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings	37,144	-	(29,868)	7,276	-	-	(27,954)	6,990
Support contracts	941	-	(941)	-	897	-	(190)	707
Care and support	1,633	-	(750)	883	1,440	-	(687)	753
Other activities	774	-	(334)	440	915	-	(297)	618
Open market sales	-	-	-	-	303	(303)	-	-
Shared ownership first tranche sales	5,204	(4,996)	(130)	78	6,650	(6,660)	(94)	(104)
	45,696	(4,996)	(32,023)	8,677	45,149	(6,963)	(29,222)	8,964

COMPANY	2026				2025			
	Turnover	Cost of sales	Operating costs	Operating surplus	Turnover	Cost of sales	Operating costs	Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings	37,144	-	(29,868)	7,276	34,944	-	(27,954)	6,990
Support contracts	941	-	(941)	-	897	-	(190)	707
Care and support	1,633	-	(750)	883	1,440	-	(686)	754
Other activities	440	-	-	440	606	-	-	606
Open market sales	-	-	-	-	303	(303)	-	-
Shared ownership first tranche sales	5,204	(4,996)	(130)	78	6,650	(6,660)	(94)	(104)
	45,362	(4,996)	(31,689)	8,677	44,840	(6,963)	(28,924)	8,953



Notes to the Financial Statements - cont'd

2 Turnover, Operating Costs and Operating Surplus - cont'd

GROUP					
Income and expenditure	General needs	Sheltered housing	Shared ownership	2026	2025
	£'000	£'000	£'000	£'000	£'000
Income from lettings					
Rent receivable	24,240	5,860	2,495	32,595	31,073
Service charges receivable	1,655	1,176	130	2,961	2,522
Grant income amortised	1,588	-	-	1,588	1,349
Total income from lettings	27,483	7,036	2,625	37,144	34,944
Expenditure on letting activities					
Management	(4,425)	(1,045)	(773)	(6,243)	(4,753)
Services	(2,553)	(602)	(446)	(3,601)	(2,952)
Routine maintenance	(3,499)	(825)	(611)	(4,935)	(2,523)
Planned maintenance	(5,011)	(1,182)	(875)	(7,068)	(9,859)
Major repairs expenditure	(1,620)	(382)	(283)	(2,285)	(1,846)
Rent losses from bad debts	(102)	(24)	(18)	(144)	253
Depreciation of housing properties	(4,084)	(963)	(713)	(5,760)	(5,906)
Other costs	119	28	21	168	(368)
Operating costs on lettings	(21,175)	(4,995)	(3,698)	(29,868)	(27,954)
Operating surplus on lettings	6,308	2,041	(1,073)	7,276	6,990
Total income from lettings is shown net of void rent losses:					
Rent losses from voids	(310)	(260)	-	(570)	(599)

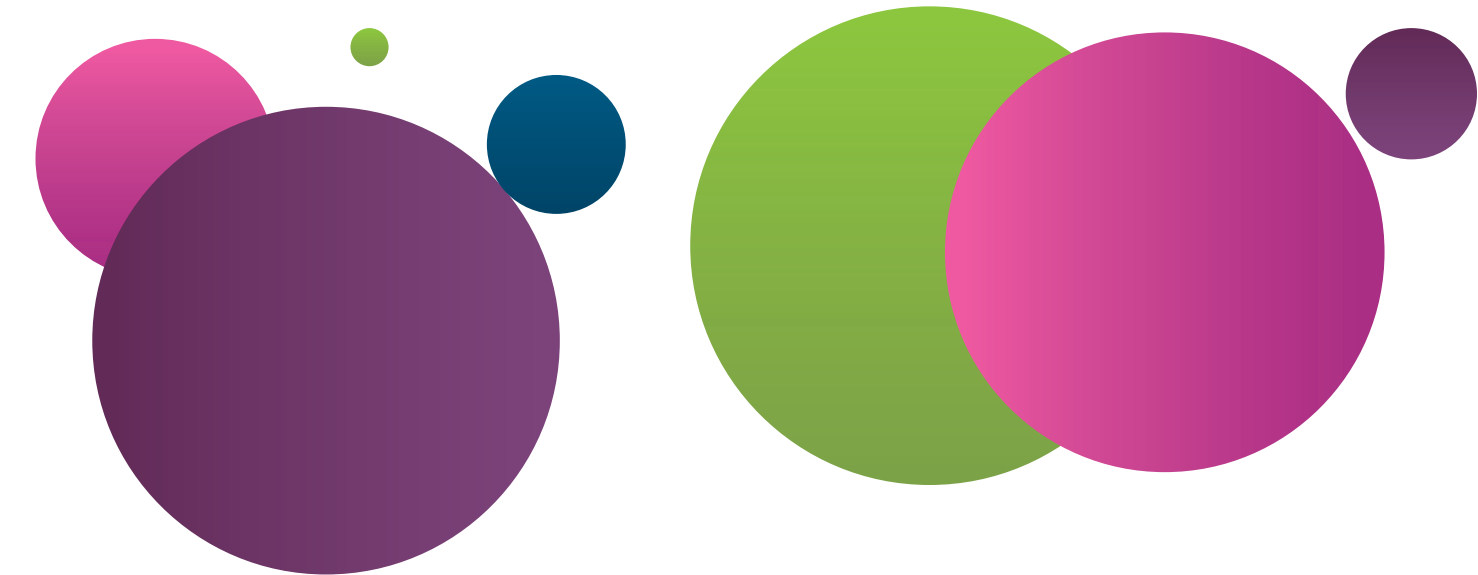


2 Turnover, Operating Costs and Operating Surplus - cont'd

COMPANY					
Income and expenditure	General needs	Sheltered housing	Shared ownership	2026	2025
	£'000	£'000	£'000	£'000	£'000
Income from lettings					
Rent receivable	24,240	5,860	2,495	32,595	31,073
Service charges receivable	1,655	1,176	130	2,961	2,522
Grant income amortised	1,588	-	-	1,588	1,349
Total income from lettings	27,483	7,036	2,625	37,144	34,944
Expenditure on letting activities					
Management	(4,425)	(1,045)	(773)	(6,243)	(4,753)
Services	(2,553)	(602)	(446)	(3,601)	(2,952)
Routine maintenance	(3,499)	(825)	(611)	(4,935)	(2,523)
Planned maintenance	(5,011)	(1,182)	(875)	(7,068)	(9,859)
Major repairs expenditure	(1,620)	(382)	(283)	(2,285)	(1,846)
Rent losses from bad debts	(102)	(24)	(18)	(144)	253
Depreciation of housing properties	(4,084)	(963)	(713)	(5,760)	(5,906)
Other costs	119	28	21	168	(368)
Operating costs on lettings	(21,175)	(4,995)	(3,698)	(29,868)	(27,954)
Operating surplus on lettings	6,308	2,041	(1,073)	7,276	6,990
Total income from lettings is shown net of void rents losses:					
Rent losses from voids	(310)	(260)	-	(570)	(599)

During the year the Company spent £18.089 million (2025: £17.960 million) on maintaining and improving its existing property stock of which £3.789 million (2025: £5.314 million) was capitalised. £nil grant was received in respect of this expenditure during the year (2025 £1.037 million).

Other costs includes a credit of £168,000 (2025: £39,000) relating to the surplus arising on the disposal of other fixed assets during the year.



Notes to the Financial Statements - cont'd

3 Accommodation in Management

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

GROUP and COMPANY	2026 Properties	2025 Properties
General needs – social rent	2,336	2,257
General needs – affordable rent	1,479	1,443
Supported housing / housing for older people – social rent	654	646
Supported housing / housing for older people – affordable rent	149	149
Other social housing	159	162
Shared ownership	712	654
Market rented	-	1
Managed but not owned	99	99
Leasehold	173	167
	5,761	5,578

4 Surplus for the Financial Year before Taxation

	GROUP		COMPANY	
This is stated after charging/ (crediting):	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Depreciation on housing properties	5,706	5,542	5,706	5,542
Depreciation of other tangible fixed assets	1,022	854	957	854
Amortisation of intangible fixed assets	103	119	103	119
Amortisation of grant income	(1,588)	(1,349)	(1,588)	(1,349)
Accelerated life on components	54	365	54	365
(Loss)/Gain on disposal of tangible fixed assets	(163)	56	(163)	39
Operating lease rentals:				
- vehicles, plant and equipment	26	19	-	-
- land and buildings	61	38	-	-
Auditor's remuneration:				
- audit of these financial statements	42	42	42	42
- audit of the financial statements of subsidiary companies	11	21	-	-
- tax services	-	-	-	-
- other services	2	-	-	-

5 Surplus on Sale of Housing Properties

GROUP and COMPANY	2026 £'000	2025 £'000
Proceeds from sale of housing properties (gross)	5,275	9,096
Less: costs of sales	(1,795)	(2,443)
Less: Council share of proceeds under Right to Buy	(385)	(140)
	3,095	6,513

6 Other Finance Expenditure

GROUP and COMPANY	2026 £'000	2025 £'000
Unwinding of discount on the SHPS (note 24)	403	374
Unwinding of discount on the Coastline Pensioners (note 23)	9	(2)
Amortisation of loan note fees	247	801
	659	1,173

7 Interest Payable and Similar Charges

GROUP and COMPANY	2026 £'000	2025 £'000
On loans and bank overdrafts	9,023	8,567
Break costs	(720)	339
Interest capitalised on developments under construction	(1,257)	(1,588)
	7,046	7,318

The capitalisation rate used to determine the amount of finance capitalised in the period was 6.00% (2025: 6.00%).

8 Employees

(a) Number of employees as restated

GROUP AND COMPANY	2026 Number	2025 Number
Average total full-time and part-time employees during the year	403	353
Average number of full-time equivalents employed during the year	365	348

(b) Staff costs for the above employees as restated

GROUP AND COMPANY	2026 £'000	2025 £'000
Staff costs:		
- gross wages and salaries	13,030	11,262
- employer's National Insurance contributions	1,517	1,105
- employer's pension costs	670	724
	15,217	13,091

Prior period restatement

Prior year comparatives have been restated within the staff costs disclosures to reflect that, as at the prior period end date, all employees in the Group were contractually employed by Coastline Housing Limited. In the prior period financial statements, a number of employees were incorrectly classified as employed by Coastline Services Limited and therefore excluded from the company only headcount and staff costs disclosures of Coastline Housing Limited.

There is not an impact on the Statement of Comprehensive Income. All payroll costs from Coastline Services Limited were already included in the Coastline Housing Limited company only figures, due to staff costs being related to the servicing of housing properties and therefore recharged and forming part of operating costs for the company.

(c) The full time equivalent number of staff who received remuneration above £60,000:

GROUP AND COMPANY	2026 Number	2025 Number
£180,001 to £190,000	1	1
£170,001 to £180,000	-	-
£160,001 to £170,000	1	-
£150,001 to £160,000	1	2
£140,001 to £150,000	1	1
£130,001 to £140,000	-	-
£120,001 to £130,000	-	-
£110,001 to £120,000	1	-
£100,001 to £110,000	1	1
£90,001 to £100,000	3	3
£80,001 to £90,000	1	3
£70,001 to £80,000	3	1
£60,001 to £70,000	5	7

This includes the remuneration of Executive Officers, which is also disclosed in note 9.

9 Board Members' and Executive Officers' Emoluments

Key management personnel are the Executive Team who oversee the day-to-day operational running and, working with the Board and wider colleagues, identify and execute the Group's strategic direction. They are detailed on pages 1-2 of these accounts. The remuneration paid to the Executive Officers of the Group and the Board members during the year was as follows:

EXECUTIVE OFFICERS	Salary £	Other emoluments £	Pension £	2026 Total £	2025 Total £
Chief Executive A Young	148,501	27,443	12,326	188,270	180,242
Deputy Chief Executive (with specific responsibility for Housing, Assets and Communities) L Beard	126,192	23,934	10,474	160,600	153,700
Director of Finance, People and Change N Mallows	123,751	21,210	10,271	155,232	154,383
Director of Development and Commercial Services C Weston	115,743	16,661	9,607	142,011	141,094
TOTAL – COMPANY and GROUP	514,187	89,248	42,678	646,113	629,419

The Executive Team remuneration above includes a Higher Performance Award (HPA), which is overseen by the Board, supported by the People Committee. Coastline's Executive salaries are benchmarked to median levels, and the HPA allows the Board to reward performance when it is above median levels, without consolidating this into base salary. Eligibility is assessed against a balanced scorecard criteria that includes financial and non-financial targets. This award is determined with an individual award up to 5% based on performance and paid in full after the end of the year and a collective award up to 5% based on collective performance calibrated against overall business performance with the payment paid out over three years for those still in employment.



Notes to the Financial Statements - cont'd

9 Board Members’ and Executive Officers’ Emoluments - cont'd

NON - EXECUTIVE DIRECTORS	2026 £	2025 £
F Rhodes (Chair)	13,935	8,250
S Harrison (Former Chair)		6,500
A Moore	-	7,367
K Harris	8,405	7,800
C Pears	-	7,150
B Treleven	-	2,625
D Barlow	8,755	7,322
K Kemp	8,405	8,225
P Doddrell	-	3,938
M Tucker	8,405	5,463
G Pipkin	5,753	5,250
K Surgenor	5,753	4,250
D Wilcocks	3,605	4,250
J Marshall	3,688	-
J Fisher	5,753	-
R Lloyd King	5,753	-
TOTAL - COMPANY AND GROUP	78,210	78,390

INDEPENDENT COMMITTEE MEMBERS	2026 £	2025 £
E Chapman	4,188	3,250
S Curtis	3,605	3,250
C Jones	2,103	3,250
M Gaunt	3,605	3,250
Y Stephens	3,605	1,625
TOTAL - COMPANY AND GROUP	17,106	14,625

Expenses paid during the year to Board Members amounted to £4,710 (2025: £6,550).

No Non-Executive Directors participate in any of the four Group pension schemes. At the year-end four Executive Officers were members of one of the schemes (2025: four). At the year-end £nil of pension scheme contributions relating to Executive Officers remained unpaid (2025: Nil). One of the Executive Officers; Allister Young, was a statutory director in the year.

In respect of the officer who held the Chief Executive’s position during the year, pension arrangements were:

- (a) As an ordinary member of the Social Housing Defined Contribution Pension Scheme.
- (b) No enhancement or special terms were applied.
- (c) No individual pension arrangement to which the Group makes a contribution.

10 Trusts

The Company is Sole Corporate Trustee of Garlidna (Penzance Almshouses) Trust. The income and expenditure of the Trust and its assets and liabilities, are incorporated within the Company and Group’s financial statements. A transfer between reserves is performed annually for the deficit or surplus of income over expenditure. This transfer is included within the statement of changes in equity.

11 Intangible Fixed Assets

GROUP and COMPANY	Group £'000	Company £'000
	Computer Software	Computer Software
Cost		
At 1 April 2025	1,815	1,765
Net Additions	190	190
Disposals		
At 31 March 2026	2,005	1,955
Depreciation		
At 1 April 2025	(1,689)	(1,639)
Charged in year	(103)	(103)
Disposals		
At 31 March 2026	(1,792)	(1,742)
Net book value		
At 31 March 2026	213	213
At 31 March 2025	126	126



Notes to the Financial Statements - cont'd

12 Tangible Fixed Assets – Housing Properties

GROUP	Freehold Properties		Shared Ownership Properties		Garlidna Alms House	Total
	Completed	Under Construction	Completed	Under Construction		
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
As at 1 April 2025	303,787	47,229	63,331	12,917	506	427,770
Additions	19,185	16,343	7,597	6,156	-	49,281
Schemes completed	41,453	(41,453)	12,111	(12,111)	-	-
Components Capitalised	3,787	-	-	-	2	3,789
Disposals	(1,663)	-	-	-	-	(1,663)
At 31 March 2026	366,549	22,119	83,039	6,962	508	479,177
Depreciation						
As at 1 April 2025	(45,676)	-	(2,955)	-	(87)	(48,718)
Charge for the year	(4,954)	-	(738)	-	(14)	(5,706)
Eliminated on Disposals	835	-	63	-	-	898
At 31 March 2026	(49,795)	-	(3,630)	-	(101)	(53,526)
Net Book Value						
At 31 March 2026	316,754	22,119	79,409	6,962	407	425,651
At 31 March 2025	258,111	47,229	60,376	12,917	419	379,052

COMPANY	Freehold Properties		Shared Ownership Properties		Garlidna Alms House	Total
	Completed	Under Construction	Completed	Under Construction		
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
As at 1 April 2025	303,837	47,891	63,446	13,398	506	429,078
Additions	19,256	16,460	7,616	6,209	-	49,540
Schemes completed	41,453	(41,453)	12,111	(12,111)	-	-
Components Capitalised	3,787	-	-	-	2	3,789
Disposals	(1,663)	-	-	-	-	(1,663)
At 31 March 2026	366,670	22,898	83,173	7,496	508	480,744
Depreciation						
As at 1 April 2025	(45,676)	-	(2,955)	-	(87)	(48,718)
Charge for the year	(4,954)	-	(738)	-	(14)	(5,706)
Eliminated on Disposals	835	-	63	-	-	898
At 31 March 2026	(49,795)	-	(3,630)	-	(101)	(53,526)
Net Book Value						
At 31 March 2026	316,875	22,898	79,543	7,496	407	427,219
At 31 March 2025	258,161	47,891	60,491	13,398	419	380,360

Included in the cost of housing properties is £7.491 million in respect of cumulative capitalised development administration costs (2025: £6.710 million) and cumulative capitalised interest of £15.769 million (2025: £14.512 million).

All housing properties are freehold. See note 3 for accommodation in management.



12 Tangible Fixed Assets – Housing Properties - cont'd

Valuation for disclosure only

The value of completed housing properties as at 31 March 2026 on an existing use value, Social Housing (EUV-SH) basis was £296.0 million (2025: £266.5 million).

For information purposes only, completed housing properties are valued at 31 March 2026 by Savills (UK) Limited, qualified professional independent external valuers.

The valuation of the properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

In valuing housing properties, discounted cash flow methodology was adopted with key assumptions: Social housing and shared ownership only

Discount rate 5.25% to 6.00% for social housing stock.

Rent assumptions: Social rented CPI +1.0%, Shared ownership RPI +0.5% and Other rents RPI +1.0% or in accordance with any relevant lease or nominations agreements

13 Tangible Fixed Assets – Other

GROUP	Freehold offices	Furniture, fixtures & fittings	Computer hardware	Plant, equipment & vehicles	Community alarm equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2025	4,067	1,801	1,651	3,069	567	11,155
Reclassified	-	307	-	-	(307)	-
Additions	-	61	98	800	73	1,032
Disposals	-	-	-	(332)	-	(332)
At 31 March 2026	4,067	2,169	1,749	3,537	333	11,855
Depreciation						
At 1 April 2025	(885)	(1,592)	(1,386)	(1,563)	(167)	(5,593)
Reclassified	-	(107)	-	-	107	-
Charged in year	(99)	(131)	(158)	(582)	(52)	(1,022)
Disposals	-	-	-	332	-	332
At 31 March 2026	(984)	(1,830)	(1,544)	(1,813)	(112)	(6,283)
Net book value						
At 31 March 2026	3,083	339	205	1,724	221	5,572
At 31 March 2025	3,182	209	265	1,506	400	5,562

COMPANY	Freehold offices	Furniture, fixtures & fittings	Computer hardware	Plant, equipment & vehicles	Community alarm equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2025	4,067	1,796	1,651	2,810	567	10,891
Reclassified	-	307	-	-	(307)	-
Additions	-	62	98	793	73	1,026
Disposals	-	-	-	(331)	-	(331)
At 31 March 2026	4,067	2,165	1,749	3,272	333	11,586
Depreciation						
At 1 April 2025	(885)	(1,587)	(1,386)	(1,453)	(167)	(5,478)
Reclassified	-	(107)	-	-	107	-
Charged in period	(99)	(131)	(158)	(517)	(52)	(957)
Disposals	-	-	-	331	-	331
At 31 March 2026	(984)	(1,825)	(1,544)	(1,639)	(112)	(6,104)
Net book value						
At 31 March 2026	3,083	340	205	1,633	221	5,482
At 31 March 2025	3,182	209	265	1,357	400	5,413

14 Investments

	GROUP		COMPANY	
	2026 £	2025 £	2026 £	2025 £
Ordinary shares of £1 each – Coastline Services Limited	-	-	75,000	75,000
Ordinary shares £1 each – Coastline Design and Build Limited	-	-	1	1
Ordinary shares £1 each – Coastline Care Limited	-	-	1	1
Ordinary shares £1 each – Coastline Homes Limited	-	-	100	100
Ordinary shares £312.50 each - Go Collaborate Limited	25,000	25,000	25,000	25,000
Ordinary shares nil value – Oak Park (St Tudy)	-	-	-	-
	25,000	25,000	100,102	100,102

The Company holds 100% of the share capital of Coastline Services Limited. Coastline Services Limited is a company incorporated in England and Wales (Company number 05558027). The principal activity of the company is the provision of maintenance and technical services, primarily in respect of affordable housing. Coastline Services Limited has agreements with Coastline Housing Limited for the provision of responsive and void maintenance as well as various planned investment works to existing properties. The accounts of Coastline Services Limited are available to the public and may be obtained from its registered office at Coastline House, 4 Barncoose Gateway Park, Pool, Redruth, Cornwall TR15 3RQ. Coastline Services Limited, registered company number 05558027, is exempt from audit under s.479C of the Companies Act. Coastline Housing Ltd, as parent company, have provided parental guarantee of all of the outstanding liabilities to which Coastline Services is subject to as at 31 March 2026, until they are satisfied in full, and the guarantee is enforceable against Coastline Housing Limited by any person to whom Coastline Services is liable in respect of those liabilities.

The Company holds 100% of the share capital in Coastline Design and Build Limited, which was incorporated on the 3 June 2015. Coastline Design and Build Limited is a company incorporated in England and Wales (Company number 09622238). The principal activities of the company are that of a commercial design and build contractor for new builds whose principal client is CHL. The accounts of Coastline Design and Build Limited are available to the public and may be obtained from its registered office at Coastline House, 4 Barncoose Gateway Park, Pool, Redruth, Cornwall TR15 3RQ.

The Company holds 100% of the share capital in Coastline Care Limited. Coastline Care Limited is a company incorporated in England and Wales (Company number 06665734). The company has been dormant since 1 April 2015. The accounts of Coastline Care Limited are available to the public and may be obtained from its registered office at Coastline House, 4 Barncoose Gateway Park, Pool, Redruth, Cornwall TR15 3RQ.

The Company holds 100% of the share capital of Coastline Homes Limited. Coastline Homes Limited is a company incorporated in England and Wales (Company number 10957677). The principal activities of the company is the design, construction and sale of residential housing. The accounts of Coastline Homes Limited are available to the public and may be obtained from its registered office at Coastline House, 4 Barncoose Gateway Park, Pool, Redruth, Cornwall TR15 3RQ. Coastline Homes Limited, registered company number 10957677, is exempt from audit under s.479C of the Companies Act. Coastline Housing Ltd, as parent company, have provided parental guarantee of all of the outstanding liabilities to which Coastline Homes is subject to as at 31 March 2026, until they are satisfied in full, and the guarantee is enforceable against Coastline Housing Limited by any person to whom Coastline Homes is liable in respect of those liabilities.

The Company holds 1.68% of the share capital of GoCollaborate Limited. GoCollaborate Limited is a company incorporated in England and Wales (Company number 12915479). The principal activities of the company is to provide an accessible and more engaging consultation platform on community projects and developments. More information and access to the accounts of GoCollaborate Limited can be obtained from its registered office at 1a Lower East Street, St Columb, Cornwall TR9 6AX.

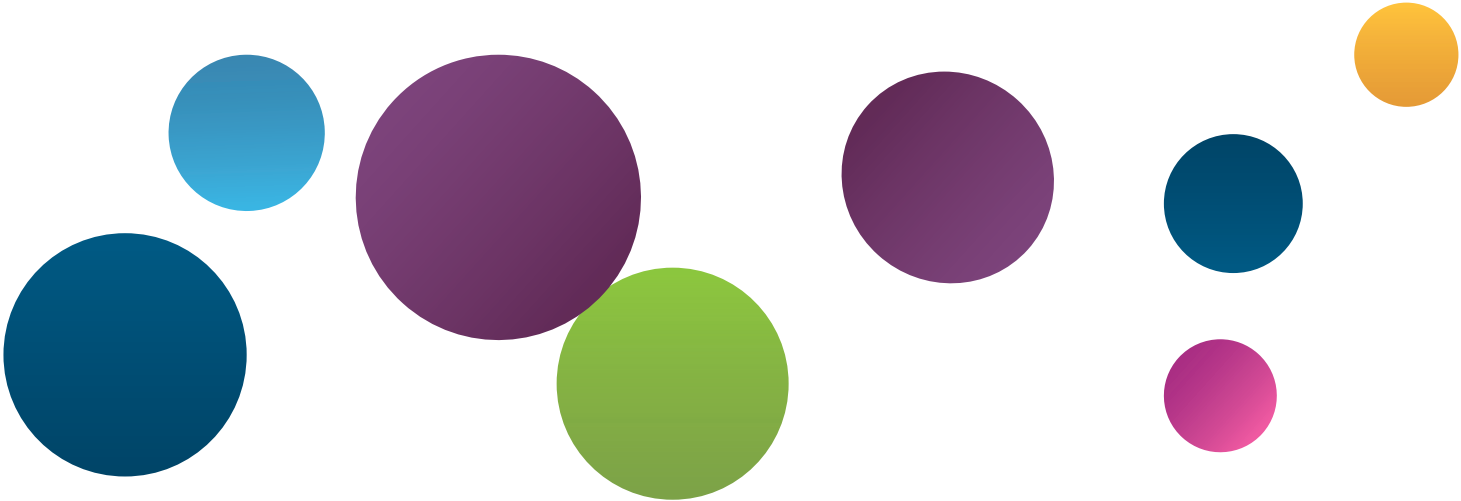
The Company holds 43% of the voting shares in Oak Park (St Tudy) Limited. Oak Park (St Tudy) Limited is a company incorporated in England and Wales (Company number 03853311). The principle activities of the company is as a management company. More information and access to the accounts of Oak Park (St Tudy) Limited can be obtained from its registered address at Coastline House, 4 Barncoose Gateway Park, Pool, Redruth, Cornwall, TR15 3RQ.

15 Debtors

	GROUP		COMPANY	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Due within one year:				
Current tenants	704	444	704	444
Former tenants	387	298	387	298
Less provision for bad and doubtful debts	(483)	(436)	(483)	(436)
Total rent and service charges receivable	608	306	608	306
Trade debtors	-	97	-	-
Taxation and social security	73	12	26	-
Other debtors	3,506	5,923	3,506	5,920
Less provision for bad and doubtful debts	(247)	(206)	(247)	(206)
Prepayments and accrued income	1,644	1,963	1,593	1,963
	5,584	8,095	5,486	7,983

16 Stock

	GROUP		COMPANY	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Shared ownership first tranches				
- Completed	4,024	2,947	4,024	2,947
- Work in progress	3,333	3,779	3,333	3,779
Outright sale properties				
- Completed	562	437	562	437
- Work in progress		-	-	-
Work in progress	402	367	-	-
	8,321	7,530	7,919	7,163



17 Cash and Cash Equivalents

	GROUP		COMPANY	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Cash at bank and in hand	9,338	12,158	5,231	10,956
Cash and cash equivalents per cash flow statement	9,338	12,158	5,231	10,956

There were no significant non-cash transactions in the year.
There are no restrictions on cash and cash equivalents held.

18 Creditors: amounts falling due within one year

	GROUP		COMPANY	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Trade creditors	2,660	4,642	1,212	2,353
Rent, service and other charges received in advance	1,223	1,176	1,223	1,176
Taxation and social security	9	24	-	22
Accruals and deferred income	8,636	8,568	2,482	4,712
Other creditors	4,463	3,706	4,463	3,707
Bank loans due in less than one year	1,150	-	1,150	-
Amounts due to subsidiary undertakings	-	-	3,607	5,011
	18,141	18,116	14,137	16,981

Amounts due to subsidiary undertakings are trading balances repayable on demand and non-interest bearing.

As at 31 March 2026, we are holding a balance of £37,334 on behalf of Homes for Cornwall, an initiative which achieved registered Community Interest Company (CIC) status on 14 January 2026, which is included in other creditors. These funds are held in trust and are not included within our unrestricted reserves. We are acting as a custodian for these monies, supporting the development of Homes for Cornwall's future charitable activities. The funds will be transferred when Homes for Cornwall has a bank account in place.

19 Creditors: amounts falling due after more than one year

GROUP and COMPANY	2026 £'000	2025 £'000
Bank loans	197,836	175,136
Bond Discount	(1,611)	(1,671)
Bond Premium	30	31
Private placement	32,500	32,500
Arrangement fees capitalised	(2,057)	(1,609)
	226,698	204,387
Deferred Capital Grant	114,462	99,038
Recycled Capital Grant Fund	196	154
	341,356	303,579

Total additional fees of £694,000 incurred in respect of new loan facilities (2025: £391,000) were capitalised during the year. During the year £247,000 (2025: £306,000) of capitalised fees were amortised, with nil (2025: £498,000) of loan arranger fees written off.

The balance on Deferred Capital Grant shown above is net of amortised grant already released to the Statement of Comprehensive Income. Total Capital Grant received is £128.2 million (2025: £111.1 million).

Deferred Capital Grant Fund	2026 £'000	2025 £'000
Opening balance 1 April	100,626	85,967
Received in the year	17,085	16,008
Released to income in the year	(1,588)	(1,349)
Balance as at 31 March	116,123	100,626
To be released within one year (shown within note 18)	(1,661)	(1,588)
Total as at 31 March	114,462	99,038

Recycled Capital Grant Fund	2026 £'000	2025 £'000
Opening balance 1 April	154	73
Arising in the year	115	81
Applied to development schemes	(73)	0
Closing balance 31 March	196	154

20 Debt Analysis

Debt is repayable as follows:

GROUP and COMPANY		
	2026 £'000	2025 £'000
Less than one year	1,150	-
Between two and five years	62,100	32,500
After five years	168,236	175,136
	231,486	207,636

Borrowing Facilities

The Group and Company has undrawn committed borrowing facilities. Undrawn facilities available at 31 March 2026 were as follows:

GROUP and COMPANY		
	2026 £'000	2025 £'000
Expiring in less than two years	-	-
Expiring between two and five years	55,000	45,032
Expiring in more than five years	20,000	-
	75,000	45,032

The main bank loans are secured by fixed charges upon a defined subset of the Company's lettable properties. The carrying value of properties charged as security at 31 March 2026 amount to £333 million.

Financial Liabilities

The interest rate profile of the Group and Company's financial liabilities as at 31 March 2026 was:

GROUP and COMPANY		
	2026 £'000	2025 £'000
Floating rate	25,000	(20,000)
Fixed rate	206,486	227,636
	231,486	207,636

The weighted average period for which interest rates were fixed was 17 Years (2025: 21 years), and the weighted average fixed interest rate was 4.01% (2025: 4.06%) including margins.

The fixed rate loans are for terms maturing between two years and 27 years at interest rates ranging from 1.50% to 6.98% including margins.

For 2025 the negative floating rate debt shown above is as a result of the retention of £40 million ISDA trades as part of an agreed Finance Strategy which utilised these as an effective forward rate fix in relation to forecast development expenditure and the related increased debt.

21 Non-equity Share Capital

The Company is limited by guarantee.

22 Financial Commitments

Capital expenditure commitments are as follows:

GROUP and COMPANY		
	2026 £'000	2025 £'000
Expenditure contracted for but not provided in the accounts	47,007	30,729
Expenditure authorised by the Board but not contracted	5,022	33,876

Of the £52.0 million of capital commitments at 31 March 2026, £16.1 million (2025: £23.0 million) will be funded by grant and other public finance. The remainder will be fully funded through existing loan facilities and cash balances. All contracted expenditure can be met within existing funding arrangements.

Operating Leases

At 31 March Group and Company future minimum lease payments payable under non-cancellable operating leases are as follows:

	GROUP		COMPANY	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Land and buildings, leases expiring				
Within one year	61	38	-	-
In two to five years	252	156	-	-
	313	194	-	-
Vehicles, plant and equipment, leases expiring				
Within one year	26	19	-	-
In two to five years	89	5	-	-
	115	24	-	-

23 Pension Liabilities

GROUP and COMPANY		
	2026 £'000	2025 £'000
Social Housing Pension Scheme (SHPS) (see note 24)	486	828
Coastline Pensioners	65	66
	551	894

The 'Coastline Pensioners' are historical retirees who by virtue of agreements following restructuring post stock transfer in 1998, are paid an inflating pension until they die. These pensions are increased annually in accordance with local government pension scheme rules. Payments during the year to these pensioners were £10,021 (2025: £10,200). The carrying value of the liability of £65,000 (2025: £66,000) represents the discounted value of expected future payments discounted at 6.25% (2025: 5.94%).

24 Pensions

Defined contribution scheme

Employees have the option to join Coastline Housing's defined contribution scheme, to which the Group makes a contribution of up to 8.3% of basic salary. Contributions are charged to operating surplus in the year in which they become payable.

The Group and Company participated in one pension scheme:

(1) Social Housing Pension Scheme (SHPS): Defined Benefit Pension Scheme

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

24 Pensions - cont'd

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

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

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

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

The liabilities are compared, at the relevant accounting date, with the company’s fair share of the Scheme’s total assets to calculate the company’s net deficit or surplus.

In 2021, the Trustee of the Scheme undertook a review of historical amendments to Scheme benefits. This review identified a number of uncertainties in relation to the validity of certain benefit changes. The Trustee is seeking clarification from the High Court on these matters. The hearing took place in 2025, and a judgment is awaited.

It has been estimated that the potential impact of these matters could increase the Scheme’s total liabilities by approximately £155 million. This estimate relates to the Scheme as a whole and was calculated as at 30 September 2021 on the Technical Provisions basis. The Group’s share of any such increase cannot currently be reliably measured.

Pending the outcome of the Court proceedings, it remains uncertain whether any increase in liabilities will arise and, if so, the extent to which it would affect participating employers. Accordingly, no adjustment has been recognised in these financial statements.

The Group has considered the potential implications of the Court of Appeal judgment in Virgin Media Ltd v NTL Pension Trustees Limited and the subsequent uncertainty regarding the validity of certain historic scheme amendments across UK defined benefit pension schemes.

The UK Government has announced its intention to introduce legislation to address these issues, including provisions to enable the retrospective validation of certain historic benefit changes. This is expected to reduce uncertainty for pension schemes and sponsoring employers; however, at the reporting date, the legislation has not yet been fully enacted or implemented.

Given the ongoing uncertainty and the lack of sufficient evidence to reliably measure any potential financial impact, no provision or adjustment has been recognised in these financial statements.

a) Main actuarial assumptions used for the purposes of FRS 102:

	31 March 2026 % per annum	31 March 2025 % per annum
Discount Rate	6.25%	5.94%
Inflation (RPI)	3.26%	3.04%
Inflation (CPI)	3.04%	2.80%
Salary Growth	4.04%	3.80%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 (Years) 31 March 2026	Life expectancy at age 65 (Years) 31 March 2025
Male retiring in 2026	20.9	20.5
Female retiring in 2026	23.2	23.0
Male retiring in 2046	22.2	21.7
Female retiring in 2046	24.6	24.5

b) Scheme assets:

	31 March 2026 £'000	31 March 2025 £'000
Global Equity	715	675
Liquid Alternatives	1,149	1,117
Insurance-Linked Securities	10	19
Property	315	302
Infrastructure	-	1
Private Equity	14	5
Real Assets	608	721
Private Credit	779	737
Credit	257	230
Investment Grade Credit	379	186
Cash	1	82
Long Lease Property	-	2
Secured Income	196	101
Liability Driven Investment	1,967	1,825
Currency Hedging	-	10
Net Current Assets	63	13
Total assets	6,453	6,026

None of the fair values of the assets shown above include any direct investments in the employer’s own financial instruments or any property occupied by, or other assets used by, the employer.

Notes to the Financial Statements - cont'd

24 Pensions - cont'd

c) The following amounts were measured in accordance with the requirements of FRS 102:

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability):

	31 March 2026	31 March 2025
	£'000	£'000
Fair value of plan assets	6,453	6,026
Present value of defined benefit obligation	6,939	6,834
Surplus (deficit) in plan	(486)	(828)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(486)	(828)

d) Analysis of amount charged to operating profit in the period:

Defined benefit costs recognised in statement of comprehensive income (SOCl):

	Period from 31 March 2025 to 31 March 2026	Period from 31 March 2024 to 31 March 2025
	£'000	£'000
Current service cost	-	-
Expenses	15	11
Net interest expense	39	54
Losses (gains) on business combinations	-	-
Losses (gains) on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Defined benefit costs recognised in statement of comprehensive income (SoCl)	54	65

Defined benefit costs recognised in other comprehensive income:

	Period ended 31 March 2026	Period ended 31 March 2025
	£'000	£'000
Experience on plan assets (excluding amounts in-cluded in net interest cost) - gain (loss)	(147)	(698)
Experience gains and losses arising on the plan liabilities - gain (loss)	120	(251)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(50)	-
Effects of changes in the financial assumptions un-derlying the present value of the defined benefit obligation - gain (loss)	131	1,260
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	54	311
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total amount recognised in other comprehensive income - gain (loss)	54	311

e) Movement in deficit during the period:

Reconciliation of opening and closing balances of the defined benefit obligation:

	Period ended 31 March 2026	Period ended 31 March 2025
	£'000	£'000
Defined benefit obligation at start of period	6,854	7,680
Current service cost	-	-
Expenses	15	11
Interest expense	403	374
Contributions by plan participants	-	-
Actuarial losses (gains) due to scheme experience	(120)	251
Actuarial losses (gains) due to changes in demographic assumptions	50	-
Actuarial losses (gains) due to changes in financial assumptions	(131)	(1,280)
Benefits paid and expenses	(132)	(202)
Liabilities acquired in a business combination	-	-
Liabilities extinguished on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Exchange rate changes	-	-
Defined benefit obligation at end of period	6,939	6,834

Reconciliation of opening and closing balances of the fair value of plan assets:

	Period ended 31 March 2026	Period ended 31 March 2025
	£'000	£'000
Fair value of plan assets at start of period	6,026	6,219
Interest income	364	311
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(147)	(698)
Contributions by the employer	342	396
Contributions by plan participants	-	-
Benefits paid and expenses	(132)	(202)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	6,453	6,026

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2026 was £217,000 (2025: (£387,000))



25 Related Parties

Non-Executive Directors

One Non-Executive Director who served during the year (2025: one) has a standard tenancy agreement and is required to fulfil the same obligations and receive the same benefit as other Customers. There are no rental arrears to report as at year-end (2025: £nil).

Subsidiary companies

Coastline Housing (CHL) has subsidiaries which are not regulated by the Regulator of Social Housing: Coastline Services Limited (CSL); Coastline Care Limited (CCL); Coastline Design and Build Limited (CDB); and Coastline Homes Limited (CHM) (see note 28).

CSL's main business is the provision of building, maintenance and technical management services, which includes property and grounds maintenance work undertaken for CHL. The total value of work undertaken by CSL on behalf of CHL during the year was £10,397,936 (2025: £8,995,707). This is removed on consolidation in the Group financial statements. The total balance due to CHL from CSL at 31 March 2026 was £237,358 (2025: £71,328 debtor).

CCL was Dormant throughout the period to 31 March 2026 (2025: Dormant).

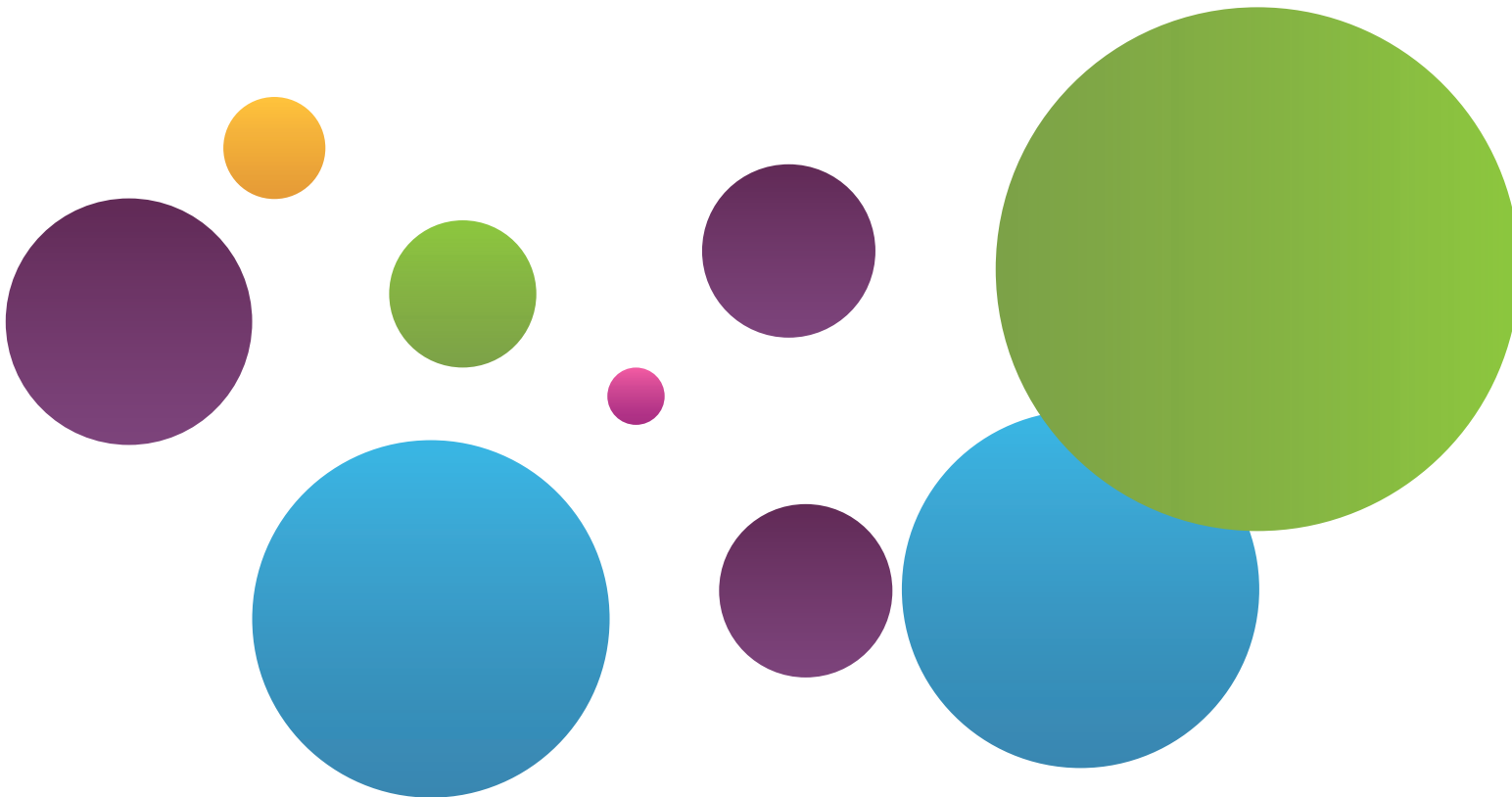
CDB's main business is that of a commercial design and build contractor for new builds whose principal client is CHL. The total value of work undertaken by CDB on behalf of CHL during the year was

£38,932,188 (2025: £27,852,267). This is removed on consolidation in the Group financial statements. The total balance due to CDB from CHL at 31 March 2026 was £3,845,765 (2025: £345).

CHM's main business is the delivery of a wider range of housing options including an element of open market housing for sale where it forms part of wider development schemes that the Group is undertaking. The company commenced trading during the year ended 31 March 2019. The total balance due to CHL from CHM at 31 March 2026 was £1,388 (2025: £1,388).

Coastline Housing provides certain administrative functions for the other Group companies, including financial, human resources and IT. These are recharged on the most appropriate basis, either on head count or on floor area of office space occupied.

All transactions with Group companies are on an arm's-length basis and on commercial terms.



26 Tax on Surplus on Ordinary Activities

Total tax expense recognised in the statement of comprehensive income, other comprehensive income and equity:

	GROUP		COMPANY	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Current tax:				
UK Corporation tax on profits for the year at 25% (2025: 25%)	-	-	-	-
Adjustments in respect of previous periods	-	-	-	-
Deferred tax:				
Origination and reversal of timing differences	-	-	-	-
Adjustments in prior periods	-	-	-	-
Effect of tax rate change on opening bal-ance	-	-	-	-
	-	-	-	-
	-	-	-	-
Tax on profit of ordinary activities	-	-	-	-

A UK corporation tax rate of 25% (effective 1 April 2023) was substantively enacted from April 2023 and reversing the previously enacted rate of 19%.

This will increase the company's future tax charge accordingly. Deferred tax has been calculated at 25% (2025: 25%).

Factors affecting the tax charge for the current year:

The current tax of £nil (2025: £nil) for the year is lower (2025: lower) than the standard rate of corporation tax in the UK of 25% (2025: 25%). The differences are explained below:

	GROUP		COMPANY	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Current tax reconciliation				
Profit on ordinary activities before gift aid and taxation	4,697	7,999	-	-
Current tax at 25% (2025: 25%)	1,174	2,000	-	-
Income not taxable in determining taxable surplus	(1,174)	(2,000)	-	-
Effect of gift aid	-	-	-	-
Effect of tax change in previous period	-	-	-	-
Deferred tax not recognised	-	-	-	-
Effect of deferred tax in previous periods	-	-	-	-
Effect of tax rate on opening deferred tax balance	-	-	-	-
Losses carried forward	-	-	-	-
Total current tax (credit) / charge (see above)	-	-	-	-



27 Provision for Liabilities

Deferred tax

	GROUP	
	2026 £'000	2025 £'000
At 1 April	-	-
(Released)/ charged in the year	-	-
Change in underlying rate of tax	-	-
At 31 March	-	-
Comprising:		
Accelerated capital allowances	-	-

The deferred tax liability at 31 March 2026 has been calculated based on the rate of 25%.

28 Group Members

Coastline Housing Limited is the parent undertaking and has four subsidiaries being Coastline Services Limited; Coastline Care Limited; Coastline Design and Build Limited; and Coastline Homes Limited (see note 14).

29 Legislative Provision

The Company is a company limited by guarantee and is registered with the Regulator of Social Housing under the Housing and Regeneration Act 2008. The registered provider number for Coastline Housing Limited is LH4165.

The Company is also a registered charity (registration charity no. 1066916).

30 Accounting Estimates and Judgements

Key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets so these are re-assessed annually and amended when necessary to reflect current estimates. See note 13 for the carrying amount of the property plant and equipment, and note 1 for the useful economic lives for each class of assets.

Impairment of debtors

The Group makes an estimate for the recoverable value of rental arrears, trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors and associated impairment provision.

Pensions

FRS 102 requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations and pension plan assets, in particular for defined benefit plans. These are mainly actuarial assumptions such as expected inflation rates, employee turnover, expected return on plan assets and discount rates. Substantial changes in the assumed development of any one of these variables may significantly change the Group's retirement benefit obligation and pension assets.

Valuation of housing properties

Coastline Housing tests annually whether there are any impairment triggers that would require the Group to undertake a full impairment review of housing properties under FRS 102. There have been no impairment recognised during the year ended 31 March 2026. The recoverable value is assessed as the higher of fair value or value in use. The SORP considers depreciated replacement cost as a reasonable estimate for value in use taking into consideration the service potential of social housing. The valuation of housing properties at the year-end have therefore been assessed using depreciated replacement cost. These calculations require the use of assumptions and estimates, in particular in relation to the identification of cash generating units, expected replacement cost and the service potential of the asset.

Recoverability of stock and WIP

Completed properties and properties under construction for open market sales are recognised at the lower of cost and net realisable value. Assessing net realisable value requires the use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Critical accounting judgements in applying the Group's accounting policies

There are no such judgements in either the current or prior year.





Coastline

Find us on  Facebook,  LinkedIn,  Instagram and  Threads



01209 200200



www.coastlinehousing.co.uk

Coastline House, 4 Barncoose Gateway Park, Redruth, Cornwall, TR15 3RQ