

Company Registration No. 09227343 (England and Wales)

Yorkshire Housing Finance Plc

Annual Report and Financial Statements

For The Year Ended 31 March 2025

Yorkshire Housing Finance Plc

Company Information

Directors Nick Atkin
 Andrew Oldale (resigned 24th February 2025)
 Rob Parkes (appointed 24th February 2025)
 Lisa Bradley

Secretary Syka Sheikh (resigned 24th February 2025)
 Rob Parkes (appointed 24th February 2025)

Company number 09227343

Registered office The Place
 2 Central Place
 Leeds
 LS10 1FB

Independent auditors Beever and Struthers
 One Express
 1 George Leigh Street
 Manchester
 M4 5DL

Yorkshire Housing Finance Plc

Contents

	Pages
Strategic Report	1 - 4
Directors' Report	5 - 7
Corporate Governance Statement	8 - 9
Independent Auditors' Report	10 - 15
Statement of Comprehensive Income	16
Statement of Changes in Equity	16
Statement of Financial Position	17
Notes to the Financial Statements	18 - 27

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Strategic Report

Overview of business

The objective of the Company is to provide external funding to support the activities of the parent Company, Yorkshire Housing Limited together with its subsidiaries. These activities are subject to financial risks such as failure to meet interest/covenant requirements and the underlying performance of the Group.

Group structure

The Group also comprises the following companies:

- Yorkshire Housing Limited – registered Co-operative and Community Benefit Society number 30443R & Regulator of Social Housing registered provider number L4521
- Yorkshire Community Property Services Limited - registered Company number 4131362
- Y H Residential Limited - registered Company number 4604866

The Group also has a 33% share in Yorkshire Transformations Holdings Limited, registered company number 05047771, which operates a PFI scheme for Leeds City Council and a 20% share of Forge New Homes LLP (“FNH LLP”) which provides housing in the Sheffield city region.

Business review and future activities

On 31 October 2014 the Company issued £140m 4.125% secured bonds at an issue price of 98.175% of the aggregated principal amount. These secured bonds, which are denominated in Sterling, mature on 31 October 2044. The proceeds of £137.4m were then on-lent to Yorkshire Housing Limited at an effective interest rate of 4.233% plus the cost of amortising the discount on issue over the life of the bonds. Also on 31 October 2014 the Company deferred the issue of a further £60 million secured bonds until a future date. All issue costs have initially been borne by Yorkshire Housing Limited and recharged to Yorkshire Housing Finance Plc, and these costs will be amortised over the lifetime of the loan.

On 18 September 2019 the remaining £60 million secured bonds were sold. The proceeds of £75m, including a premium on issue, were on lent to Yorkshire Housing Limited to fund the development of new homes. All issue costs have initially been borne by Yorkshire Housing Limited and recharged to Yorkshire Housing Finance Plc; these costs will be amortised over the lifetime of the loan.

On 5th October 2021 the Company deferred the issue of a further £200 million secured bonds until a future date. All issue costs have been accounted for as per the previous deferred issue of £60 million.

On 6 January 2022 £55m of the £200 million issued on the 5 October were sold. The proceeds of £70.8 million, including premium on issue, were on lent to Yorkshire Housing Limited.

The Board is of the opinion that the state of the Company’s affairs and the results for the year are satisfactory. The profit for the year amounted to £nil (2024: £nil). The Company advances loans to Yorkshire Housing Limited, interest on this loan is treated as intra-group and is fully reimbursed.

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Strategic Report (continued)

At the date of this report the Board does not envisage any significant changes in the Company's activities in the foreseeable future.

Objectives and strategy

The objectives of the Company are to provide external funding to support the wider group. The execution of the Company's strategy is subject mainly to financial risks, such as failure to meet interest/covenant requirements and the underlying performance of the Yorkshire Housing Group and its subsidiaries. The Company's financial instruments and its exposure to financial risks are summarised in note 11.

Key performance indicators

The Directors have monitored the progress of the overall strategy and the individual strategic elements by reference to the financial indicators below. There are no non-financial key performance indicator measures. The Board of Directors ensure that the Company fulfils its obligations under the bond trust deed which in turn ensures it is compliant with listing regulations and under the bond loan agreement, its commitment to the bond investors and Yorkshire Housing Limited.

The Company is primarily a conduit for accessing the debt capital markets. Therefore, the Board of Directors monitor the compliance with the asset cover covenant (see below) and the availability of cash flow to and from the other members of Yorkshire Housing Limited as the key financial performance indicators. As the Company provides lending to other members of the Group, its performance is dependent on performance of the Group. Therefore, reference should also be made to those key performance indicators measured by the Group as outlined in the Yorkshire Housing Limited financial statements for the year ended 31 March 2025.

The Company continues to comply with its obligations under the bond loan agreement and trust deed and has provided sufficient cash flow to other members of the Group. The Company's liabilities are secured against the performance of Yorkshire Housing Limited through appropriate agreements, and the particular financial indicators for Yorkshire Housing Limited are detailed below:

Key Performance Indicator	Actual Performance	Covenant
Asset Value Cover	£283m	£255m
Interest Cover (3 year aggregate)	2.18	1.10

Asset Value Cover has been calculated based on the valuation of the housing properties on which the bond is secured. This is a satisfactory performance, as it is above the target performance as per the requirements of the financial covenant in the bond loan agreement. Interest cover has been calculated on the basis of the loan agreement.

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Strategic Report (continued)

Principal risks and uncertainties

The Directors' Report includes a review of principal financial risks covering credit, liquidity and interest rates.

The Group's treasury function is responsible for the management of all Group funding arrangements and the control of associated risks within the overall governance framework of the Group treasury strategy. The Company's activities are undertaken within this Group-wide funding strategy.

As such, the long term performance of the Company is dependent on the performance of the other members of the Group; in particular Yorkshire Housing Limited. In this context, the Company is exposed to the risks and uncertainties which are set out within the Strategic Report of Yorkshire Housing Limited for the year ended 31 March 2025.

Going concern

The Company is a vehicle for raising debt finance for the Group and intends to carry out this function for the foreseeable future. It is a requirement of the bond that the Company continues trading as a special purpose vehicle. In order to meet interest payments and covenant requirements, the Company is dependent upon Yorkshire Housing Limited to which the Company has on lent the proceeds of the bond as per the terms of the on lending agreement. Therefore the Going Concern of this Company is reliant on Yorkshire Housing Limited's ability to continue trading and to continue to pay interest due in respect of borrowings. Yorkshire Housing Limited has in place long term business plans which demonstrate its ability to meet all of its obligations.

A 30 year business plan has been prepared and presented to the Group Board which reflects the ambitions of the group but also includes multi variant stress testing to ensure the Group could continue to trade and remain compliant with covenants through potential downturns in the economy or crisis. Extensive multi variant stress testing has been carried out to model the impact of any economic downturn including any global financial crisis and a return to the worst stages of the pandemic. Whilst any such downturn would limit the growth included within our business strategy it highlights the Group's ability to continue trading through severe adverse conditions.

Yorkshire Housing Finance Plc is reviewed in line with the rest of the Group with detailed forecasting and scenario planning. Yorkshire Housing Finance Plc's Directors have reviewed the Group financial forecasts and business plans and are satisfied that the Company will continue to receive interest income from its Parent and be able to meet its financial obligations when they become due. The Directors of Yorkshire Housing Finance Plc have reviewed the business plan and stress testing of the group and are satisfied it will continue to meet its obligations. The twelve month period from accounts approval, alongside the 30 year plan for the Group, forms the basis of our going concern assessment.

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Strategic Report (continued)

On this basis, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt a going concern basis in preparation of its financial statements.

Statement by the Directors in performance of their Statutory Duties in accordance with Section 172(1) Companies Act 2006

The Directors of Yorkshire Housing Finance Plc, both individually and together as the Board, have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of the membership (having regard to Yorkshire Housing Finance Plc's stakeholders and matters set out in Section 172(1)(a-f) of the Companies Act 2006) in the decisions made during the year ended 31 March 2025. In doing so, the Directors have considered (amongst other matters):

- The likely consequences of any decision in the long term,
- The need to foster the Company's business relationships with members, bondholders and others,
- The impact of the Company's operations on the community and the environment,
- The desirability of the Company in maintaining a reputation for high standards of business conduct; and,
- The need to act fairly.

The Company does not have any employees or suppliers other than those included within Group.


As part of their induction, a Director is briefed on their duties and the Group Code of Conduct. Directors are able to access professional advice on these, either from the Company Secretary or, if they judge it necessary, from an independent adviser. It is important for the Company to maintain a strong reputation for compliance with all laws and regulations and as a member of the Yorkshire Housing Group, compliance with all laws and regulations is monitored at a group level. Any future activity of YHF will be considered in relation to the Group's objectives.

Other reporting

The Directors believe that the requirements of the Streamlined Energy and Carbon Reporting are not applicable to Yorkshire Housing Plc. The Company is a finance vehicle and does not have any relevant operations on which to report.

On behalf of the Board

Signed by:


 Rob Parkes
 Secretary

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Directors' Report

The Directors of Yorkshire Housing Finance Plc (the 'Company') present their report and the audited financial statements of the Company for the year ended 31 March 2025. In respect of compliance with all aspects of Corporate Governance, please see the separate Corporate Governance Statement on pages 8 - 9, which forms part of this Directors' report.

Yorkshire Housing Finance Plc is a 100% owned subsidiary of Yorkshire Housing Limited; which is incorporated under the Co-operative and Community Benefit Societies (2014 Act) (registered number 30443R) and is a Registered Provider (RSH registration number L4521) and is a member of The Yorkshire Housing Group, ("The Group").

Principal activities

The Company's principal activity is to act as a vehicle for raising external debt and to on-lend to the Group. In order to issue bonds to the public it is a legal requirement that the issuer is a Public limited company (Plc).

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The Group has in place a risk management plan that seeks to limit the adverse effects on the financial performance of the Company. The Company's financial instruments and its exposure to financial risks are outlined in note 11 - Financial Instruments.

Credit Risk - as at 31 March 2025 the Company had on-lent all of its issued funds to Yorkshire Housing Limited which was secured by a first fixed legal charge over property assets valued in excess of the value of the debt.

Liquidity Risk - the Company has lent the full amount of its drawn funds, thus fully offsetting its liabilities. The interest payable by the Company on its debt is fully offset by the interest receivable from Yorkshire Housing Limited.

Interest Rate Risk - as at 31 March 2025, 100% of the Company's debt is on fixed rate terms from the capital markets. It is then on lent to Yorkshire Housing Limited at the same fixed rate of interest. The bond is accounted for at amortised cost so has no impact on the Statement of Comprehensive Income. There is no intention to repay the debt in advance of the agreed repayment profile; therefore, any changes in the market value of the debt arising out of changes in market interest rates is not deemed to be material to the financial stability of the Company.

Employees

The Company does not have any employees.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force during the financial year and also at the date of approval of the financial statements.

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Directors' Report (Continued)

The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Reserves

The Company's reserves at the end of the year amounted to £nil.

Results and dividends

No dividend was paid during the year. The Directors are not recommending the payment of a final dividend.

Future developments

As set out in the strategic report the Board does not envisage any significant changes in the Company's activities in the foreseeable future.

Subsequent events

There are no subsequent events to report.

Board members and Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Nick Atkin

Andrew Oldale (resigned 24th February 2025)

Lisa Bradley

Rob Parkes (appointed 24th February 2025)

The Directors held no interest in the Company. Nick Atkin and Rob Parkes are both executive directors of, and employed by, Yorkshire Housing Limited. Lisa Bradley is a non-executive director.

Statement of directors' responsibilities

The Directors are responsible for preparing the Strategic Report and 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 the Directors have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law 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 and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Directors' Report (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

The Directors confirm that:

- so far as each member of the Board is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

Signed by:



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Nick Atkin

Director

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Corporate Governance Statement

The Company has a listed security in issue and is required to comply with the applicable sections DTR7.1 and DTR7.2 of the Financial Conduct Authority ("FCA") handbook.

The Board

The Board comprises up to three Board members and is responsible for managing the affairs of the Company. It meets a minimum of once a year to discuss the requirements of the Company. Any member or members holding a majority in nominal amount of issued ordinary share capital may at any time appoint any person to be a director. The Directors on the Board are detailed on page 6.

Committees

The Board was supported by the Audit and Risk Committee (previously the Group Business Assurance Committee). The Audit and Risk Committee is made up of five members and meets formally four times a year. The Audit and Risk Committee has the responsibility for the detailed review of the Company's financial statements, the review of the effectiveness of the system of internal control, and supporting with the appointment of its internal and external auditors, including the agreement of the scope of their work and the review of their reports. The Committee obtains external specialist advice from time to time as necessary. Members of the Audit and Risk Committee are as follows: Russell Galley (Chair, resigned 4th June), Lisa Bradley (Chair, appointed 4th June), Eleanor Stead, Murray MacDonald and Jaedon Green.

The Board met on 7th August 2024 and 5th March 2025.

Internal controls assurance

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss. Culture of internal control is detailed in the group accounts and is applied to all group companies.

The Board of Yorkshire Housing Finance Plc, supported by the Audit and Risk Committee have separately reviewed the group controls and are satisfied with the internal controls within the Company and the wider group.

The process for identifying, evaluating and managing the significant risks faced by the Company is ongoing and has been in place throughout the period from 1 April 2024 up to the date of approval of the report and financial statements. The Company does not have any employees and therefore adopts the diversity policy of Yorkshire Housing Group when and if required.

Monitoring arrangements

Regular management reporting on control issues provides assurance to successive levels of management and to the Board across the Yorkshire Housing Group. It is supplemented by regular reviews by internal audit who provide independent assurance to the Board, via Audit and Risk Committee. The arrangements include a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues.

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Corporate Governance Statement (continued)

Capital structures

At the date of this Report £50,000 ordinary shares of £1 each have been issued. At the year end, the shares are fully paid at £1 per share. The shares provide a right to vote at general meetings. All of the shares in issue are held by Yorkshire Housing Limited, there are no special rights attached to the shares.

Financial reporting

The Board specifically monitors the financial reporting process and the statutory audit of the annual accounts through reports provided by management. Furthermore, the Board reviews and monitors the independence of the statutory auditor and considers the relationship with the Group as part of its assessment. This is monitored within the Yorkshire Housing Group Board meetings which consider the relationship with the statutory auditor and all group subsidiaries.

At each Company Board meeting Directors review whether the existing internal controls in relation to the financial reporting system are sufficient and take appropriate action as necessary. The Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant during the course of its review of the systems of internal control. The Board considers the existing internal controls to be sufficient and does not consider there to be a requirement for a specific Yorkshire Housing Finance Plc Internal Audit function as the Yorkshire Housing Group Internal Audit function provides sufficient support and expertise. The requirement for a dedicated Internal Audit function is considered annually.

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Independent auditor's report to the members of Yorkshire Housing Finance Plc

Opinion

We have audited the financial statements of Yorkshire Housing Finance plc ("the Company") for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 Company's affairs as at 31 March 2025 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit and Risk Committee.

This is our fourth year of appointment as auditor of Yorkshire Housing Finance plc. Therefore, the period of total uninterrupted engagement for the Company is four financial years, ending 31 March 2025. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC's Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

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.

Our evaluation of the Directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the assumptions used in the budget for the financial year 2025-26.
- Reviewing the long-term business plan of Yorkshire Housing Limited (the company's parent Association to which it has on lent the bond issue monies) and assessed the reasonableness of the assumptions used within it, along with reviewing the results of the various stress testing scenarios on loan covenants, and the reasonableness of

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Independent auditor's report (continued)

mitigating actions identified. Refer to the Key Audit Matters section for further detail of our review.

- Reviewed the disclosures around going concern within the financial statements.

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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. We summarise below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address these matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Recoverability of amounts to group undertakings

The risk – significant risk high value

Yorkshire Housing Finance plc is a special purpose vehicle formed for the purpose of receiving the proceeds of a bond issue in October 2014, September 2019 and most recently in January 2022. The Company on-lends the entire bond issue proceeds to Yorkshire Housing Limited.

The financial statements of the Company show the following balances in relation to the bonds:

- Long term debtor (owed by Yorkshire Housing Limited): £279.2m (2024: £280.1m)
- Long term creditor due to bondholders: £276.9m (2024: £277.7m)

Refer to pages 19 -20 (accounting policies) and pages 22-26 (financial disclosures).

The ability of Yorkshire Housing Limited to service and repay the debt due to the Company is a key audit matter.

Our response

Our procedures included:

- **Assessment of recoverability:** Assessing 100% of amounts owed by group undertakings by considering the financial viability of Yorkshire Housing Limited, in particular whether the

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Independent auditor's report (continued)

parent Association has sufficient liquidity to meet interest payments as they fall due, and sufficient longer term future cash flows to repay the debt. We have reviewed Yorkshire Housing Limited's internal assessment of going concern, and management information relating to actual and forecast financial performance after the year end. We have reviewed the parent Association's long term financial plans and the stress testing of those plans. We have considered the potential impact of these matters on the parent Association's financial viability into the foreseeable future, and on its status as a going concern.

- **Test of detail:** Agreeing the debtor balance to the accounting records of the Company and Yorkshire Housing Limited.
- **Test of detail:** Agreeing the total bond nominal balance to the London Stock Exchange.
- **Test of detail:** Agreeing interest receipts and payments, and capital repayments, between the accounting records of Company and Yorkshire Housing Limited, and payments to the bondholder.

Our results

Based on the audit work performed, we are satisfied that there are no matters which cause material uncertainty in the ability of Yorkshire Housing Limited to repay its debt to the Company and we are satisfied with the assessment of the Company's Directors that the Company remains a going concern.

Our Application of Materiality and an Overview of the Scope of the Audit

Yorkshire Housing Finance plc is part of a Group headed by Yorkshire Housing Limited.

The materiality for the audit of the company for the year ended 31 March 2025 is £1.4m (2024: £1.4m) determined by reference to the following benchmark:

- 0.5% of gross assets.

We consider gross assets to be the most appropriate benchmark, as this links to the most significant year end balances and is more relevant than a turnover or result based calculation, given the company makes neither a profit nor a loss. This approach is consistent to the prior year.

We set performance materiality at an amount less than materiality to reduce the probability that the aggregate of uncorrected misstatements exceeds materiality for the financial statements as a whole. We used 75% as the performance materiality threshold, being £1m (2024: £1m). This approach is consistent to the prior year.

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £70k (2024: £70k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Independent auditor's report (continued)

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 in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 6 - 7, 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

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Independent auditor's report (continued)

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 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006.
- We enquired of the Directors and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Directors have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Directors have in place to prevent and detect fraud. We enquired of the Directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Independent auditor's report (continued)

- We enquired of the Directors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we considered the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our Report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

DocuSigned by:

Beever and Struthers

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Sue Hutchinson FCCA (Senior Statutory Auditor)

For and on behalf of

Beever and Struthers

Statutory Auditor

One Express

1 George Leigh Street

Manchester

M4 5DL

Date: 29/9/25

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Statement of Comprehensive Income

	Note	2025 £'000	2024 £'000
Interest receivable and similar income	4	9,606	9,686
Interest payable and similar charges	5	(9,606)	(9,686)
Profit before tax		-	-
Tax on profit on ordinary activities	6	-	-
Profit for the financial year		-	-

The results relate wholly to continuing activities.

The accompanying notes form part of these financial statements. The Company has no other comprehensive income other than that passing through the statement of comprehensive income.

Statement of Changes in Equity

	Profit and loss account reserve £'000	Share capital £'000	Total £'000
Balance at 31 March 2023	-	50	50
Total comprehensive income for the year	-	-	-
Balance at 31 March 2024	-	50	50
Total comprehensive income for the year	-	-	-
Balance at 31 March 2025	-	50	50

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Statement of Financial Position

	Note	2025 £'000	2024 £'000
Current assets			
Debtors: amounts falling due within one year	8	4,097	4,051
Debtors: amounts falling due after one year	8	279,178	280,137
Cash at bank and in hand	9	50	50
		-----	-----
		283,325	284,238
Current Liabilities			
Creditors: amounts falling due within one year	10	(6,420)	(6,448)
		-----	-----
Net current liabilities		(2,272)	(2,348)
Total assets less current liabilities		276,905	277,790
Creditors: amounts falling due after more than one year	10	(276,855)	(277,740)
		-----	-----
Net asset		50	50
		=====	=====
Capital and reserves			
Called up Share capital	12	50	50
Profit and loss account		-	-
		-----	-----
Total shareholders' funds		50	50
		=====	=====

The accompanying notes form part of these financial statements. The financial statements on pages 16 to 27 were approved by the Board of Directors on 24th September 2025 and signed on its behalf by:

Signed by:



0C7340GC8E624DB...
Nick Atkin

Director

Date 24th September 2025

Yorkshire Housing Finance Plc

Company registration No 09227343
(England and Wales)

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Notes to the Financial Statements

1. Legal status

Yorkshire Housing Finance Plc is a public limited company, incorporated on 19 September 2014 and registered in England and Wales, registered number 09227343. The Company is registered under the Companies Act 2006 and has listed debt on the London Stock Exchange. The registered office is The Place, 2 Central Place, Leeds, LS10 1FB.

The principal activity of the Company is to provide long term external finance to Yorkshire Housing Group. Within the Group there are two limited companies and one registered social housing provider.

To issue bonds on the London Stock Exchange to the public there is a legal requirement that the issuer is a public limited Company. Yorkshire Housing Finance Plc was incorporated on 19 September 2014 as a subsidiary of Yorkshire Housing Limited and registered as a Plc on 7 October 2014. The financial statements are presented in sterling (£), which is also the functional currency.

2. Principal Accounting policies

Basis of accounting

The financial statements of the Company have been prepared in compliance with Financial Reporting Standard 102 (FRS 102) and the Companies Act 2006.

Disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS102:

- To include a statement of cash flows, on the basis that it is a wholly owned subsidiary of Yorkshire Housing Limited.

Going concern

The Company is a vehicle for raising debt finance for the Group and intends to carry out this function for the foreseeable future. It is a requirement of the bond that the Company continues trading as a special purpose vehicle. In order to meet interest payments and covenant requirements, the Company is dependent upon Yorkshire Housing Limited to which the Company has on lent the proceeds of the bond as per the terms of the on lending agreement. Therefore the Going Concern of this Company is reliant on Yorkshire Housing Limited's ability to continue trading and to continue to pay interest due in respect of borrowings. Yorkshire Housing Limited has in place long term business plans which demonstrate its ability to meet all of its obligations

A 30 year business plan has been prepared and presented to the Group Board which reflects the ambitions of the group but also includes multi variant stress testing to ensure the Group could continue to trade and remain compliant with covenants through potential downturns in the economy or crisis. Extensive multi variant stress testing has

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Notes to the Financial Statements (Continued)

been carried out to model the impact of any economic downturn including any global financial crisis and a return to the worst stages of the pandemic. Whilst any such downturn would limit the growth included within our business strategy it highlights the Group's ability to continue trading through severe adverse conditions.

Yorkshire Housing Finance Plc is reviewed in line with the rest of the Group with detailed forecasting and scenario planning. Yorkshire Housing Finance Plc's Directors have reviewed the Group financial forecasts and business plans and are satisfied that the Company will continue to receive interest income from its Parent and be able to meet its financial obligations when they become due. The Directors of Yorkshire Housing Finance Plc have reviewed the business plan and stress testing of the group and are satisfied it will continue to meet its obligations. The period to 31 March 2026 of the business plan alongside the 30 year plan for the Group forms the basis of our going concern assessment.

Accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experiences, knowledge and practice, in addition to expectations of future events which are reasonable under the circumstances.

In preparing the financial statements management are required to make significant judgements and estimates. The items in the financial statements where accounting estimates and assumptions have been made include:

- a. Categorisation of the bond
Basic/non basic debt categorisation of the bond— the Company has a listed bond, interest on the bond is on a fixed rate basis. The bond meets the definition of basic under section 11 of FRS 102.
- b. Categorisation of loans
Basic/non basic debt categorisation of loans to group undertakings - the amounts on lent to the group are on the same terms of the bond. The amounts meet the definition of basic under section 11 of FRS 102.

Operating segments

The Board believes that the Company has only one operating segment, therefore had not presented a separate segmental analysis note.

Interest receivable and payable

Interest (receivable and payable) is recognised on an accruals basis using the effective interest rate method and recognised in the Statement of Comprehensive Income over the life of the associated financial instrument.

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Notes to the Financial Statements (Continued)

Bond issue costs

Costs incurred on the issue of the bond finance are recorded as a deduction from the gross proceeds of the loan and included in split between what will unwind in the next 12 months and then the remainder in more than one year. The costs are amortised to the Statement of Comprehensive Income over the term of the loan using the effective interest rate and the proceeds net off the fees to sell the bond but not the costs to secure the properties to the bond.

Financial instruments

All Financial Instruments meet the criteria of a basic financial instrument as defined in section 11 FRS102. Financial instruments are held in the Statement of Financial Position at gross proceeds less the cost of raising the funds which are amortised over the life of the loan and are accounted for in accordance with FRS102.

The financial instruments are initially recorded at amortised cost, adjusted for transaction costs, discounts or premiums on issue. Subsequent measurement is as follows:

Financial liabilities:

- Bonds are classified as “financial liabilities” under FRS102 and are held at amortised cost using the effective interest rate method to allocate costs of issue, including the discount on issue.
- Accrued interest payable on the Bond is also classified as “other financial liabilities” and held at amortised cost.

Financial assets:

- Loans advanced to Yorkshire Housing Limited are classified as financial assets measured at amortised costs under FRS 102 and are held at amortised cost using the effective interest rate method to allocate cost of issue, including the discount on issue.
- Accrued interest receivable on loans advanced to Yorkshire Housing Limited is classified as “loans receivables” and held at amortised cost as debtors due within one year.

There is no significant difference in the Group between the carrying value and the fair value of the Company’s financial asset and liabilities.

Loan finance issue costs are written off evenly over the expected minimum life of the associated loan. Loans are stated in the Statement of Financial Position at the gross amount less the unamortised portion of the associated issue costs.

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Notes to the Financial Statements (Continued)

3. Operating result

Audit fees amounting to £10k (2024: £10k) are paid by Yorkshire Housing Limited for which there is no recharge.

4. Interest receivable and similar income

	2025 £'000	2024 £'000
Amortisation of bond costs	75	72
Interest receivable and similar income from Group undertakings	9,531	9,614
	=====	=====
	9,606	9,686

5. Interest payable and similar charges

	2025 £'000	2024 £'000
Amortisation of bond costs	75	72
Interest payable on bond finance	9,531	9,614
	=====	=====
	9,606	9,686

6. Tax on profit/loss on ordinary activities

The results do not give rise to a tax charge (2024: nil).

7. Directors and employees

The Company did not employ any staff during the year (2024: nil).

None of the directors received any remuneration during the financial year in respect of their services as directors of the Company.

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Notes to the Financial Statements (Continued)

8. Debtors

	2025 £'000	2024 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	4,097 =====	4,051 =====
	2025 £'000	2024 £'000
Amounts falling due after one year		
At 1 April	280,137	281,071
Additions	-	-
Premium on bond issue	-	-
Movement in amortised issues costs	(959)	(934)
At 31 March	279,178 =====	280,137 =====

As at 31 March 2025 the Company had on lent 100% of the receipts from the bond to Yorkshire Housing Limited. The intercompany borrowings have a financial guarantee from Yorkshire Housing Limited which is secured by a first fixed charge over property assets with a value in excess of total borrowings.

The group has sufficient net assets and facilities in place to meet their obligations to the Company as they fall due, the directors of the group consider the credit risk to be low and no provision is made against the amount due.

Interest is due semi-annually on 3 November and 3 May each year with a final maturity date of 31 October 2044. The effective interest rate is 3.504% (2024: 3.504%) before the amortisation of the discount on the issue of the bond is recharged.

The credit risk as at 31 March 2025 is £255m (2024: £255m) which represents the total amount of funds raised from external bond holders through the bond issuance plus accrued interest. This risk is mitigated through several factors; housing assets held as security against the loan, the overall creditworthiness of the group and the guarantees issued by Yorkshire Housing Limited through an inter-Company loan agreement.

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Notes to the Financial Statements (Continued)

9. Cash at bank and in hand

	2025 £'000	2024 £'000
Cash at bank	50	50
	-----	-----
	50	50
	=====	=====

10. Creditors

Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Amount due to bond holders	4,356	4,384
Amount due to group undertakings	2,064	2,064
	-----	-----
	6,420	6,448
	=====	=====

The amount due to group undertakings represents interest owed to the parent less costs incurred on behalf of Yorkshire Housing Finance Plc.

Creditors: amounts falling due after more than one year

	2025 £'000	2024 £'000
Amount due to bond holders	255,000	255,000
Net premium / discount on issue	24,177	25,137
	-----	-----
	279,177	280,137
Less bond issue costs	(2,322)	(2,397)
	-----	-----
Total	276,855	277,740
	=====	=====
Unamortised cost of issue (see note below)	2,884	2,884
Additional issue costs	-	-
Amortised to date	(562)	(487)
	-----	-----
	2,322	2,397
	=====	=====

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Notes to the Financial Statements (Continued)

On 31 October 2014 the Company issued £140m 4.125% subordinated guarantee bonds, which are due to mature 31 October 2044. These bonds are secured over defined assets within Yorkshire Housing Limited.

The Company placed £140m bonds at an issue price of 98.175% giving an effective yield of 4.233%.

The proceeds of £137.445m before deduction of costs associated with the issue of the bonds and after the deduction of the discount of £2,155k was then on lent to Yorkshire Housing Limited at the same interest rate.

The bond issued by Yorkshire Housing Finance Plc is listed on the London Stock Exchange.

On 18 September 2019 the Company issued £60m 4.125% subordinated guarantee bonds, which are due to mature 31 October 2044. These bonds are secured over defined assets within Yorkshire Housing Limited.

The Company placed £60m bonds issued at a premium of £15.9m and an effective interest rate of 2.697%.

The proceeds of £75.9m before deduction of costs associated with the issue of the bonds was then on lent to Yorkshire Housing Limited at the same interest rate. The bond issued by Yorkshire Housing Finance Plc is listed on the London Stock Exchange.

On 6 January 2022 the Company issued £55m (of the £200m issued on 5 October) 4.125% subordinated guarantee bonds, which are due to mature 31 October 2044. These remaining bonds are secured over defined assets within Yorkshire Housing Limited. The Company placed £55m bonds issued at a premium of £15.8m and an effective interest rate of 2.5326%

The proceeds of £70.8m before deduction of costs associated with the issue of the bonds was then on lent to Yorkshire Housing Limited at the same interest rate.

The borrowings have a financial guarantee from Yorkshire Housing Limited which is secured by a first fixed charge over property assets with a value in excess of total borrowings.

The financial assets and liabilities have fixed interest rates, which result in interest receivable matching interest payable. As such the Company has managed its interest rate risk. The underlying instruments are denominated in sterling and carry no foreign exchange risk. The Company's finances are actively managed in conjunction with the activities of the Group to ensure that there are sufficient funds available to meet liabilities as they fall due, which with the guarantees over property assets in Yorkshire Housing Limited, mitigate any liquidity risk that the Company may face.

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Notes to the Financial Statements (Continued)

All costs relating to the bond issue have been deferred and are amortised over the life of the bond. The premium and discount on the respective bond issues have been net off in the above disclosures.

11. Financial instruments

	2025 £'000	2024 £'000
Financial assets		
Financial assets measured at amortised cost	283,275 =====	284,188 =====
Financial liabilities measured at amortised cost		
Other interest bearing loans and borrowings	283,275 =====	284,188 =====
Interest rate risk		

The interest rate risk profile of the financial liabilities at 31 March 2025 was as follows:-

	2025 £'000	2024 £'000
Fixed rate financial liabilities		
£255m 4.125% dated subordinated guaranteed bonds	255,000 =====	255,000 =====

	Weighted Average fixed interest rate % 2025	Weighted average period for which rate is fixed (years) 2025	Weighted average fixed interest rate % 2024	Weighted average period for which rate is fixed (years) 2024
At 31 March 2025				
£255m dated subordinated loans	3.50	19.50	3.50	20.50

The financial assets and liabilities have fixed rates which results in them being matched. As such the Company does not bear any credit risk apart from the underlying credit risk to Yorkshire Housing Limited.

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Notes to the Financial Statements (Continued)

Maturity analysis of financial liabilities

The maturity of funding is managed in conjunction with the profile of that of Yorkshire Housing Limited. The Yorkshire Housing Limited objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings. As noted above, the £255m comprising the total of the Company's external debt matures in 20 years.

The maturity profile of the financial liabilities, based on expected maturity date, at 31 March was as follows:-

	2025	2024
	£'000	£'000
In less than one year	-	-
In one to five years	-	-
In greater than five years	255,000	255,000

The following schedule shows the maturity analysis of the contractual cash flows of the financial liabilities, calculated on an undiscounted basis. The cash flows include the repayment of the principal amount together with the associated interest payments over the term of the financial liabilities.

	2025	2024
	£'000	£'000
In less than one year	10,519	10,519
In one to five years	42,075	42,075
Between 5 and 25 years	412,781	423,300
	-----	-----
	465,375	475,894
	=====	=====

Credit risk

All of the Company's capital markets financing proceeds are on lent to Yorkshire Housing Limited. The credit risk is alleviated through the housing assets security which underwrites the loan to Yorkshire Housing Limited.

Liquidity risk

The Company has lent the full amount of its drawn funds, thus fully offsetting its liabilities. The interest payable by the Company on its debt is fully offset by the interest receivable from Yorkshire Housing Limited.

Yorkshire Housing Finance Plc

For the year ended 31 March 2025

Notes to the Financial Statements (Continued)

12. Called up share capital

	2025	2024
50,000 ordinary shares of £1 each allotted; Issued and fully paid	£50,000 =====	£50,000 =====

Ordinary shares are classified as equity, the shares provide a right to vote at general meetings. The shares have been fully paid.

13. Related parties

As the Company is a wholly owned subsidiary of Yorkshire Housing Limited the Company has applied the exemptions permitted under FRS102 and has not disclosed transactions entered into with wholly owned subsidiary undertakings. There are no other related party transactions.

14. Parent Company

The ultimate parent undertaking and controlling party is Yorkshire Housing Limited, a Company incorporated in the United Kingdom.

Yorkshire Housing Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2025. The consolidated financial statements of Yorkshire Housing Limited are available from The Place, 2 Central Place, Leeds, LS10 1FB.