

**COMPANY REGISTRATION NUMBER: 04630928**

**Grainger Trust Limited**  
**Financial statements**  
**30 September 2024**

# Grainger Trust Limited

## Financial statements

Year ended 30 September 2024

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# Grainger Trust Limited

## Company details

<b>The Board of Management</b>	Mr Colin Sherriff Mr Paul McGowan Ms Sharon Pearce Ms Diane Hart Mr Henry Gervaise-Jones Mr Anish Thobhani
<b>Company secretary</b>	Mrs Sapna FitzGerald
<b>Registered office</b>	Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
<b>Auditor</b>	KPMG LLP Quayside House 110 Quayside Newcastle upon Tyne NE1 3DX
<b>Banker</b>	Barclays Bank plc 1 Churchill Place Canary Wharf London E14 5HP
<b>Solicitor</b>	Womble Bond Dickinson (UK) LLP The Spark Draymans Way Newcastle Helix Newcastle upon Tyne NE4 5DE
<b>Registration</b>	Regulator of Social Housing (registration 4743)
<b>Company registration number</b>	04630928

# Grainger Trust Limited

## Report of the Board of Management

Year ended 30 September 2024

The Board of Management presents its report and the financial statements for the year ended 30 September 2024.

### Principal activities

The principal activity of Grainger Trust Limited is the provision of affordable housing homes for rent or shared ownership. Grainger Trust is a For Profit Registered Provider (FPRP) of social housing that was registered with the Regulator of Social Housing (RSH) in November 2012. It is a wholly owned, ring-fenced subsidiary of Grainger plc.

### Members of the Board of Management

The Members of the Board of Management during the year ended 30 September 2024, and subsequent to the year end, were:

Mr Colin Sherriff (Chairperson)  
Mr Paul McGowan  
Ms Sharon Pearce  
Mr Kurt Mueller (resigned 13 February 2025)  
Ms Diane Hart  
Mr Henry Gervaise-Jones  
Mr Anish Thobhani (appointed 13 February 2025)

### Registration of the company

The company is registered with the Regulator of Social Housing (registration 4743).

### Financial statements and state of the company's affairs

The results for the year are shown in the statement of comprehensive income on page 18.

### Statement of Board's responsibilities

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

Company law requires the Board to prepare financial statements for each financial year. Under that law the Board has 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 Board 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 profit or loss for that period. In preparing these financial statements, the Board is required to:

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

# **Grainger Trust Limited**

## **Report of the Board of Management**

**Year ended 30 September 2024**

The Board is 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 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 Board acknowledges its ultimate responsibility for ensuring that the company has in place a system of controls that is appropriate to 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 company or for publication;
- the maintenance of proper accounting records, and
- the safeguarding of assets against unauthorised use or disposition and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is the responsibility of the Board to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements include:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the company's assets;
- experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Board to monitor the key business and financial objectives and risks and the progress towards financial objectives set for the year and the medium term; regular management accounts are prepared promptly providing relevant, reliable and up-to-date financial and other information; significant variances from budget are investigated as appropriate;
- all investment projects are subject to formal authorisation procedures by the Board;
- the Board reviews reports from management and specialist Regulated Housing advisors, Altair, and Grainger plc's internal audit function, to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the company; and
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Board has reviewed the effectiveness of the system of internal financial control in existence in the company for the year ended 30 September 2024. No weaknesses in internal financial control resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or the auditor's report on the financial statements.

# **Grainger Trust Limited**

## **Report of the Board of Management**

**Year ended 30 September 2024**

### **Statement of Disclosure of information to Auditors**

We, the Board members of the company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditor is unaware; and
- we have taken all steps that we ought to have taken as Board members to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board of directors on DATE 2025 and signed on behalf of the board by:

Henry Gervaise-Jones  
Director

# Grainger Trust Limited

## Strategic report

Year ended 30 September 2024

### Overview

Grainger Trust ('GT') was established in 2012 as one of the first For Profit Registered Providers ('FPRP'). Today, we are one of the larger directly managed FPRP, with 1,026 homes under management and a further 7 leasehold properties paying ground rent at the end of September 2024. Over the coming year, GT will continue to leverage the resources and experiences of the wider Grainger group to ensure that our development projects produce a profit for reinvestment and that our residents receive a Value for Money service. We intend to continue to invest in more affordable homes during FY24 and we will fund this through profits from other development sites and further investment from our parent company, Grainger plc. By integrating our communities and operating tenure blind, we aim to deliver market leading Value for Money and customer satisfaction in our neighbourhoods.

We will ensure that our strong Value for Money performance is upheld in order to continue developing homes that improve wellbeing, providing management services that support our residents to make a success of their tenancies and delivering savings to the business to enable greater reinvestment.

### Review of the year

During the year, total units owned has increased by 122, to 1,026, split across five sites. In the last 12 months, GT has delivered a further 122 social housing units (2023: 55) which is broken down into 64 Affordable Rent homes, 57 Shared Ownership units, with Discounted Market units remaining at 137 units and increasing 1 leasehold unit where ground rent is due. Profit for FY24 was £15.0m ahead of budget owing to shared ownership sales profit of £2.3m, other income c.£230k (mainly interest) and a valuation gain of £7.4m (£1.5m at HY1 and £5.9m at HY2).

The new homes launched this year were located across the Wellesley and Berewood schemes, both in Hampshire, and were a mix of Affordable Rent and Shared Ownership units. Grainger plc is the master developer on both schemes and residents enjoy spacious, high-quality homes, community facilities and large amounts of green space at both locations.

GT is a net contributor to the public finances, with a total tax charge of approximately £3.5m for the 12 months to September 2024, an effective tax rate of 24.8%.

GT is well placed to continue to complement the property portfolio of Grainger plc by delivering good quality affordable housing along with attractive profits and returns.

In June 2024, GT surpassed the >1,000 homes threshold which now means we will be considered a large housing provider by the Regulator of Social Housing ('RSH'). This will bring increased regulatory scrutiny and will result in a period of intense desktop inspection and interviews by the RSH with senior management, GT residents and the GT Board, resulting in published regulatory judgement on how GT meets the Consumer, Governance and Economic Standards.

Along with the Regulatory inspection, from April 2025 the reporting requirement to the RSH will increase considerably and there are a series of additional reports that must be published.

### Value for Money ('VfM')

GT embeds VfM into all of its day-to-day activities from development appraisals to repairs and maintenance procurement and community engagement. It is our ability to benefit from the wider Group's purchasing power, economies of scale and customer service experience that allows GT to continue to grow whilst producing financial and social returns.

# Grainger Trust Limited

## Strategic report

Year ended 30 September 2024

### ***Our strategic approach to VfM***

GT defines VfM as the best use of resources to achieve our objectives. We organise our VfM work under four themes:

- economy – managing costs
- efficiency – how well we use our resources to deliver objectives
- effectiveness – doing what we set out to do
- environment – improving our sustainability and reducing our impact.

Our approach to VfM is structured around:

- understanding our costs, benchmarking them internally and with our sector peers where possible
- making sure that quality is an essential element in VfM decisions
- choosing the best value option rather than the least expensive when undertaking repairs
- reviewing any aspects of our service that generates resident complaints to ascertain how we can improve and provide a better value service
- including customer experience, sustainability, environmental and social value considerations when assessing the best value options
- continually quantifying efficiencies to monitor cash savings, quality improvement and to comply with regulations
- buying goods and services more effectively, including leveraging the economies of scale using Grainger plc procurement processes.

We check and challenge our VfM performance regularly in several ways, including:

- benchmarking our performance against peers
- regular cost reviews and quarterly KPI reporting
- benchmarking against our internal tolerances and discussion at Board
- pursuing our growth plans and revisiting procurement decisions that could benefit from further scale
- applying any relevant VfM guidance from RSH and the Sector Risk Profiles to keep our business lean and learning from regulatory judgements and associated published guidance.

### ***How VfM fits into our structure***

The Board has a balance of both executive and non-executive members with a wide range of expertise in finance, development, social housing and commercial activity. The Board recognises and embraces its role in delivering and monitoring Value for Money and embedding it in the culture of our organisation. It is not only important to our customers but key to meeting our regulatory obligations and business objectives.

### ***How our residents experience VfM***

We continued to deliver a Value for Money service directly to our residents during the FY24 year, often as a response to resident feedback, including:

- Completed a review to consider stock sale for the Berewood site, engaging and consulting with our customers to understand their views. Ultimately this did not move forward at this time.
- In January 2024 carried out the first tranche of Tenant Satisfaction Measures in line with the RSH requirements, with high levels of satisfaction received.
- Worked alongside Grainger plc to onboard a single source supplier to deliver responsive repairs and maintenance.
- Engaged with partnering stakeholders to hold joint events with our residents including local policing, primary health care, educational support and local authority partners.
- Held regular meetings with local PSCO and Community Support Officers focusing on ASB issues being raised in the wider Wellesley and Berewood areas to support our residents.
- Attended a Berewood Resident Drop In Surgery to meet and answer queries from our affordable housing residents.
- Tendered for stock condition survey suppliers to deliver first cycle of housing stock data surveys which will commence in FY25.
- Worked alongside Grainger plc operational teams to streamline and focus on aligning process delivery to provide more efficient services.



# Grainger Trust Limited

## Strategic report

Year ended 30 September 2024

### VfM Metrics

One of our means of measuring VfM is through meeting the reporting requirements of the VfM Standard and supporting Code of Practice. The Standard requires us to publish performance evidence in these annual accounts against our own metrics and those defined by the regulator, and report how that performance compares to peers.

### Comparing financial performance against other Registered Providers

Due to the somewhat unique nature of Grainger Trust, it is difficult to find comparable FPRPs to benchmark against as we utilise the platform of a much larger organisation to reduce costs. We keep this under review and as the FPRP sector matures it is likely that we will be benchmarking in the traditional manner in the coming years. For now, in assessing our performance we have considered the overall performance of the sector based on the 2023 Global Accounts, being the latest published information available at the time of signing these annual accounts.

#### Metric 1 – Reinvestment %:

This metric considers the investment in properties, both maintenance of existing stock as well as new supply, as a percentage of the value of total properties held. As a relatively new organisation with new build modern homes, we continue to invest heavily in new supply, while our existing homes need a relatively small amount of investment, compared to organisations with much older homes. We are ambitious to grow, and as such our investment is focussed on the delivery of new affordable housing homes for the sector, albeit organically via Grainger plc schemes. However, we do recognise that our oldest housing stock was built in 2014 and therefore now reaching 10 years old. Work to incorporate component lifecycles for investment planning in our 30 year business plan is in progress and will be included as part of the provisions for the GT Financial Forecast Return that is published to the RSH annually.

	GT 2023/24	GT 2022/23	GT 2021/22	Lower Quartile	Median	Upper Quartile
Reinvestment %	14.0%	8.0%	6.4%	4.3%	6.7%	9.4%

#### Metric 2 – New supply delivered %:

GT is growing as part of its role in supporting the wider Grainger plc group, and this year we have delivered new affordable homes across a number of our estates, adding to our portfolio and growing the communities we are working with others in the Group to build.

Our performance shown as an average over the 12 months exceeds that of the peer group reflecting the continued high level of investment. Many of our peers are significantly more established with a more stable volume of social homes, or have traded off the supply of new homes against the levels of stock reinvestment required in an ageing social housing market. We expect to continue investing into new homes in the future.

	GT 2023/24	GT 2022/23	GT 2021/22	Lower Quartile	Median	Upper Quartile
New Supply (social homes) %	12.0%	6.1%	7.4%	0.6%	1.3%	2.2%

For GT the focus is on the delivery of new affordable homes; we have therefore not delivered any non-affordable homes in the current financial year.

# Grainger Trust Limited

## Strategic report

Year ended 30 September 2024

### **Metric 3 – Gearing %:**

Grainger Trust's financing model, which does not currently use any debt leverage, means this metric is not applicable to our business.

As we grow and gain scale as a FPRP we will consider the most efficient financing model for our business to ensure we deliver VfM.

### **Metric 4 – EBITDA MRI – Interest cover %:**

As with Metric 3, this metric is not applicable to our business. As we are currently financed by our parent on an equity basis, we do not have any interest to pay.

### **Metric 5 – Headline social housing cost per unit (£):**

We work with the rest of the Grainger plc group to achieve efficiencies in the management of our homes, as demonstrated by our cost per unit which is significantly lower than sector averages which is due to the efficiencies made by operating the GT portfolio in line with Grainger plc. Due to the phasing of acquisition of units differing each year, with the associated changes in portfolio split between rented and Shared Ownership, the cost per unit fluctuates each year. As our portfolio has doubled in size since FY19, we have also invested in our team significantly and developed additional functions such as community engagement and wellbeing initiatives. Furthermore, with the introduction of Consumer Standards and increased regulatory expectation across the entire Social Housing sector, the increase in operating costs is a sector wide phenomenon and one that is anticipated to increase in coming years. Costs are well managed within budgets set.

	GT 2023/24	GT 2022/23	GT 2021/22	Lower Quartile	Median	Upper Quartile
Social housing cost per unit (£)	2,741	2,714	2,253	4,082	4,586	5,847

### **Metric 6 – Operating margin:**

Our operating margin shows the profitability of our business. As a For-Profit provider, profit is a key driver and a metric that we monitor closely. However, we are also driven by quality and customer service, and our understanding of VfM means that we balance a desire to maximise profitability with ensuring the best outcomes for residents. Our relatively strong performance reflects the high quality of the homes we provide, the relatively young age of the homes we operate, as well as the benefits and efficiencies resulting from being part of a larger organisation.

	GT 2023/24	GT 2022/23	GT 2021/22	Lower Quartile	Median	Upper Quartile
Operating Margin (social housing lettings) %	59.2%	58.8%	55.2%	14.4%	19.8%	25.5%
Operating Margin (overall) %	47.3%	52.8%	46.6%	12.0%	18.2%	23.0%

# Grainger Trust Limited

## Strategic report

Year ended 30 September 2024

### **Metric 7 – Return on capital employed (%):**

Our return on capital employed continues to be consistent with our peers, reflecting the high level of investment in homes during the period and is in line with our targets for the business.

	GT 2023/24	GT 2022/23	GT 2021/22	Lower Quartile	Median	Upper Quartile
Return on capital employed %	3.7%	3.6%	2.5%	2.2%	2.8%	3.6%

### **Additional VfM metrics:**

We measure a number of performance measures to test our operational efficiency, and measure and anticipate our current and future growth prospects. We will continue to monitor additional VfM metrics and where appropriate, we will revise and develop additional metrics that are most relevant to GT over the forthcoming years.

The table below provides an overview of how we are performing across a selection of these measures, all of which are in line with our targets and expectations:

Performance measure	2023/24	2022/23	2021/22	2020/21	2019/20
Current arrears as at 30 September (against annual rent roll)	3.8%	4.3%	3.9%	3.2%	2.6%
Rent collected % (excluding arrears brought forward)	100.0%	99.7%	98.1%	98.5%	97.9%
Properties with valid gas safe certificate at the year end	100%	100%	100%	100%	100%

### **Collecting rent**

We continue to be effective in collecting income through use of our in-house credit control team. Our dedicated Income Support Officer has shown benefit in the work ongoing to support residents complementing existing credit control functions. Income Maximisation reviews along with signposting our residents to specialist support to ensure that they are maximising all benefits or monies they are eligible for continues to reap benefit. With the reduction of inflation this has helped to ease the financial burden somewhat, however residents are often struggling financially and therefore the specialist financial support requirement is still high.

### **Tenant satisfaction**

The FY2022/23 annual customer survey captured 257 responses (compared to 229 in FY2021/22). This was our first year of conducting the full prescribed Tenant Satisfaction Measures (TSM) survey and reporting on 12 tenant perception metrics in the standardised methodology. The survey was carried out by independent customer research group The Leadership Factor (TLF).

### **Low Cost Rental Accommodation (LCRA)**

GT achieved an overall 85.1% satisfaction with the services provided by Grainger Trust, up from 77% in FY2021/22 using the same methodology. This put us within the top quartile of the RPs that TLF has surveyed this year.

All LCRA TSMs scored above average when benchmarked against the other 54 RPs TLF had conducted surveys for.

# Grainger Trust Limited

## Strategic report

Year ended 30 September 2024

### *Low Cost Home Ownership (LCHO)*

GT achieved an overall 55% satisfaction with the services provided by Grainger Trust, up from 47% in FY2021/22 using the same methodology. This put us within the top quartile of the Shared Ownership providing RPs that TLF has surveyed this year.

All LCHO TSMs scored above average when benchmarked against the other 54 RPs TLF had conducted surveys for, with the exception of TP09.

The next iteration of the TSM survey is currently being undertaken and is required for regulatory publication in June 2025 (and annually). An external customer research specialist has been commissioned to undertake a wave of telephone surveys as the first option, following on with an online survey as a mop up to ensure that the statistical viability and response rate required for housing providers of over 1,000 units is achieved.

### *Insight and Outcomes*

Once the FY25 TSM survey is completed, the customer research specialist appointed has been asked to review the feedback received to identify key drivers for satisfaction. These will be compared to the results from FY24.

A new service introduced by the parent Customer Experience Team is utilising a service called Word Nerds, which is an AI powered feature to feed in free text sentiments and feedback received from our customers to really understand the key areas where our customers want service improvements. Over a period of time this will build a clear picture and trends.

During the course of FY24 there has been clear direction on how customer complaints should be managed with the introduction of a statutory Complaints Handling Code by the Housing Ombudsman Service, which included the completion of a self-assessment which must be shared with the Housing Ombudsman and published annually.

As part of continuous improvement, the GT complaints procedure has been reviewed, which has resulted in the removal of the Grumble Process which contravenes the CHC requirements of allowing all expressions of dissatisfaction to be raised as a complaint and explicitly states informal stages of a process should be removed, streamlining the process for customers.

A compensation policy has been aligned with the Grainger plc parent policy to allow for a one Grainger approach.

In May 2024, a single supplier of repairs was procured and was mobilised, to drive cost efficiencies and a standardised service across the Grainger portfolio. Work is ongoing to stabilise and bed in this service and the results of the TSM in Q2 of FY25 will be keenly anticipated as it is widely accepted in the sector that the repairs and maintenance service received by customers is a key driver for customer satisfaction.

### ***Resident engagement***

Resident Engagement continues to be a key part of delivery, working with our communities to ensure our customers are involved in how we deliver services. This will continue to evolve as part of the requirements of the Consumer Standards which became regulatory requirements in April 2024.

Support continues to be provided within initiatives such as:

- Cops and Coffee, where our residents can informally meet with our local neighbourhood policing officers to discuss matters of community importance.
- Education and Employment skills support, working with local enterprises to support our community with employment opportunities from interview skills to careers advice.
- Mental Health and Money Advisory surgeries held in conjunction with local Citizens Advice Bureau.

# Grainger Trust Limited

## Strategic report

Year ended 30 September 2024

As we move forward into the new financial year opportunities to allow meaningful engagement will be explored so that residents can have real say and impact on the landlord services delivered, holding GT as landlord accountable for the quality of services delivered.

### ***Delivering future value***

Projects and programmes of work to deliver further Value for Money in 2024-25:

- ***Information technology***

Working with our Business Optimisation Team, GT continues to feed into process optimisation and future development work includes:

- Developing a streamlined leasing process to ensure our Affordable nominations from local authority partners follow the same journey as the wider PRS and BTR portfolio whilst ensuring that the unique requirements for individual local authorities under their planning requirements are adhered to.
- Capturing information on our key customer demographics, vulnerabilities or other specific needs to ensure services delivered meet their requirements whether that be, for example, the provision of language support or the provision of more accessible housing.
- Developing the customer experience to adopt a single Grainger approach, streamlining complaints management, developing a new customer relationship management tool and refreshing the MyGrainger Application.
- Streamlining the delivery of a single Damp Mould and Condensation approach, working alongside our partner contractors to dovetail processes to ensure they take every report seriously, and ensure future readiness for anticipated legislative changes.

- ***Procurement***

We benefit from Group investments into the Procurement team and in FY24 have awarded a single repairs contract in partnership with the parent company, allowing us to access a scale that will unlock the most competitive rates available. We will be leveraging the process to not only bring a reduction in costs for reactive and planned maintenance, but also an increase in service satisfaction and social value generated from our repairs partnerships. Work will also take place to procure a supplier to deliver Stock Condition Surveys to meet the requirements of consumer standards in knowing our homes and the delivery of Tenant Satisfaction Measures.

- ***Social and environmental impact***

We will continue contributing to Local Authority affordable homes targets and the local area housing need. The specification of our portfolio has been controlled by us from conception and is designed to meet and exceed building regulatory thermal and fuel efficiency targets to assist in the eradication of fuel poverty. All of our properties are supplied with built in cookers, carpets/flooring and blinds in place to combat affordability issues when setting up a home. Additionally, all of our properties are future proofed with power spurs, water supply and drainage in place to allow for ease of accessibility adaptations and whole of life accommodation. All of our properties have modern and efficient gas boilers and central heating with 98.5% of EPCs at level B or above and 100% at level C or above, enabling significant savings in energy bills. Looking forward in FY25, our first tranche of homes which will utilise Air Source Heat Pumps will be onboarded, reducing carbon emissions.

It is recognised that social and environmental value can be difficult to quantify and for this reason we do not attempt to monetise every example of the value created but instead measure this in terms of good relationships with housing authorities and demand for our housing stock. Furthermore, we recognise that there will be an education and awareness piece of work with our customers to ensure they understand to benefit and maximise their homes making them cost effective to run. We believe that the quality and security of this accommodation leads to a range of benefits including improved health, well-being and general quality of life.

# Grainger Trust Limited

## Strategic report

Year ended 30 September 2024

- **Resident support**

In FY23 we introduced a 1-2-1 resident support initiative for our most vulnerable residents and a new role of Income Support Officer to ensure that our residents are accessing all of the support available to them and that their tenancies remain affordable. Our experienced property managers continue to provide moderate support to a number of residents within our general needs portfolio.

Looking ahead, we are building key partnerships with other agencies such as education, policing, health and local authorities; recognising our customers come with a variety of specialist needs and that we need to work in a cohesive partnership to ensure the right services and support is provided to enable residents to thrive in their homes and communities.

### **How the Board monitors performance**

GT has well developed mechanisms for monitoring performance against our internal operating metrics and the Value for Money metrics. The Board takes a keen interest in ensuring that GT delivers services that our customers perceive to be good value.

The Board receives and reviews KPI performance and management accounts detailing key performance data on a quarterly basis and has access to monthly performance packs that are reviewed by the operational team. The Board also undertake regular deep dives into any aspect of performance that they feel needs a closer look and more thorough assurance.

The GT Board recognises that as part of the new Regulator regime and the new regulatory position there will be an even greater expectation to ensure they have full assurance on how GT delivers services to its customers. More granular detail and deep dive reports alongside external audit assurance have been secured to provide this scrutiny.

### **Board assurance on VfM**

The Board contains non-executive members with expertise in finance, development, social housing and commercial activities. It regularly reviews management reports and receives feedback from the executives. The Board is satisfied that this VfM self-assessment is a fair reflection of VfM within GT and will be made available to all of its stakeholders on Grainger plc's website.

### **Statement of compliance with adopted Code of Governance**

The RSH's Governance and Financial Viability Standard requires that the Group adopt an appropriate Code of Governance and report any variation on a "comply or explain" basis. This statement therefore forms part of Grainger Trust's regulatory compliance.

Following an assessment of different Codes of Governance in 2021, the Board of GT adopted the latest version (March 2021) of the ecoDa Corporate Governance Guidance and Principles for Unlisted Companies in Europe ("the ecoDa Code of Governance") as the most appropriate for the organisation which seeks to comply with both this and best practice regarding corporate governance. Due to the increasing size of GT, the Board is considering adopting the British Property Federation Code of Governance for For-Profit Registered Providers of Social Housing.

In line with the organisation's governance and arrangements, compliance against the chosen Code of Governance is reviewed annually and reported to the Board. A review of compliance against the ecoDa Code of Governance has concluded that actions previously identified for improvement have now been implemented during the financial year and the organisation fully complies with the code's provisions in so far as they apply to GT. The work undertaken to strengthen and embed GT's internal control, risk management and assurance framework (Principle 6, Key Point 3) has continued over the year. Our external consultants, Altair, have undertaken an assessment of GT's readiness for a full audit by the RSH. GT benefits from the internal audit regime of Grainger plc and the programme includes GT specific audits as well as coverage of GT in wider group process audits.

It should also be noted that Principles 9 and 12 of the Code are not applicable as the former relates to family businesses and the latter relates to Board Committees which GT does not currently operate.

# Grainger Trust Limited

## Strategic report

Year ended 30 September 2024

### ***Statement of compliance with RSH Financial Viability and Governance standard***

A review of compliance against the Regulator of Social Housing's Regulatory Standards has confirmed Grainger Trust's full compliance with the Governance and Financial Viability Standard.

### ***Risk Management***

The Board of Management is responsible for governance of risk, determining the levels of risk tolerance and the risks it is willing to take (appetite). Grainger Trust will also take into consideration the RSH Sector Risk Profile which is published annually.

Risk analysis considers Grainger Trust's strategic objectives, the external environment in which it operates and the internal operating environment of Grainger Trust. Risks are identified and described in a standard risk register template and quantified using a likelihood and impact 5x5 matrix. When deciding how to treat a risk, treatments can include Accept, Transfer, Treat and Terminate.

Further work is underway to complete the Golden Thread between our Corporate Strategy, Risk Register, stress testing and Internal Audit Programme.

This report was approved by the board of directors on DATE 2025 and signed on behalf of the board by:

Henry Gervaise-Jones  
Director

## **Independent auditor's report to the members of Grainger Trust Limited**

### **Opinion**

We have audited the financial statements of Grainger Trust Limited ("the company") for the year ended 30 September 2024 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

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

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

Our conclusions based on this work:

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

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



**Independent auditor's report to the members of  
Grainger Trust Limited (continued)**

***Fraud and breaches of laws and regulations – ability to detect***

***Identifying and responding to risks of material misstatement due to fraud***

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

- enquiring of directors, the audit committee, internal audit and inspection of policy documentation as to the company’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the company’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading Board minutes;
- considering remuneration incentive schemes and performance targets for management;
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that proceeds from sale of shared ownership properties close to the year end are recorded in the incorrect accounting period and the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as valuation of investment and housing properties.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of Group-wide fraud risk management controls.

We also performed procedures including:

- tracing property sales recognised either side of the year end to completion statements to assess the appropriateness of the timing of revenue recognition;
- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the company’s regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

**Independent auditor's report to the members of  
Grainger Trust Limited (continued)**

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, landlord regulation and certain aspects of company legislation recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

**Other information**

The directors are responsible for the other information, which comprises the report of the board of management. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the report of the board of management for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

**Independent auditor's report to the members of  
Grainger Trust Limited (continued)**

**Directors' responsibilities**

As explained more fully in their statement set out on pages 2 to 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.

**Dan Gibson (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
Quayside House  
110 Quayside  
Newcastle upon Tyne  
NE1 3DX  
March 2024

# Grainger Trust Limited

## Statement of comprehensive income

Year ended 30 September 2024

		2024	2023
	Note	£	£
<b>Turnover</b>	<b>3, 4</b>	<b>15,674,042</b>	13,257,220
Cost of sales	<b>3</b>	<b>(7,390,152)</b>	(5,468,487)
<b>Gross profit</b>		<b>8,283,890</b>	7,788,733
Administrative expenses	<b>3</b>	<b>(862,288)</b>	(789,860)
Fair value gain/(loss) on investment property	<b>5</b>	<b>6,327,788</b>	(998,833)
Gain/(loss) on disposal of investment properties	<b>3</b>	<b>14,554</b>	(720,148)
Gain on disposal of housing properties	<b>3</b>	<b>—</b>	512,396
<b>Operating profit</b>	<b>6</b>	<b>13,763,944</b>	5,792,288
Other interest receivable and similar income		<b>176,700</b>	134,084
<b>Profit on ordinary activities before taxation</b>		<b>13,940,644</b>	5,926,372
Tax on profit on ordinary activities	<b>8</b>	<b>(3,462,099)</b>	(1,169,298)
<b>Profit for the financial year</b>		<b>10,478,545</b>	4,757,074
Unrealised gain/(loss) on revaluation of housing properties	<b>9</b>	<b>1,057,094</b>	(7,098,212)
Total tax on components of other comprehensive income	<b>8</b>	<b>(264,273)</b>	1,774,552
<b>Total comprehensive income/(loss) for the year</b>		<b>11,271,366</b>	(566,586)

All the activities of the company are from continuing operations.

The notes on pages 21 to 29 form part of these financial statements.

# Grainger Trust Limited

## Statement of financial position

30 September 2024

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Investment properties	9	102,622,260	83,132,576
Housing properties	9	106,550,015	93,709,715
		<u>209,172,275</u>	<u>176,842,291</u>
<b>Current assets</b>			
Stocks	11	1,245,411	1,682,258
Debtors	12	843,641	1,442,605
Cash at bank and in hand		1,987,055	17,547,790
		<u>4,076,107</u>	<u>20,672,653</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(10,884,386)</u>	<u>(8,053,078)</u>
<b>Net current (liabilities)/assets</b>		<u>(6,808,279)</u>	<u>12,619,575</u>
<b>Total assets less current liabilities</b>		<u>202,363,996</u>	<u>189,461,866</u>
<b>Provisions</b>			
Deferred tax	15	(16,149,627)	(14,518,863)
<b>Net assets</b>		<u><u>186,214,369</u></u>	<u><u>174,943,003</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	102,757,128	102,757,128
Revaluation reserve	17	20,246,874	19,454,053
Profit and loss account	17	63,210,367	52,731,822
<b>Shareholders' funds</b>		<u><u>186,214,369</u></u>	<u><u>174,943,003</u></u>

These financial statements were approved by the board of directors and authorised for issue on DATE 2025, and are signed on behalf of the board by:

Henry Gervaise-Jones  
Director

Company registration number: 04630928

The notes on pages 21 to 29 form part of these financial statements.

# Grainger Trust Limited

## Statement of changes in equity

Year ended 30 September 2024

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
<b>At 1 October 2022</b>	102,757,128	26,383,961	46,368,500	175,509,589
Profit for the year	—	—	4,757,074	4,757,074
Other comprehensive income for the year:				
Unrealised loss on revaluation of housing properties	—	(7,098,212)	—	(7,098,212)
Realisation of revaluation on sale	—	(2,141,664)	2,141,664	—
Deferred tax transfer on realisation of revaluation on sale	—	535,416	(535,416)	—
Deferred tax relating to components of other comprehensive income	—	1,774,552	—	1,774,552
<b>Total comprehensive income for the year</b>	—	(6,929,908)	6,363,322	(566,586)
<b>At 30 September 2023</b>	102,757,128	19,454,053	52,731,822	<b>174,943,003</b>
Profit for the year	—	—	10,478,545	<b>10,478,545</b>
Other comprehensive income for the year:				
Unrealised gain on revaluation of housing properties	—	1,057,094	—	<b>1,057,094</b>
Deferred tax relating to components of other comprehensive income	—	(264,273)	—	<b>(264,273)</b>
<b>Total comprehensive income for the year</b>	—	792,821	10,478,545	<b>11,271,366</b>
<b>At 30 September 2024</b>	<u>102,757,128</u>	<u>20,246,874</u>	<u>63,210,367</u>	<u><b>186,214,369</b></u>

The notes on pages 21 to 29 form part of these financial statements.

# Grainger Trust Limited

## Notes to the financial statements

Year ended 30 September 2024

### 1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

The entity is a limited company incorporated and domiciled in the UK. The registered office is:

Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

The results of Grainger Trust Limited are included in the consolidated financial statements of Grainger plc which are available from Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

### 2. Accounting policies

#### Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable UK accounting standards.

The financial statements have been prepared on the going concern basis in accordance with applicable Accounting Standards in the United Kingdom, the Accounting Direction for Registered Providers of Social Housing 2022 and the Statement of Recommended Practice Accounting by Registered Social Housing Providers, Update 2018 ('SORP 2018').

#### Going concern

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

The company has net assets of £186,214,369 at 30 September 2024 and has generated total comprehensive income for the period then ended of £11,271,366. The Board of Management manage the company's strategy and risks through regular Board Meetings, together with regular monitoring of the financial and operating performance of the business. A funding model, including cash flow forecasts, is in place, and future funding is expected to continue to be from issues of equity.

In addition, on a consolidated basis, the Group has assessed its future funding commitments and compared these to the level of committed loan facilities and cash resources over the medium term. In making this assessment, consideration has been given to compliance with borrowing covenants along with the uncertainty inherent in future financial forecasts and, where applicable, reasonable severe sensitivities have been applied to the key factors affecting financial performance for the Group. The assessment includes the potential impact of reduced PRS occupancy, reduction in rental growth, reduced property valuations, cost inflation and increased interest rates. The Directors of the Group have a reasonable expectation that it has adequate resources to continue operating for the foreseeable future period, and not less than 12 months from the date of approval of these financial statements.

Grainger plc has indicated that it will make available funding through further equity investment as required by the entity for the foreseeable future. As with any entity placing reliance on other Group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. The directors do not intend to nor have they identified any circumstances which may lead to the entity being liquidated or to cease operating.

# Grainger Trust Limited

## Notes to the financial statements *(continued)*

Year ended 30 September 2024

### 2. Accounting policies *(continued)*

Consequently, the directors are confident that the 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.

#### Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Grainger plc which can be obtained from The Secretary, Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

#### Revenue recognition

Turnover represents rental income and sale proceeds of trading properties. Sales of properties are only recognised when the significant risks and returns have been transferred to the buyer, which is generally deemed to be on legal completion. Rental income is recognised on a straight line basis over the lease term on an accruals basis.

#### Income tax

The taxation charge for the year represents the sum of current tax and deferred tax. Tax is recognised in the statement of comprehensive income or directly in equity according to the accounting treatment of the related transaction.

Current tax is the amount of income tax payable/(recoverable) in respect of the taxable profit for the period or prior periods. Tax is calculated using tax rates and laws that have been enacted or substantively enacted at the period end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences 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 recognised on all timing differences at the reporting date. Deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted at the period end and that are expected to apply to the reversal of the timing difference.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same tax authority where there is an intention to settle the balances on a net basis.

#### Housing properties

Social Housing properties are classified as property, plant & equipment in fixed assets. This class of properties are held under the revaluation model. In accordance with SORP 2018 they are revalued each year to their existing use value for social housing (EUV-SH).

Major components of housing properties are accounted for and depreciated separately from the housing structure over their expected useful economic lives. The components currently identified and their useful economic lives are as follows:



# Grainger Trust Limited

## Notes to the financial statements *(continued)*

Year ended 30 September 2024

### 2. Accounting policies *(continued)*

#### Housing properties

Main fabric	100 years
Roof	50 years
Windows & Doors	30 years
Kitchens	20 years
Bathrooms	25 years

#### Heating

Boilers	20 years
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#### Other fixed assets

Electrics / mechanical systems and lifts	40 years
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The useful economic lives of all tangible fixed assets are reviewed annually.

### Investment properties

#### ***Grainger lets***

These properties are not subject to regulation by the RSH (ie Intermediate Rent properties) and are revalued annually to their market value.

#### ***Shared ownership***

The proportion of shared ownership properties not included in stock (see accounting policy for stocks) is classified as investment property and is revalued annually to its existing use value for social housing (EUV-SH).

#### **Stocks**

Under the SORP 2018, the initial percentage of a shared ownership house to be sold (first tranche) is treated as stock (Trading Property), with the remainder being classified as Investment Property.

Trading properties are shown in the financial statements at the lower of cost to the company and net realisable value. Cost to the company includes legal and surveying charges incurred during the acquisition plus improvement costs. Net realisable value is the net sale proceeds which the company expects on sale of the first tranche of the property.

Repairs and improvements are the responsibility of the shared ownership tenant.

#### **Work in progress**

Work in progress comprises stage payments for the construction of shared ownership units.

#### **Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors are recognised initially at transaction value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade and other creditors are recognised initially at transaction value and subsequently measured at amortised cost using the effective interest method.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported. The judgements, estimates and assumptions that the directors consider to be most significant to the financial statements relate to the valuation of tangible fixed assets and are detailed at note 9.

# Grainger Trust Limited

## Notes to the financial statements (continued)

Year ended 30 September 2024

### 3. Turnover, cost of sales, administrative expenses and operating profit for the year

	2024 £	2023 £
<i>Income from social/intermediate/shared ownership housing lettings:</i>		
Gross rents receivable	8,649,195	7,805,436
Less: Rent losses from voids	(128,262)	(194,316)
Net rents receivable	8,520,933	7,611,120
<i>Income from property sales:</i>		
Income from shared ownership sales	7,089,500	5,646,100
Other income	63,609	–
Total income from housing lettings and sales	15,674,042	13,257,220
<i>Expenditure on social/intermediate/shared ownership housing activities:</i>		
Property operating expenses	2,617,816	2,347,804
Property book cost of sales	4,524,022	2,983,240
Property disposal fees	248,314	137,443
Cost of sales	7,390,152	5,468,487
Intercompany management charges	592,817	579,183
Consultancy fees	38,932	33,157
Directors' remuneration	25,000	25,000
Valuation fees	128,998	119,976
Speculative development costs	42,000	–
General expenditure	34,541	32,544
Administrative expenses	862,288	789,860
Total expenditure on social/intermediate/shared ownership housing lettings and sales	8,252,440	6,258,347
Fair value gain/(loss) on investment property	6,327,788	(998,833)
Gain/(loss) on disposal of investment properties	14,554	(720,148)
Gain on disposal of housing properties	–	512,396
Operating profit	13,763,944	5,792,288

### 4. Turnover

Turnover arises from:

	2024 £	2023 £
Rental income	8,520,933	7,611,120
Proceeds from sale of shared ownership properties	7,089,500	5,646,100
Other income	63,609	–
	15,674,042	13,257,220

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

# Grainger Trust Limited

## Notes to the financial statements (continued)

Year ended 30 September 2024

### 5. Fair value gain/(loss) on investment property

	2024 £	2023 £
Fair value gain/(loss) on investment properties	<u>6,327,788</u>	<u>(998,833)</u>

### 6. Operating profit

Audit fees of £13,400 (2023: £12,900) are statutory audit fees only and are borne by another Group company.

### 7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2024 £	2023 £
Remuneration	<u>25,000</u>	<u>25,000</u>

The remuneration of Colin Sherriff, Sharon Pearce and Diane Hart totalled £25,000 (2023: £25,000). In addition to their directorship of Grainger Trust Limited, Paul McGowan, Henry Gervaise-Jones and Kurt Mueller were directors/employees of other Group companies and their remuneration was borne by another Group company. The remuneration of the highest paid director totalled £12,000 (2023: £12,000).

### 8. Tax on profit

#### Major components of tax expense

	2024 £	2023 £
<b>Current tax:</b>		
UK current tax expense	1,920,326	2,272,174
Adjustments relating to prior year	175,282	306
	<u>2,095,608</u>	<u>2,272,480</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	1,366,491	(1,103,182)
<b>Tax on profit on ordinary activities</b>	<u>3,462,099</u>	<u>1,169,298</u>

#### Tax expense included in other comprehensive income

In addition to the above a deferred tax charge of £264,273 (2023: credit of £1,774,552) was recognised in other comprehensive income. This represents the charge (2023: credit) on the unrealised gain (2023: unrealised loss) on the revaluation of housing properties.

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2023: lower than) the standard rate of corporation tax in the UK of 25% (2023: 22%). Tax is chargeable at an effective rate of 24.8% (2023: 19.7%).

	2024 £	2023 £
Profit on ordinary activities before taxation	<u>13,940,644</u>	<u>5,926,372</u>
Profit on ordinary activities by rate of tax	3,485,161	1,303,802
Indexation on investment property disposals	—	(2,995)
Expenses not deductible for tax purposes	778	873
Impact of tax rate changes	<u>(23,840)</u>	<u>(132,382)</u>
Tax on profit on ordinary activities	<u>3,462,099</u>	<u>1,169,298</u>

# Grainger Trust Limited

## Notes to the financial statements (continued)

Year ended 30 September 2024

### 8. Taxation (continued)

#### Factors that may affect future tax expense

No provisions have been made for tax that would become payable if the company's trading properties were sold at their year end replacement values. The total unprovided deferred tax in respect of this is £128,736 (2023: £44,247).

### 9. Tangible assets

	Investment properties £	Housing properties £	Total £
<b>Cost or valuation</b>			
At 1 October 2023	83,132,576	93,709,715	176,842,291
Additions	13,328,342	11,783,206	25,111,548
Disposals	(166,446)	–	(166,446)
Revaluations	6,327,788	1,057,094	7,384,882
<b>At 30 September 2024</b>	<b>102,622,260</b>	<b>106,550,015</b>	<b>209,172,275</b>
<b>Depreciation</b>			
At 1 October 2023	–	–	–
Charge for the year	–	1,166,172	1,166,172
Reversal of depreciation	–	(1,166,172)	(1,166,172)
<b>At 30 September 2024</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Carrying amount</b>			
<b>At 30 September 2024</b>	<b>102,622,260</b>	<b>106,550,015</b>	<b>209,172,275</b>
At 30 September 2023	83,132,576	93,709,715	176,842,291

Investment properties comprise Grainger Lets properties and shared ownership properties. Grainger Lets properties have been valued at their open market value as at 30 September 2024 by Allsop LLP. Shared ownership properties have been valued on an existing use value for social housing (EUV-SH) basis. The number of Grainger Lets units under management at 30 September 2024 was 137 (2023: 137) and the number of shared ownership units was 373 (2023: 315).

Housing properties comprises social housing properties and are valued on an existing use value for social housing (EUV-SH) basis. The number of social housing properties at 30 September 2024 was 523 (2023: 459).

The valuations represent estimates of the open market value of the properties subject to the tenancies then existing. The historical cost of these properties is £151,608,070 (2023: £126,314,765).

#### Reconciliation of movement in units

	At 1 October 2023	New units acquired	Units sold	At 30 September 2024
General needs - social	453	64	–	517
Shared ownership	309	59	(2)	366
General needs – intermediate	137	–	–	137
Supported housing	6	–	–	6
	905	123	(2)	1,026
Leasehold units paying ground rent	6	1	–	7
<b>Total social and non-social housing</b>	<b>911</b>	<b>124</b>	<b>(2)</b>	<b>1,033</b>

# Grainger Trust Limited

## Notes to the financial statements (continued)

Year ended 30 September 2024

### 10. Investments

The company owns 50% of Wellesley Residents Trust Limited, a dormant company limited by guarantee with a registered office of Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE. The amount guaranteed by the company is £1.

### 11. Stocks

	2024 £	2023 £
Trading properties	363,308	874,913
Work in progress	882,103	807,345
	<u>1,245,411</u>	<u>1,682,258</u>

The replacement value of trading properties (sale at market value of the property subject to occupation by a resident) is £878,252 (2023: £1,051,903) based on market value at 30 September 2024.

Stock is stated in the balance sheet at the lower of cost and net realisable value. Net realisable value is the net sales proceeds which the company expects on the sale of a property with vacant possession. The Directors have reviewed the vacant possession valuations of the properties. They concluded that there was no provision necessary against the carrying value of stock.

### 12. Debtors

	2024 £	2023 £
Rent arrears	250,000	272,231
Other debtors	593,641	1,170,374
	<u>843,641</u>	<u>1,442,605</u>

### 13. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	236,272	74,646
Amounts owed to group undertakings	7,242,384	4,726,081
Other creditors	2,079,599	2,733,831
Accruals and deferred income	1,326,131	518,520
	<u>10,884,386</u>	<u>8,053,078</u>

The amount owed to group undertakings is unsecured, is repayable on demand, and does not bear interest.

# Grainger Trust Limited

## Notes to the financial statements (continued)

Year ended 30 September 2024

### 14. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2024	2023
	£	£
Included in provisions (note 15)	<b>16,149,627</b>	14,518,863

The deferred tax account consists of the tax effect of timing differences in respect of:

	2024	2023
	£	£
Revaluation of investment properties	<b>9,599,336</b>	8,034,179
Revaluation of housing properties	<b>6,550,291</b>	6,484,684
	<b>16,149,627</b>	14,518,863

### 15. Provisions

	Deferred tax (note 14) £
At 1 October 2023	14,518,863
Movements dealt with in profit or loss	1,366,491
Movements dealt with in other comprehensive income	264,273
At 30 September 2024	<b>16,149,627</b>

### 16. Called up share capital Issued, called up and fully paid

	2024		2023	
	No.	£	No.	£
Ordinary shares of £1 each	<b>102,757,128</b>	<b>102,757,128</b>	102,757,128	102,757,128

### 17. Reserves

Revaluation reserve – This reserve records gains and losses on asset revaluations in respect of housing properties.

Profit and loss account – This reserve records retained earnings and accumulated losses.

### 18. Capital commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	2024	2023
	£	£
Tangible assets	<b>26,942,324</b>	49,098,815

Grainger plc has indicated that it will make available such funds as needed by the company to fulfil these capital commitments.

# Grainger Trust Limited

## Notes to the financial statements (continued)

Year ended 30 September 2024

### 19. Operating leases

#### As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2024	2023
	£	£
Not later than 1 year	763,133	649,338
Later than 1 year and not later than 5 years	156,225	161,402
Later than 5 years	4,306,208	4,100,173
	<u>5,225,566</u>	<u>4,910,913</u>

### 20. Related party transactions

Property operating expenses include intercompany management charges of £636,707 (2023: £604,194) representing property services costs, office costs, IT costs and similar other costs. In addition, administrative expenses include an intercompany administration fee of £592,817 (2023: £579,183). All such charges are payable to another company within the Grainger plc group, which is not a Private Registered Provider of Social Housing, are calculated on an arm's length basis, and are determined by rental levels and the number of property units held.

### 21. Legislative provisions

The company is registered with the Regulator of Social Housing (registration 4743).

### 22. Ultimate controlling party

The Members of the Board of Management regard Grainger plc, a company registered in England and Wales, as the ultimate parent undertaking and the ultimate controlling party, being the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Grainger plc consolidated financial statements may be obtained from The Secretary, Grainger plc, Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

Atlantic Metropolitan (U.K.) Limited is the immediate controlling party and parent company by virtue of its 100% shareholding in the company.