

COMPANY REGISTRATION NUMBER: 04630928

Grainger Trust Limited
Financial statements
30 September 2025

Grainger Trust Limited

Financial statements

Year ended 30 September 2025

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Grainger Trust Limited

Company details

The Board of Management

Mr Colin Sherriff
Mr Paul McGowan
Ms Sharon Pearce
Ms Diane Hart
Mr Anish Thobhani
Mr Callum Foster

Company secretary

Mrs Sapna FitzGerald

Registered office

Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Auditor

KPMG LLP
1 Snow Hill
Queensway
Birmingham
B4 6GH

Banker

Barclays Bank plc
1 Churchill Place
Canary Wharf
London
E14 5HP

Solicitor

Womble Bond Dickinson (UK) LLP
The Spark
Draymans Way
Newcastle Helix
Newcastle upon Tyne
NE4 5DE

Registration

Regulator of Social Housing (registration 4743)

Company registration number

04630928

Grainger Trust Limited

Report of the Board of Management

Year ended 30 September 2025

The Board of Management presents its report and the financial statements for the year ended 30 September 2025.

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 2025, 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 (resigned 14 January 2026)
Mr Anish Thobhani (appointed 13 February 2025)
Mr Callum Foster (appointed 14 January 2026)

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 2025

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 2025. 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 2025

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 31 March 2026 and signed on behalf of the board by:



Callum Foster
Director

Grainger Trust Limited

Strategic report

Year ended 30 September 2025

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 1,226 homes under management and a further 7 leasehold properties paying ground rent at the end of September 2025. 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 FY26 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

In the last 12 months, GT has delivered a further 201 social housing units (2024: 122) which is broken down into 158 Affordable Rent homes, 42 Shared Ownership units, with Discounted Market units remaining at 137 units and one additional commercial unit, and one Shared Ownership unit being fully staircased. We have 1,226 units in total, split across five sites. Profit before valuation movements and tax for FY25 was £1.0m ahead of budget, mainly due to net rental income being £0.4m ahead of budget and shared ownership sales profit being £0.5m ahead of budget.

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. Alongside this we also launched 94 units in Cobalt House, Bristol, part of the wider Build to Rent Glasshouse Square development, which is a mix of 82 1 bed units and 12 2 bed units; there were also 3 wheelchair units included.

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 January 2025, GT underwent its first regulatory inspection by the Regulator of Social Housing (RSH), assessing compliance against the regulatory standards. The process concluded with the publication of the regulatory judgement in July 2025, following the submission of comprehensive documentation and evidence, as well as interviews with the senior management team, Board members, and GT residents. GT received ratings of C2 for Consumer Standards, G2 for Governance, and V1 for Viability - a strong result for our first assessment. GT remains committed to ongoing engagement with the regulator and is focused on achieving regrading to C1/G1 within the next 18 months through continued delivery of its improvement plan and strengthened governance arrangements.

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 2025

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 FY25 year, often as a response to resident feedback, including:

- Tenant Satisfaction Measures: in January and February 2025, GT completed Tenant Satisfaction Measures in line with RSH requirements. Results were strong, achieving above sector averages and reflecting high levels of resident satisfaction.
- Policy Alignment and Repairs: collaborated with Grainger plc to align policies and workflows for Damp, Mould, Condensation, and Complaints Management.
- Resident Engagement: partnered with local stakeholders – including policing teams, primary healthcare providers, educational support services, and local authorities – to host joint events for residents.
- Resident Support: working with key partners, delivered support for residents most in need, such as food bank referrals, advice and support referrals to Citizens Advice, and completed joint visits with Social Services and Community Mental Health Services.
- Community Safety: held regular meetings with local PCSOs and Community Support Officers to address anti-social behaviour concerns in Wellesley and Berewood, supporting safer communities for residents.

Grainger Trust Limited

Strategic report

Year ended 30 September 2025

- Resident Support Activities: attended Berewood Resident Drop-In Surgery to respond to queries from affordable housing residents and organised a well-received skip day in partnership with contractors for Berewood customers.
- Stock Condition Surveys: completed the first cycle of stock condition surveys in August-September 2025 with a high access rate. Data collected will inform GT's 30-year investment plan and future asset management strategy.
- Operational Efficiency: worked closely with Grainger plc operational teams to streamline processes, improve service delivery, and implement a single view of tenancy and safeguarding.
- Internal Audit: undertook GT-specific internal audits by PwC for allocations, lettings, and rent setting, all of which were found to be compliant.
- In FY25 we reviewed the GT team structure to introduce a new role of Housing Service Manager which has been introduced in Berewood, Wellesley and Cobalt House, Bristol. This has enabled a targeted approach to customer and tenancy management which brings consistency for both the team and customers.

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 2025 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 recognise that our oldest housing stock was built in 2014 and therefore now more than 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 2024/25	GT 2023/24	GT 2022/23	Lower Quartile	Median	Upper Quartile
Reinvestment %	10.9%	14.0%	8.0%	5.3%	7.5%	10.0%

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.

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	GT 2024/25	GT 2023/24	GT 2022/23	Lower Quartile	Median	Upper Quartile
New Supply (social homes) %	16.4%	12.0%	6.1%	0.6%	1.3%	2.1%

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.

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 continues to grow, 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 2024/25	GT 2023/24	GT 2022/23	Lower Quartile	Median	Upper Quartile
Social housing cost per unit (£)	2,425	2,741	2,714	5,025	5,690	7,230

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 2024/25	GT 2023/24	GT 2022/23	Lower Quartile	Median	Upper Quartile
Operating Margin (social housing lettings) %	61.4%	59.2%	58.8%	15.0%	20.0%	25.6%
Operating Margin (overall) %	53.1%	47.3%	52.8%	11.8%	17.4%	23.0%

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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 2024/25	GT 2023/24	GT 2022/23	Lower Quartile	Median	Upper Quartile
Return on capital employed %	3.4%	3.7%	3.6%	2.3%	3.0%	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	2024/25	2023/24	2022/23	2021/22	2020/21
Current arrears as at 30 September (against annual rent roll)	3.3%	3.8%	4.3%	3.9%	3.2%
Rent collected % (excluding arrears brought forward)	99.6%	100.0%	99.7%	98.1%	98.5%
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 FY2024/25 annual customer survey captured 332 responses across Low Cost Rental Accommodation and Low Cost Home Ownership (compared to 257 in the previous year). As well as reporting on 12 tenant perception metrics in the standardised methodology there were additional questions asked on service improvement, customer engagement and complaints management. The survey was carried out by independent customer research group Acuity Research & Practice.

Low Cost Rental Accommodation (LCRA)

GT achieved an overall 80% satisfaction with the services provided by Grainger Trust, which has fallen from the previous year at 85.1%. The methodology used was both online and telephone surveys. Whilst it is disappointing that satisfaction has reduced, it is worth noting that Grainger Trust are still in the upper quartile of RPs when compared to the TSM results published by the Regulator of Social Housing, where the average nationally was 71.8%.

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Year ended 30 September 2025

Low Cost Home Ownership (LCHO)

GT achieved an overall 56% satisfaction with the services provided by Grainger Trust, up from 45% in the previous year using telephone and online surveys. Whilst the results for LCHO are historically lower within the sector, Grainger Trust sits above national averages in satisfaction which was 47.9% compared to results published by the Regulator of Social Housing.

The next iteration of the TSM survey is scheduled to be undertaken in February 2026 and is required for regulatory publication in June 2026 (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

In the FY25 TSM the most important driver for tenants' satisfaction with the overall services is that they have a safe home. This is very closely followed by listens and acts fairly & with respect, last 12-month's repairs experience and GT's contribution to neighbourhood are also important.

Working with 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. This has included changing how the service is managed and accessed, centralising customer contact to align with Grainger plc services and ongoing engagement with our contracting partners to focus on improved repairs delivery.

The management of complaints remains a central focus in both terms of our regulatory requirements and within the organisation. Over the course of the year there were 40 stage 1 complaints received and of these 5 were escalated to stage 2. Whilst this was an increase on previous years this was anticipated due to the changes in reporting, the removal of the informal "grumbles" category, and culture changes as complaints and dissatisfaction are not viewed in a negative manner but as an opportunity to learn and improve service delivery.

As part of regulatory complaints, an annual self-assessment is completed against the Housing Ombudsman Service's (HOS) complaints handling code and compliance is also reported to as part of the Tenant Satisfaction Measures performance figures in adherence to complaints handling time lines. For Stage 1, compliance was 95% with 2 complaints failing to meet timeframes and for Stage 2 complaints, 100% were responded to within the required timeframes.

Grainger Trust have had no disrepair claims in the period and minimal engagement from the Housing Ombudsman Service with 2 cases escalated but no further action taken by the HOS to date.

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.

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.

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Strategic report

Year ended 30 September 2025

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 which have been delivered over the course of the year:

- **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 rented customers are managed through a single platform aligning with the BTR and PRS portfolios, moving on to further phases to align the end of tenancy experience and rent review.
- 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, ensuring GT meet regulatory requirements under Awaab's Law.

- **Procurement**

We benefit from Group investments into the Procurement team and looking forward to FY26 are working with the wider Grainger plc group to procure a single FM Cleaning Contract to unlock competitive rates, introduce clear SLA expectations and allow for more efficient and effective contract management.

- **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. 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 FY26, our first tranche of homes which will utilise Air Source Heat Pumps will be onboarded, reducing carbon emissions as part of the Bellway Homes development in Wellesley.

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.

- **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 engaging with residents early to ensure tenancy sustainment.

During the period FY25 support has been provided in various ways including:

- Foodbank referrals.

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- Joint visits with community support teams from local authority partners and adult social services.
- Signposting for domestic abuse support.
- Referrals to local primary health care services and social prescribing services to help with issues such as financial health or loneliness.

Alongside this resident support working in conjunction with our retained consultants Altair we have provided safeguarding training to the Grainger Trust team and wider Grainger plc colleagues, to provide them with knowledge and understanding of which stakeholder partners to refer customers who are experiencing challenging times.

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.

As part of the recent regulatory inspection by the Regulator of Social Housing (RSH), several areas for strengthening governance, oversight, and assurance were identified. Key actions included a review of the Service Level Agreement (SLA) provisions for services delivered by Grainger plc to Grainger Trust, and measures to enhance the independence and visibility of GT Board decision making. To ensure the Board has the appropriate mix of knowledge, skills and experience, a comprehensive Board skills matrix and performance appraisal process was undertaken. One of the key strengths highlighted was the significant operational and financial expertise demonstrated by the Non-Executive Directors.

Looking ahead to FY26, the GT Board will continue to build strong relationships with Grainger plc, monitor performance rigorously, and introduce targeted deep-dive reviews. In addition, GT-specific audits will remain a priority to provide assurance in critical areas of delivery. GT will maintain active engagement with the RSH Regulatory Engagement Team as part of post-inspection actions, ensuring momentum in continuous improvement. The overarching goal is to achieve enhanced ratings in Governance and Consumer Standards.

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.

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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 full options appraisal has been commissioned with our external consultants Altair to review options available for Governance Codes and this will be presented in Q2 of FY26.

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. 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.

Statement of compliance with RSH Financial Viability and Governance standard

During the year the RSH assessed our governance and financial viability grades as G2/V1. The Board confirms that Grainger has considered its compliance with the Governance and Financial Viability Standard during the year and certifies that in all material respects Home Group is in compliance with the Governance and Financial Viability Standard. In relation to Governance, a comprehensive improvement plan is in place and the Board is actively monitoring progress with the intention of achieving G1 compliance within the next regulatory cycle.

Consumer Standards Compliance Statement

The Board confirms that GT has complied with the RSH's Consumer Standards during the year ended 30 September 2025, except where otherwise identified through the regulatory inspection process. As noted in the Review of the year on page 5 of this report, GT received a rating of C2 in respect of Consumer Standards. As with Governance, a comprehensive improvement plan is in place and is being monitored, with the intention of achieving C1 compliance within the next regulatory cycle.

Health & Safety Compliance Statement

The Board confirms that all homes met statutory requirements on gas safety, fire safety, electrical safety, asbestos management and lift safety during the year.

Rent Standard Compliance Statement

The Board confirms that GT complied with the RSH's Rent Standard during the year.

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.

A full cycle of financial viability testing, aligned with regulatory expectations, has been completed and reviewed through the GT Board governance process. The RSH acknowledged that GT is proactively managing risk, maintaining a comprehensive risk register, and conducting regular strategic reviews. These measures provide robust evidence and a clear audit trail to demonstrate compliance with RSH requirements.

This report was approved by the board of directors on 31 March 2026 and signed on behalf of the board by:



Callum Foster
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 2025 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 affairs of the company as at 30 September 2025 and of its profit of the company 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; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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

**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, internal audit and inspection of policy documentation as to Grainger plc’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 relationship.

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, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates the risk of bias in accounting estimates and judgements such as significant assumptions used in the valuation of investment properties and housing properties. On this audit we do not believe there is a fraud risk related to revenue recognition because of the relative simplicity of the revenue streams. We did not identify any additional fraud risks.

We also performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to an unusual account combination to cash, borrowings, property sales and investment property gains and those containing specific narratives.

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 and the Strategic report. 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 and the Strategic report for the financial year is consistent with the financial statements; and
- in our opinion those reports 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.

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 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Harry Organ (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Snow Hill
Queensway
Birmingham
B4 6GH

31 March 2026

Grainger Trust Limited

Statement of comprehensive income

Year ended 30 September 2025

	Note	2025 £	2024 £
Turnover	3, 4	14,753,594	15,674,042
Cost of sales	3	(5,804,486)	(7,390,152)
Gross profit		8,949,108	8,283,890
Administrative expenses	3	(1,117,995)	(862,288)
Fair value (loss)/gain on investment property	5	(8,245,344)	6,327,788
Gain on disposal of investment properties	3	29,762	14,554
Operating (loss)/profit	6	(384,469)	13,763,944
Other interest receivable and similar income		21,014	176,700
(Loss)/profit on ordinary activities before taxation		(363,455)	13,940,644
Tax on profit on ordinary activities	8	7,555,053	(3,462,099)
Profit for the financial year		7,191,598	10,478,545
Unrealised gain on revaluation of housing properties	9	5,769,476	1,057,094
Total tax on components of other comprehensive income	8	6,550,291	(264,273)
Total comprehensive income for the year		19,511,365	11,271,366

All the activities of the company are from continuing operations.

The notes on pages 21 to 31 form part of these financial statements.

Grainger Trust Limited

Statement of financial position

30 September 2025

	Note	2025 £	2024 £
Fixed assets			
Investment properties	9	96,933,338	102,622,260
Housing properties	9	130,329,170	106,550,015
		<u>227,262,508</u>	<u>209,172,275</u>
Current assets			
Stocks	11	2,925,822	1,245,411
Debtors	12	1,021,721	843,641
Cash at bank and in hand		4,694,888	1,987,055
		<u>8,642,431</u>	<u>4,076,107</u>
Creditors: amounts falling due within one year	13	<u>(6,479,205)</u>	<u>(10,884,386)</u>
Net current assets/(liabilities)		<u>2,163,226</u>	<u>(6,808,279)</u>
Total assets less current liabilities		<u>229,425,734</u>	<u>202,363,996</u>
Provisions			
Deferred tax	15	–	(16,149,627)
Net assets		<u>229,425,734</u>	<u>186,214,369</u>
Capital and reserves			
Called up share capital	16	126,457,128	102,757,128
Revaluation reserve	17	32,566,641	20,246,874
Profit and loss account	17	70,401,965	63,210,367
Shareholders' funds		<u>229,425,734</u>	<u>186,214,369</u>

These financial statements were approved by the board of directors and authorised for issue on 31 March 2026, and are signed on behalf of the board by:



Callum Foster
Director

Company registration number: 04630928

The notes on pages 21 to 31 form part of these financial statements.

Grainger Trust Limited

Statement of changes in equity

Year ended 30 September 2025

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 October 2023	102,757,128	19,454,053	52,731,822	174,943,003
Profit for the year	–	–	10,478,545	10,478,545
Other comprehensive income for the year:				
Unrealised gain on revaluation of housing properties	–	1,057,094	–	1,057,094
Deferred tax relating to components of other comprehensive income	–	(264,273)	–	(264,273)
Total comprehensive income for the year	–	792,821	10,478,545	11,271,366
At 30 September 2024	102,757,128	20,246,874	63,210,367	186,214,369
Profit for the year	–	–	7,191,598	7,191,598
Other comprehensive income for the year:				
Unrealised gain on revaluation of housing properties	–	5,769,476	–	5,769,476
Deferred tax relating to components of other comprehensive income	–	6,550,291	–	6,550,291
Total comprehensive income for the year	–	12,319,767	7,191,598	19,511,365
Issue of shares	23,700,000	–	–	23,700,000
Transactions with owners, recorded directly in equity	23,700,000	–	–	23,700,000
At 30 September 2025	<u>126,457,128</u>	<u>32,566,641</u>	<u>70,401,965</u>	<u>229,425,734</u>

The notes on pages 21 to 31 form part of these financial statements.

Grainger Trust Limited

Notes to the financial statements

Year ended 30 September 2025

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 £229,425,73 at 30 September 2025 and has generated total comprehensive income for the period then ended of £26,702,963. 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.

The company operates within the wider Grainger plc Group. 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 the Group's 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 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 2025

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.

The Group converted to REIT status with effect from 8 September 2025. As a consequence of the Group's REIT status, income tax is not levied on the company's qualifying property rental business profits, or gains from the sale of qualifying investment properties. Instead, UK withholding tax must be deducted from distributions of these tax exempt profits and gains (Property Income Distributions (PIDs)) paid by the Group to shareholders, unless a shareholder is entitled to be paid gross. Any income or gains which are not exempt from UK corporation tax due to the Group's REIT status are subject to tax within the company in the usual way. This includes profits on property trading activity, property related fee income and interest income.

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.

Grainger Trust Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2025

2. Accounting policies *(continued)*

Housing properties

Social Housing properties are deemed to be let in perpetuity at affordable rent levels (no greater than local housing authority level). These properties are regulated by the RSH and are subject to their rent standards. As such, these 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:

Housing properties	
Main fabric	100 years
Roof	50 years
Windows & Doors	30 years
Kitchens	20 years
Bathrooms	25 years
Heating	
Boilers	20 years
Other fixed assets	
Electrics / mechanical systems and lifts	40 years

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.

Grainger Trust Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2025

2. Accounting policies *(continued)*

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 2025

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

	2025 £	2025 £	2025 £	2025 £
	Turnover	Cost of sales	Operating expenditure	Operating surplus *
Social housing lettings	9,935,481	(2,715,777)	(1,117,995)	6,101,709
<i>Other social housing activities:</i>				
First tranche low-cost home ownership sales	4,816,800	(3,088,709)	–	1,728,091
Other income	1,313	–	–	1,313
Total other social housing activities	4,818,113	(3,088,709)	–	1,729,404

	2024 £	2024 £	2024 £	2024 £
	Turnover	Cost of sales	Operating expenditure	Operating surplus *
Social housing lettings	8,520,933	(2,617,816)	(862,288)	5,040,829
<i>Other social housing activities:</i>				
First tranche low-cost home ownership sales	7,089,500	(4,772,336)	–	2,317,164
Other income	63,609	–	–	63,609
Total other social housing activities	7,153,109	(4,772,336)	–	2,380,773

	2025 £	2025 £	2025 £	2024 £
	General needs housing	Low-cost home ownership	Total	Total
Rents receivable net of identifiable service charges	8,129,893	1,805,588	9,935,481	8,520,933
<i>Operating expenditure:</i>				
Management	1,275,602	174,346	1,449,948	1,266,283
Routine maintenance	564,210	19,707	583,917	664,694
Planned maintenance	1,094,316	18,150	1,112,466	944,524
Bad debts	52,254	–	52,254	81,631
Other costs	548,624	86,563	635,187	522,972
Operating expenditure on social housing lettings	3,535,006	298,766	3,833,772	3,480,104
Operating surplus on social housing lettings *	4,594,887	1,506,822	6,101,709	5,040,829

* Operating surplus before fair value (loss)/gain on investment properties and gain on disposal of investment properties.

Grainger Trust Limited

Notes to the financial statements (continued)

Year ended 30 September 2025

3. Turnover, cost of sales, administrative expenses and operating profit for the year (continued)

	2025 £	2024 £
<i>Income from social/intermediate/shared ownership housing lettings:</i>		
Gross rents receivable	10,147,051	8,649,195
Less: Rent losses from voids	<u>(211,570)</u>	<u>(128,262)</u>
Gross rents receivable net of voids	9,935,481	8,520,933
<i>Income from property sales:</i>		
Income from shared ownership sales	4,816,800	7,089,500
Other income	<u>1,313</u>	<u>63,609</u>
Total income from housing lettings and sales	<u>14,753,594</u>	<u>15,674,042</u>
<i>Expenditure on social/intermediate/shared ownership housing activities:</i>		
Property operating expenses	2,715,777	2,617,816
Property book cost of sales	2,926,661	4,524,022
Property disposal fees	<u>162,048</u>	<u>248,314</u>
Cost of sales	<u>5,804,486</u>	<u>7,390,152</u>
Intercompany management charges	666,750	592,817
Consultancy fees	78,365	38,932
Directors' remuneration	28,000	25,000
Valuation fees	140,004	128,998
Speculative development costs	111,253	42,000
Abortive sales fees	45,655	-
General expenditure	<u>47,968</u>	<u>34,541</u>
Administrative expenses	<u>1,117,995</u>	<u>862,288</u>
Total expenditure on social/intermediate/shared ownership housing lettings and sales	<u>6,922,481</u>	<u>8,252,440</u>
Fair value (loss)/gain on investment property	<u>(8,245,344)</u>	<u>6,327,788</u>
Gain on disposal of investment properties	<u>29,762</u>	<u>14,554</u>
Operating (loss)/profit	<u>(384,469)</u>	<u>13,763,944</u>

4. Turnover

Turnover arises from:

	2025 £	2024 £
Rental income	9,935,481	8,520,933
Proceeds from sale of shared ownership properties	4,816,800	7,089,500
Other income	<u>1,313</u>	<u>63,609</u>
	<u>14,753,594</u>	<u>15,674,042</u>

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 2025

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

	2025	2024
	£	£
Fair value (loss)/gain on investment properties	<u>(8,245,344)</u>	<u>6,327,788</u>

6. Operating profit

Audit fees of £13,950 (2024: £13,400) 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:

	2025	2024
	£	£
Remuneration	<u>28,000</u>	<u>25,000</u>

The remuneration of Colin Sherriff, Sharon Pearce and Diane Hart totalled £28,000 (2024: £25,000). In addition to their directorship of Grainger Trust Limited, Paul McGowan, Henry Gervaise-Jones, Kurt Mueller and Anish Thobhani were directors/employees of other Group companies and their remuneration was borne by another Group company. The remuneration of the highest paid director totalled £13,500 (2024: £12,000).

8. Tax on profit

Major components of tax (income)/expense

	2025	2024
	£	£
Current tax:		
UK current tax expense	2,040,232	1,920,326
Adjustments relating to prior year	4,051	175,282
	<u>2,044,283</u>	<u>2,095,608</u>
Deferred tax:		
Origination and reversal of timing differences	(9,599,336)	1,366,491
Tax on profit on ordinary activities	<u>(7,555,053)</u>	<u>3,462,099</u>

Tax (income)/expense included in other comprehensive income

In addition to the above a deferred tax credit of £6,550,291 has been recognised within other comprehensive income. This represents the release of deferred tax no longer required in respect unrealised gains on housing properties as a result of the group's conversion to REIT status (2024: tax charge of £264,273 arises on the unrealised gain 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 (2024: lower than) the standard rate of corporation tax in the UK of 25% (2024: 25%). Tax is chargeable at an effective rate of 23.9% (2024: 24.8%) (excluding the impact of the tax credit arising from REIT conversion).

	2025	2024
	£	£
(Loss)/profit on ordinary activities before taxation	<u>(363,455)</u>	<u>13,940,644</u>
(Loss)/profit on ordinary activities by rate of tax	(90,864)	3,485,161
Tax credit arising from REIT conversion	(7,468,112)	–
Expenses not deductible for tax purposes	3,923	778
Impact of tax rate changes	–	(23,840)
Tax on (loss)/profit on ordinary activities	<u>(7,555,053)</u>	<u>3,462,099</u>

Grainger Trust Limited

Notes to the financial statements (continued)

Year ended 30 September 2025

8. Taxation (continued)

As a result of Grainger plc's conversion to REIT status, the company has released £7,507,431 of deferred tax previously provided in respect of its property rental business activities, comprising unrealised gains on qualifying investment properties. In addition, a £39,319 current tax debit has arisen from property rental business activities in the period since conversion to REIT status.

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 £103,922 (2024: £128,736).

9. Tangible assets

	Investment properties £	Housing properties £	Total £
Cost or valuation			
At 1 October 2024	102,622,260	106,550,015	209,172,275
Additions	2,796,160	18,009,679	20,805,839
Disposals	(239,738)	–	(239,738)
Revaluations	(8,245,344)	5,769,476	(2,475,868)
At 30 September 2025	96,933,338	130,329,170	227,262,508
Depreciation			
At 1 October 2024	–	–	–
Charge for the year	–	1,361,023	1,361,023
Reversal of depreciation	–	(1,361,023)	(1,361,023)
At 30 September 2025	–	–	–
Carrying amount			
At 30 September 2025	96,933,338	130,329,170	227,262,508
At 30 September 2024	102,622,260	106,550,015	209,172,275

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 2025 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 2025 was 137 (2024: 137) and the number of shared ownership units was 414 (2024: 373).

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 2025 was 681 (2024: 523).

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 £171,958,339 (2024: £151,608,070).

Grainger Trust Limited

Notes to the financial statements (continued)

Year ended 30 September 2025

9. Tangible assets (continued)

Reconciliation of movement in units

	At 1 October 2024	New units acquired	Units sold	At 30 September 2025
General needs - social	517	158	-	675
Shared ownership	366	42	(1)	407
General needs – intermediate	137	-	-	137
Supported housing	6	-	-	6
Commercial	-	1	-	1
	<u>1,026</u>	<u>201</u>	<u>(1)</u>	<u>1,226</u>
Leasehold units paying ground rent	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
Total social and non-social housing	<u>1,033</u>	<u>201</u>	<u>(1)</u>	<u>1,233</u>

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

	2025 £	2024 £
Trading properties	984,312	363,308
Work in progress	1,941,510	882,103
	<u>2,925,822</u>	<u>1,245,411</u>

The replacement value of trading properties (sale at market value of the property subject to occupation by a resident) is £1,400,000 (2024: £642,000) based on market value at 30 September 2025.

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

	2025 £	2024 £
Rent arrears	459,318	435,583
less: rent arrears provided against	(187,595)	(185,583)
Other debtors	749,998	593,641
	<u>1,021,721</u>	<u>843,641</u>

Grainger Trust Limited

Notes to the financial statements (continued)

Year ended 30 September 2025

13. Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	87,488	236,272
Amounts owed to group undertakings	2,526,127	7,242,384
Other creditors	2,442,985	2,079,599
Accruals and deferred income	1,422,605	1,326,131
	<u>6,479,205</u>	<u>10,884,386</u>

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

14. Deferred tax

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

	2025	2024
	£	£
Included in provisions (note 15)	–	16,149,627
	<u>–</u>	<u>16,149,627</u>

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

	2025	2024
	£	£
Revaluation of investment properties	–	9,599,336
Revaluation of housing properties	–	6,550,291
	<u>–</u>	<u>16,149,627</u>

15. Provisions

	Deferred tax (note 14) £
At 1 October 2024	16,149,627
Movements dealt with in profit or loss	(9,599,336)
Movements dealt with in other comprehensive income	(6,550,291)
At 30 September 2025	<u>–</u>

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

	2025		2024	
	No.	£	No.	£
Ordinary shares of £1 each	<u>126,457,128</u>	<u>126,457,128</u>	<u>102,757,128</u>	<u>102,757,128</u>

Share movements

	No.	£
Ordinary		
At 1 October 2024	102,757,128	102,757,128
Issue of shares	23,700,000	23,700,000
At 30 September 2025	<u>126,457,128</u>	<u>126,457,128</u>

On 27 March 2025, the company issued 13,500,000 ordinary £1 shares for consideration of £1 each, and on 2 September 2025 issued a further 10,200,000 ordinary £1 shares for consideration of £1 each. The shares have full voting, dividend and capital distribution rights.

Grainger Trust Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2025

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:

	2025	2024
	£	£
Tangible assets	<u>34,966,731</u>	<u>26,942,324</u>

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

19. Operating leases

As lessor

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

	2025	2024
	£	£
Not later than 1 year	874,379	763,133
Later than 1 year and not later than 5 years	148,880	156,225
Later than 5 years	<u>4,242,466</u>	<u>4,306,208</u>
	<u>5,265,725</u>	<u>5,225,566</u>

20. Related party transactions

Property operating expenses include intercompany management charges of £714,913 (2024: £636,707) representing property services costs, office costs, IT costs and similar other costs. In addition, administrative expenses include an intercompany administration fee of £666,750 (2024: £592,817). 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.