



Magna Housing Limited Annual Report and Financial Statements 2025/26

Registration Number: 7520
31 March 2026

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Who we are

We're a medium-sized housing association based in the South West of England. Our vision is to create great homes together.

With customers at the heart of everything we do, we aim to offer homes to be proud of with a choice of facilities and customer services that are tailored to individuals as their lives change.

Our principal activities are the management, maintenance, construction and acquisition of social and affordable housing.

As a registered provider, we manage just over 9,000 homes for rent and shared ownership, providing more than 20,000 people with a safe and affordable home.

Helping to deliver this, we have a workforce of around 500 colleagues, providing day-to-day support for our customers and ensuring that we have the right tools and the capability to meet our customers' needs.

Our customers are:

- People who rent a home from us.
- People who buy a home from us.
- People who live in our sheltered homes.
- People who receive specialist support services.
- People we work with in our local communities.

We work across Dorset, Devon and Somerset to maintain and build affordable homes and communities for local people.

We have a strong property development pipeline in place, which drives our mission to create great places where people choose to live.



Governance

The Magna Group Structure

‘Magna’ refers to Magna Housing Limited. ‘The Magna Group’ refers to the Group created from 31 March 2017, i.e. Magna Housing Ltd and Charter (SW) Ltd, which is our development subsidiary.

Magna Housing Limited was formed on 31 March 2017 from the amalgamation of Magna Housing Group Ltd, Magna Housing Association Ltd and Magna West Somerset Housing Association Ltd.

It is a Community Benefit Society registered under The Co-operative and Community Benefit Societies Act 2014, and a ‘not for profit’ Registered Provider, operating under charitable rules, registered with the Regulator of Social Housing and affiliated to the National Housing Federation.

Charter (SW) Limited is the development subsidiary of Magna. It did not trade during 2025/26 and made no loss or surplus during the year. The Board has agreed to retain Charter for future development opportunities and as it has rights and responsibilities under building contracts it entered into between 2006 and 2011. These progressively expire over time.

Magna does not produce consolidated financial statements as the 2025/26 transactions and balance of its subsidiary are immaterial to the Magna Group.

Registration number: 7520

Advisors and Board members

Board members and directors:

Chair (Non-Executive)	C Turner
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Other Members (Non-Executive)	J Cowie	
	B Kambo	From 31 July 2025
	N Perryman	
	S Rastrick	Until 31 July 2025
	M Ripley	From 31 July 2025
	L Martini	
	J Skivington	
	J Ballantyne	
Executive	S Quinn	
	L Page	
	J Gemmel	
	S White	

Senior executive officers		
Chief Executive	S White	
Chief Finance Officer	D Killoran	Until 31 March 2026
Interim Finance Director	D Konu	From 27 April 2026
Director of Customer Operations	J Martin	
Director of Organisation Capability	A Davis	
Director of Sustainability and Investment	P Read	
Company Secretary	L Bunbury	

Independent Auditors	Bishop Fleming Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
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Principal bankers	Barclays Bank plc 3rd Floor Windsor Court 3 Windsor Place Cardiff CF10 3BX
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Registered office	Everdene House Railway Triangle Industrial Estate Dorchester Dorset DT1 2PJ
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Funders	Private Placement Nationwide Barclays Allied Irish Bank
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Chair's statement



Christine Turner
Chair

2025/26 has been a strong year for Magna, particularly given the pressures facing the housing sector. Throughout the year, the organisation has shown resilience, discipline and a growing confidence in its long-term direction.

For the Board, the focus has remained clear: strong governance, financial integrity, safe homes, and making sure Magna is well placed to deliver lasting value for customers and communities.

What gives me confidence is the way Magna has responded to economic and regulatory challenges – thoughtfully, honestly and with increasing maturity. Its Better Futures strategy is now providing a clearer framework for decision-making across the organisation, helping to bring together ambition, responsibility and long-term thinking through a consistent focus on ethics, sustainability and value for money.

The Board has seen strong evidence of organisational strength during the year. Magna maintained close control across its key safety and compliance responsibilities, has continued to invest significantly, with over £50m on existing and new homes, remained covenant compliant, and ended the year with a sound financial position.

It is also clear that Magna is becoming more visible and influential in the wider housing conversation, both across the South West and more broadly. Through partnerships such as Homes for the South West and the National Housing Federation, and through engagement with local authorities, MPs and regional forums such as the Great South West, Magna is helping to shape important discussions about the conditions needed to deliver more affordable homes, support growth and strengthen

communities. This growing contribution reflects an organisation that is increasingly confident in its voice, clear in its values and recognised as a constructive partner in thinking about the future of housing and place.

As Chair, I see Magna entering 2026/27 with a clear sense of purpose: rooted in its communities, disciplined in its governance, and increasingly confident in the contribution it can make both locally and more widely. My thanks go to colleagues, Strategic and Executive Board and committee members, and partners for the commitment they have shown throughout the year.

Christine Turner
Chair



Chief Executive's statement



Selina White
Chief Executive

Looking back on 2025/26, I see a year of real commitment, steady progress and important learning. It has not been an easy year in every respect, but I am proud of the way colleagues across Magna have stayed focused on what matters most: supporting customers well, investing in homes responsibly, and continuing to build the foundations for the future. Our Better Futures strategy is starting to show through more clearly in how we make decisions, where we invest, and the standards we are setting for ourselves as an organisation.

There is a great deal in the year to feel positive about. Affordability remained a real strength, with arrears below target and £2.76m of additional income secured for customers. Customer satisfaction with the quality of home remained above target at 81.3%, and our year-end tenant satisfaction results showed improvement across perception measures between our two phases of collecting customers' views. We also continued to invest significantly in existing homes, safety and energy performance, helping to improve the quality and resilience of our homes for the long term.

The change in our regulatory viability rating from a V1 to V2, while our governance rating remained at G1 reflects our conscious strategic decision to utilise our strong financial capacity to invest more in delivering new affordable homes, enhancing existing homes, and supporting our communities, thereby balancing financial resilience with ambition, enabling us to continue investing in Better Futures.

At the same time, I want to be honest that some areas of performance were not where we wanted them to be. New homes delivery was below target, reflecting planning delays, environmental constraints and wider external dependencies. We also know that some customers have not experienced the level of service they should expect from us, particularly around repairs, communication and complaint handling. There are encouraging signs that the changes we have made are

starting to move things in the right direction, but there is more to do and we are focused on delivering that improvement.

One of the strongest themes of the year has been the importance of listening carefully and responding well. Complaints, customer feedback and cases raised with us by the Housing Ombudsman Service have all helped us better understand where our service has fallen short and where our systems, communication and follow-through need to improve. We have used that learning to strengthen our response, sharpen oversight, improve complaint handling and support more consistent service improvement.

I am also proud of the way colleagues have responded through a demanding year. Engagement remained steady at target, recruitment performance was strong, and we continued to invest in the skills and capability we will need for the future – from data and digital to service design, leadership and performance. So, while this has been a year of mixed performance in some areas, it has also been a year in which Magna has moved forward: with stronger foundations, clearer priorities and a growing sense of momentum for the next stage of Better Futures.

I would also like to thank colleagues across Magna for the commitment, care and professionalism they have shown throughout the year, often in demanding circumstances. In particular, I want to recognise the contribution of our directors, who have led with focus and determination through a year that has required both resilience and honesty about where we need to improve. Their leadership, alongside the hard work of teams across the organisation, has helped Magna continue to move forward with purpose.

Selina White

Chief Executive



Strategic report

Strategic direction: Better Futures

Better Futures (2024–2029) sets Magna’s long-term direction and is guided by three core principles: ethics, sustainability and value for money. Its overarching aim is to create lasting impact through five outcome-focused ‘futures’.

- **Our impactful future** – making a bigger, better, lasting difference.
- **Our ethical future** – doing the right thing for people and our planet.
- **Our customers’ future** – supporting customers to create their own better futures.
- **Our secure future** – strengthening our business to be able to make a bigger impact.
- **Our working future** – building the team and culture to make better futures a reality.

To achieve these futures, we are focusing on four **strategic priorities** across everything we do:

- **Better data, better decisions** – having the right information to target our resources on making a better impact.
- **Better, together** – breaking down barriers and building partnerships to make even more of an impact together.
- **Better through digital** – using the best tools available for the job to deliver better experiences for customers and colleagues.
- **Better skills and experiences** – developing the working culture, skills and team we need to thrive into the future.

Better Futures is being delivered through four interdependent plans, which set out specific strategic outcomes, how they will be achieved operationally, and the key performance indicators by which we will measure them. It is the golden thread that links the operational actions to our strategies, objectives and outcomes. Our performance against the four plans is set out in the next section.

- **Customer and Community Plan**

Building on our role as a social landlord, we’ll offer customers great homes, services and experiences that help them build their own better futures. We’ll work together to build communities where people feel safe, connected, happy and proud.

- **Homes and Places Plan**

We’ll invest in both creating more new homes and improving our existing homes and the places that connect them. We’ll offer more warm, healthy and sustainable homes that communities need, and which are ready for a net zero future.

- **Future of Work Plan**

We’ll develop the people, skills and culture to deliver Better Futures and meet the needs of our customers and colleagues, now and in the future.

- **Growth and Impact Plan**

This sets our ambition to make a greater difference by 2029 and beyond – strengthening our financial performance and scaling our delivery with a view to the longer-term future.



Performance Review against Delivery Plan

Overall performance in 2025/26 was resilient and positive, with clear progress against our Better Futures strategy despite a challenging operating environment characterised by inflation, high demand, and regulatory change.

Board reporting highlights strong compliance, improving customer metrics and stable operations, alongside delivery constraints in development and repairs performance pressures requiring continued focus.

Customer and Community Plan

We closed the year strongly, maintaining consistent operational grip on rent arrears despite rising customer complexity. While overall customer satisfaction remains positive, feedback has shifted, with customers increasingly focused on communication and service experience rather than property quality.

Expected outcomes:

- **Increased affordability:** Offering homes and services that support our customers’ health, wellbeing and opportunities.
- **Greater accessibility:** Understanding our customers’ needs to design services that are easy-to-use, flexible and leave no one behind.
- **Quality homes:** Making sure all our customers live in a safe, healthy home where they feel happy and proud.
- **Connected communities:** Working together to help build places where people feel safe and connected.
- **Outstanding experiences:** Providing a great customer experience to everyone we work with.

Performance indicator		2026/27	2025/26		2025/26 performance against target and last year’s actuals	2024/25	
		Target	Actual	Target		Actual	Target
Customer experience							
Satisfaction with the overall service provided	TSM	66.9%	63.2%	66.9%	↑	60.0%	66.9%
Satisfaction that the landlord keeps tenants informed about things that matter to them	TSM	70.3%	66.5%	70.3%	↑	65.6%	65.0%
Satisfaction that the landlord listens to tenant views and acts upon them	TSM	56.4%	52.2%	56.4%	↓	52.3%	53.2%
Agreement that the landlord treats tenants fairly and with respect	TSM	80.9%	78.4%	78.2%	↑	73.3%	78.2%
Satisfaction with the repairs service received	TSM	69.0%	66.6%	69.0%	↑	63.5%	67.0%
Thinking about your most recent transaction, how satisfied are you with the repairs service provided by Magna on this occasion		88.0%	86.8%	86.0%	↑	80.5%	86.0%
Satisfaction with the time taken to complete the most recent repair	TSM	63.0%	54.8%	62.8%	↔	54.8%	62.8%
Repairs completed within target timescale – non-emergency response repairs	TSM	70.1%	48.0%	70.1%	↓	49.5%	70.1%
Repairs completed within target timescale – emergency response repairs	TSM	97.5%	95.3%	97.5%	↑	94.7%	97.5%
Satisfaction the home is well maintained	TSM	71.9%	70.6%	70.8%	↑	67.2%	69.1%
Satisfaction that the landlord keeps communal areas clean and well maintained	TSM	71.7%	69.2%	71.7%	↑	64.7%	62.5%

Note: Arrow colour indicates performance against target; arrow direction indicates performance against prior year.

Our Tenant Satisfaction Measures (TSM) results show progress. Satisfaction with the overall repairs service rose to 66.6%, up 3.1 percentage points on the prior year, while satisfaction with repair completion times was unchanged and remains a focus for improvement. This suggests targeted investment and service changes are having a positive impact with particular drivers being:

- **Communal areas:** Satisfaction improved to 69.2%, above the median benchmark. A new transactional survey is helping guide regional improvements.
- **Home maintenance:** Satisfaction reached a height of 73.95% during the year, above the target of 70.8%. This remains a key driver of overall satisfaction.
- **Satisfaction with home safety increased** from 75.5% to 81.9%, exceeding the 79.6% target and placing performance between the median and upper quartile, with further improvements in property conditions planned for 2026/27.

Repairs and the condition of customers’ homes remain key drivers of satisfaction and core landlord services. Repair demand stayed high, with 27,829 repairs raised (2024/25: 26,905), continuing the upward trend. Overall satisfaction with the repairs service rose to 66.6% (target: 69%), showing improvement. However, response time remains an area of focus.

Speed of repairs remains below target but increased significantly from 52.32% to a maximum of 58.60% (target: 62.8%) during the year. Operational improvements are underway to address delays. We know that response time is the lead cause of customer dissatisfaction.

During 2025/26, we implemented a targeted plan to address non-emergency response times, which remain below target and continue to be a significant driver of customer dissatisfaction. Our response combined investment in capacity, stronger operational control and improved data quality to tackle both immediate demand pressures and the underlying causes of delay. We recruited additional operatives and operational support associates to cleanse and validate repairs data, improving scheduling accuracy, prioritisation and overall service planning. Outsourcing of selected repairs has commenced to reduce outstanding demand and release internal resource for more complex work. This remains a priority area for investment in 2026/27.

Alongside this investment, we have strengthened day-to-day performance management by closely monitoring job age profiles, prioritising completion of older repairs and maintaining tighter control over new demand. Enhanced reporting and dashboard analysis are improving visibility, enabling earlier intervention and supporting more effective decision-making across teams. Combined with clearer accountability and stronger communication, these measures are designed to deliver a faster, more consistent routine repairs service and improve performance against target timescales over time.

Repairs therefore remain a focus, with further targeted investment planned in 2026/27 to reduce waiting times, improve service reliability and strengthen customer confidence.

Customer contact

Improving access to services remained a priority in 2025/26. Enhancements to customer contact channels supported more than 40,000 contacts, with over half handled digitally, improving accessibility, efficiency and productivity. Live chat was our highest-performing channel, delivering 95.6% customer satisfaction.

Customer contact satisfaction remained strong, with transactional survey results at 87%, above the 86% target, and Trustpilot improving to 4.6 out of 5, ahead of target.

Digital access continued to grow, with 49% of customers contacting us online, exceeding the 40% target and supporting a more efficient and accessible service model.

We also continued to invest in customers and communities through the Community Involvement Fund and supplier social value contributions, supporting local groups, food banks and youth activities. Community events, including two Santa’s Grotto sessions, brought people together and supported 113 children with gifts funded by 13 suppliers.

Headline satisfaction was 63.2%, with improvement during the year from 62.6% to 64.2% by year-end. A dedicated TSM action plan, aligned to Magna’s strategic programmes, is in place to ensure customer insight drives service improvement and decision-making.

While progress has been made, some areas require further improvement, particularly customers feeling listened to and ASB handling. Targeted work is underway across repairs, complaints, communication and engagement to address these drivers of satisfaction.

Magna Voice, a digital engagement platform, was developed in 2025/26, as part of our customer engagement framework, strengthening customer insight and co-design through real-time feedback. In its first phase, it built an active base of 152 users, with strong and consistent participation. Insight from the platform is already informing service and policy improvements, particularly around communication, trust, clarity and accessibility.

Building Safety, Compliance and Home Services

We are committed to keeping our customers safe in their homes – not only because of regulation and legislation, but because ‘always safe’ is one of our core values and is fundamental to the way we operate as a social landlord. Our commitment is evidenced through our consistently high performance.

Throughout the year we continued to invest in our plans to move from an eight-year to a five-year electrical testing program. Despite the sector-wide shortage of electricians, 99.97% (2024/25: 97.7%) of our homes are now in the five-year programme. We have continued to invest in apprentices to help overcome the risk around the shortage of electricians.

In 2025/26 we continued to invest in fire safety, reducing outstanding fire risk actions and completing remediation works to ensure our customers and the public remain safe. We have focussed on resident engagement and increasing awareness of fire safety amongst customers and colleagues.

Performance indicator		2026/27	2025/26		2025/26 performance against target and last year's actuals	2024/25	
		Target	Actual	Target		Actual	Target
Building safety and compliance							
Fire Risk Assessments overdue (legally responsible)		0	0	0	↔	0	0
Total number of high-risk actions overdue		0	0	0	↔	0	0
Proportion of homes for which all required fire risk assessments have been carried out	TSM	100%	100%	100%	↔	100%	100%
Proportion of homes for which all required gas safety checks have been carried out	TSM	100%	100%	100%	↔	100%	100%
Proportion of homes for which all required legionella assessments have been carried out	TSM	100%	100%	100%	↔	100%	100%
Proportion of homes for which all required communal passenger lifts have been carried out	TSM	100%	100%	100%	↔	100%	100%
Proportion of homes for which all required asbestos management surveys or re-inspections have been carried out	TSM	100%	100%	100%	↔	100%	100%
Number of electrical safety checks overdue		0	3	0	↑	8	0
Satisfaction the home is safe	TSM	82.9%	81.9%	79.6%	↑	75.5%	79.0%

Note: Arrow colour indicates performance against target; arrow direction indicates performance against prior year.

Homes and Places Plan

This year, we advanced our strategic objectives by maintaining high property standards, aggressively scaling our energy retrofits, and securing a robust pipeline of new affordable homes across Dorset and Somerset.

Expected outcomes:

- **A plan for every home and estate:** Understanding the lifecycle of all our homes and investing in places for the future.
- **Maximise our supply of homes:** Significantly increasing our delivery of decent, affordable homes where people need them.
- **Fit for net zero:** Working together with partners to build the skills and supply chain we need to create warm, affordable homes and protect the planet.

New homes growth and development

Despite industry-wide challenges – including planning delays and contractor volatility – we have successfully cemented our position as a leading affordable housing provider in Dorset and Somerset.

- **New homes:** Our delivery of 51 new homes fell short of the 175-home target, primarily due to site-specific programme slippage, external planning constraints, and ongoing challenges within the wider economic and construction environment. Despite this, we have maintained strategic momentum by significantly strengthening our four-year development pipeline and securing new contracts, which provides strong confidence in our ability to recover delivery trajectories. By addressing these timing delays and navigating market volatility through robust site acquisition, we remain committed to our long-term growth and the delivery of high-quality, affordable homes for our communities.
- **Pipeline expansion:** We have also made strong progress in new homes growth, despite a challenging external environment. Our development pipeline continues to expand, with 11 new sites acquired during the year, delivering 290 homes over the next three to four years. This includes significant grant funding secured through Homes England and the new Social and Affordable Homes Programme (SAHP), alongside further approvals for 215 additional homes.
- **Strategic funding:** Successfully leveraged over £22m in combined funding from Homes England and the SAHP.
- **Delivery resilience:** While planning delays at our Templecombe site impacted our 2021-2026 grant completion target, we have strengthened our relationships with local authorities and developers to ensure these projects are integrated into the new SAHP pipeline.
- **Partnership strength:** We deepened relationships with national and regional developers, establishing ourselves as a trusted, go-to provider in the region.

Performance indicator		2026/27	2025/26		2025/26 performance against target and last year's actuals	2024/25	
		Target	Actual	Target		Actual	Target
Quality of homes							
Overall, how satisfied or dissatisfied are you with the quality of your home		80%	81.3%	80%	↑	74.5%	76.3%
Percentage of non-decent dwellings at the end of the year	TSM	0%	0.01%	0%	↑	0.1%	0%
Number of new homes delivered		256	51	175	↓	68	110
Homes actually failing the decent homes standard	TSM	0	1	0	↑	9	0
% of rental properties with SAP band D or below	TSM	20%	23.8%	25.0%	↑	24.1%	25.0%

Note: Arrow colour indicates performance against target; arrow direction indicates performance against prior year.

Asset management and compliance

- **Condition of homes and repairs:** During the year, we completed 1,816 stock condition surveys and undertook significant data cleansing within our repairs service, creating a strong foundation for the planned investment to address legacy repairs in 2026/27. We also successfully implemented the requirements for phase one of Awaab's Law, demonstrating our proactive approach to regulatory compliance and customer safety. At year-end, only one home fell below the Decent Homes Standard, due to overcrowding rather than property condition, with active support in place to resolve this swiftly.
- **Operational innovation:** Our grounds maintenance team improved both safety and efficiency by introducing remote-controlled mowers for steep terrain and trialling low-maintenance sedum planting and electric equipment.

Sustainability and energy retrofits

Performance against the homes fit for net zero KPI formally met the target of 975; however, the result is constrained by significant data reporting limitations, meaning it cannot yet be interpreted meaningfully. Current measurement is hindered by incomplete and incompatible SAP/EPC data, alongside limitations within our housing management system that restrict integration of updated energy information.

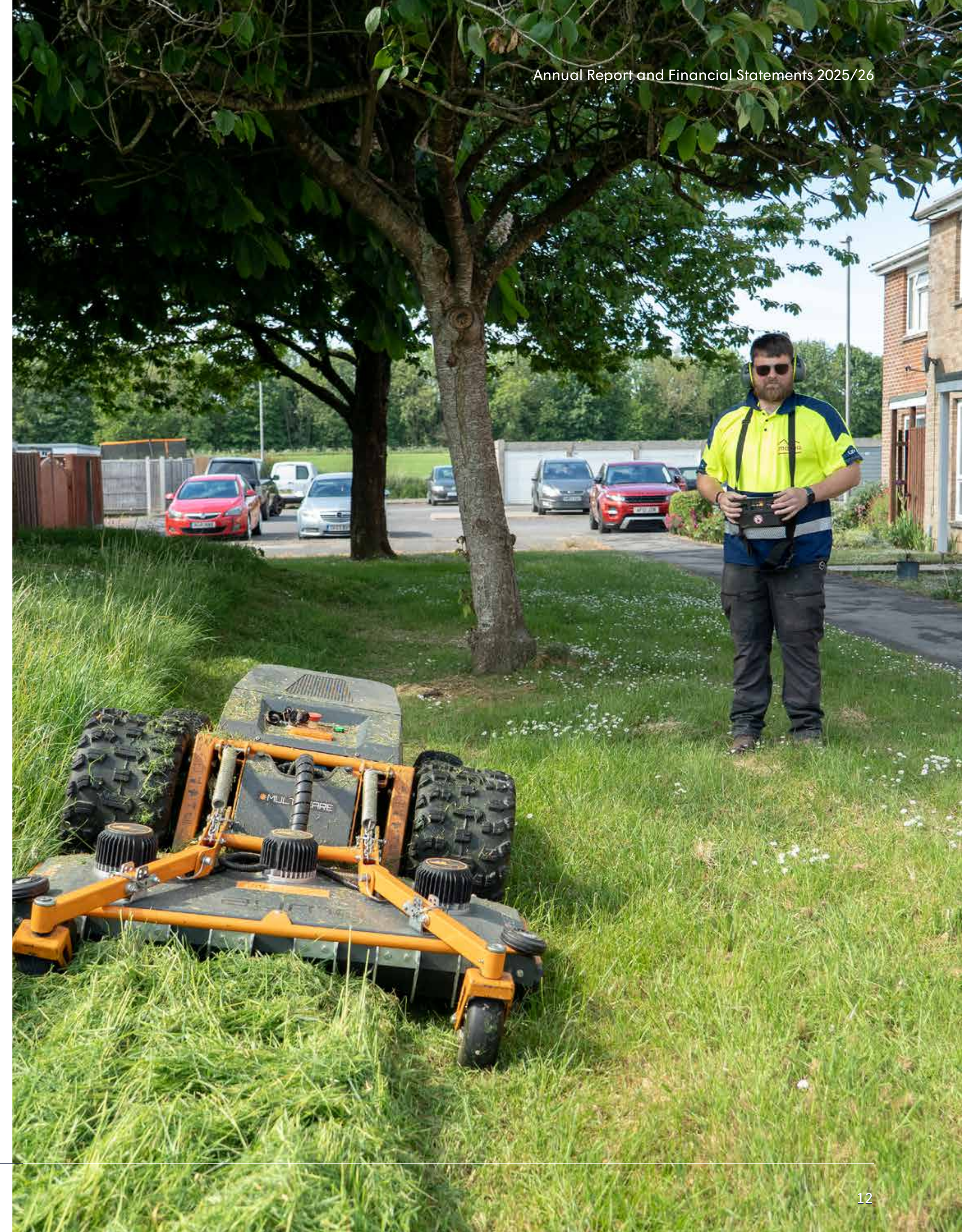
A revised and more meaningful KPI – focused on average space heat demand – has been developed to better align with long-term net zero objectives, but it cannot be fully implemented until baseline data improves. Key mitigations focus on enhancing asset data quality and completeness, transitioning to the new metric, and aligning system improvements with wider net zero reporting capabilities.

Retrofit delivery: We achieved our target of 975 homes fit for net zero and completed the second wave of our energy efficiency retrofit project thanks to £1.45m of funding from the Warm Homes: Social Housing Fund. This involved delivering energy efficiency improvements to 54 homes, taking these homes' average SAP rating from D to A.

Wider energy efficiency upgrades: During the year, we also delivered: loft improvements to 230 homes; cavity insulation improvements to 77 homes; and funded solar installation to 189 homes; and new energy performance certificates (EPCs, which link closely to SAP) on 351 homes.

Future funding: We successfully re-bid for Wave 3 of the Warm Homes Fund, with funding currently at £6.9m over three years, including £3.2m to retrofit 338 homes with potential to extend this by an extra 200 homes over five years.

Green fleet: We invested in seven electric vehicles to lower our operational carbon footprint and inform future fleet policies.



Future of Work Plan

We'll develop the people, skills and culture to deliver Better Futures and meet the needs of our customers and colleagues, now and in the future.

Expected outcomes:

- **Future leadership:** Developing leaders to support and motivate flexible teams. Using digital to enable collaboration and support colleagues.
- **Future workplaces:** Reviewing our workspaces with colleagues to develop a smart, sustainable model for where and how we work.
- **Future workforce:** Understanding our workforce requirements to meet future demands, creating a long-term plan for skills and finding the right mix of roles.

Investing in our people

We remain committed to creating a high-performing, inclusive, and engaging workplace that attracts, develops, and retains the talent required to deliver for our customers. Continued investment in learning, development and competitive remuneration has supported strong retention and strengthened the capability and resilience of our workforce.

Colleague safety remained a priority, with enhanced governance through the Operational Safety Group and Health and Safety Forum, alongside the introduction of daily vehicle checks. We also progressed our fleet modernisation programme, including the introduction of electric vehicles to support our commitment to our sustainability ambitions.

Our commitment to being a ‘great place to work’ is reflected in our colleague engagement being maintained at 7.6, consistent with the current target, and an improvement from 7.5 in 2024/25. This sustained performance reflects our continued investment in colleague experience, including enhanced learning and development, improved communication channels, and the introduction of recognition initiatives such as the Impact Awards. Strengthened management capability and focus on equality have also contributed to maintaining high engagement levels.

While our absence rate of 3.6% slightly exceeded the 3.5% target, we have proactively strengthened our health and safety governance. This sustained performance reflects continued investment in colleague experience, including enhanced learning and development, improved communication channels, and the introduction of our Impact Awards to champion values-based performance, while continuing to embed equity, diversity and inclusion into our core culture. Strengthened management capability and focus on equality have also contributed to maintaining high engagement levels.

Performance indicator		2026/27	2025/26		2025/26 performance against target and last year's actuals	2024/25	
			Target	Actual		Target	Actual
Organisational capability							
Overall colleague engagement rate		7.6	7.6	7.6	↑	7.5	7.3
Percentage of voluntary employee turnover		11%	9.5%	15%	↑	8.1%	12.4%
Colleague absence rate		3.3%	3.6%	3.5%	↓	3.2%	3.2%
Cyber security – actual security incidents		12	2	12	↔	2	0

Note: Arrow colour indicates performance against target; arrow direction indicates performance against prior year.

Hire-first-time performance remained exceptionally strong at 97.06%, significantly exceeding the 89.75% target and demonstrating consistently high delivery throughout the year despite minor fluctuations in low-volume periods. This reflects robust recruitment practices and strong offer acceptance rates, although performance remains sensitive to specialist roles and lower hiring volumes amid ongoing skills shortages. Looking ahead, the focus will be on sustaining this level of performance as volumes fluctuate, addressing challenges in specialist recruitment, and leveraging complementary workforce metrics to maintain a balanced and comprehensive view of workforce effectiveness.

Digital transformation and data-led insight

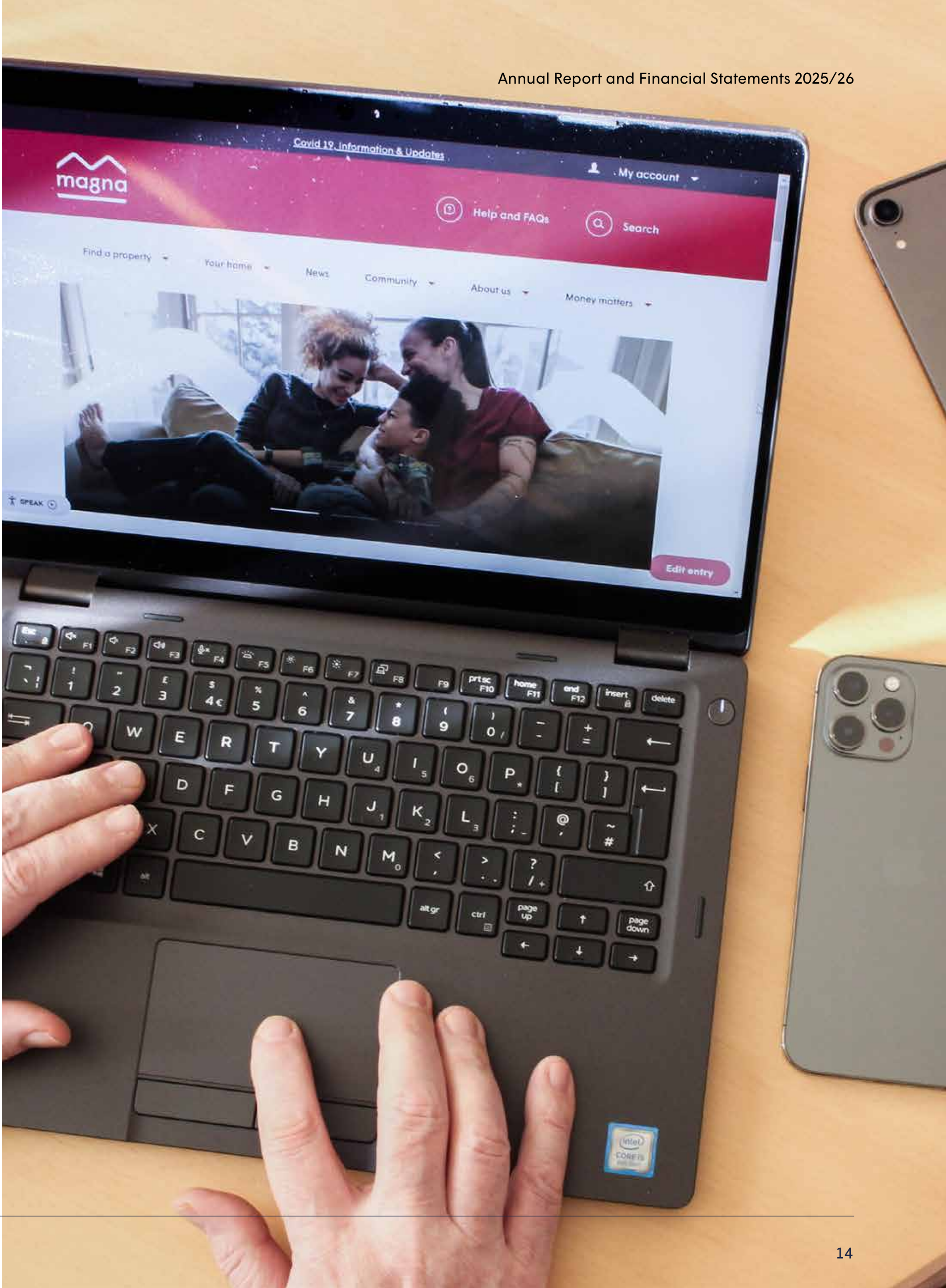
This year, we accelerated our Better Futures strategy by investing in the digital infrastructure, data maturity, and the cultural foundations necessary to drive sustainable growth and service excellence. This is evident in the maintained high standard of cyber security, recording only two incidents against a target of 12. This outcome validates our strategic investment in technology, including achieving Cyber Essentials Plus certification and upgrading our remote access and server environments to improve security and efficiency.

We are modernising our core technology to create a more efficient, secure, and customer-centric business.

- **Resilience and security:** We achieved Cyber Essentials Plus certification and upgraded core infrastructure, enhancing operational stability.
- **Modernisation:** We partnered with PwC to define our future housing management and customer relationship management system roadmap, ensuring our systems support

future outstanding customer experiences. Partnering with PwC on this work enables us to build our internal capability in data and digital, enabling both better decision making and better services for our customers.

- **Innovation:** Our data and insight capability has matured, enabling better use of information to understand customers, homes and performance. This supports more informed decision-making and future service design. In parallel, we have reshaped our digital team to strengthen service design capability and embed a more customer-centred approach.
- **Investment** in communication and engagement channels, including website enhancements and a new customer insight platform, has made it easier and more accessible for customers to interact with us and provide feedback, supporting continuous improvement. We established an AI exploration group and a dedicated business improvement process to integrate emerging technology responsibly.



Growth and Impact Plan

This sets our ambition to make a greater difference by 2029 and beyond – strengthening our financial performance and scaling our delivery with a view to the longer-term future.

Expected outcomes:

- **Build financial strength** to scale what we do
- **Build more homes** – and invest even more in those we have
- **Grow our business:** We'll use data and digital to identify opportunities to secure investment, achieve more value for money, and drive our delivery of homes and services.
- **Become a regional anchor:** We'll position ourselves as a unique, values-led partner enabling people and places in the South West to thrive. We'll build strategic cross-sector partnerships to create a greater impact together.
- **Amplify our voice:** We'll tell a powerful story of how we're creating more great homes together to have a bigger influence – helping attract new investment, affect policy change and make an even greater impact.

The financial performance was strong despite the continued pressures informed by rising inflation, increased borrowing cost, impact of geopolitical instability and delays in delivering new homes.

Turnover was £60.7m (2025: £59.8m), up £0.9m from the previous year resulting in an operating surplus of £9.3m (2025: £11.5m) and a surplus before tax and pension adjustments of £6.3m (2025: £8.8m).

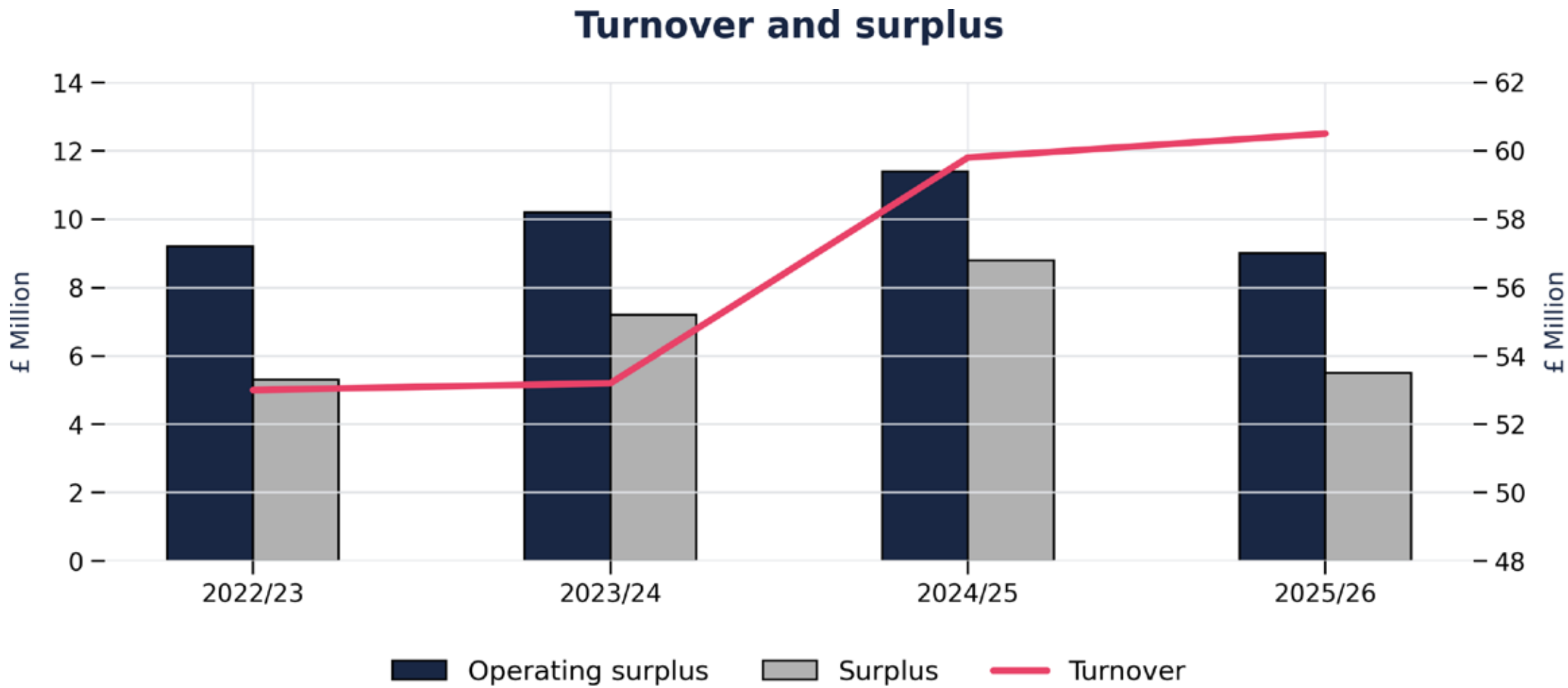
Although this compares adversely to 2024/25, the dip is significantly influenced by a non-operational one-off insurance claims receipt of £1.7m and asset disposal surplus of £1.7m included in 2024/25 result. The underlying surplus in Social Housing Letting (SHL) shows a 10% growth achieving Operating surplus (SHL) of £8.3m compared to £7.6m for the year before notwithstanding the increase depreciation of £1m and £1.2m additional repair costs partly associated with the additional investment in the repairs service and inflation experienced in this financial year.

Operating margin excluding fixed asset sales was 14.5%, close to the 15.3% target, demonstrating financial resilience and continued capacity to invest despite delayed new home completions, with 51 homes delivered against a plan of 175.

Our growth and impact is further emphasised in our reinvestment ratio, which shows a significant growth of 6% to 11.7% compared to the 5.7% achieved in 2025. This equates to £52.5m total investment in new and existing homes. Total housing assets as at 31 March 2026 were £451.9m, a year-on-year increase of £35.8m. We added 51 new homes, 32 shared ownership and 19 for general needs rent.

Performance indicator		2026/27	2025/26		2025/26 performance against target and last year's actuals	2024/25	
		Target	Actual	Target		Actual	Target
Growth and impact							
% Operating Margin (incl. FA sales)		14.7%	14.5%	15.3%	↓	19.2%	17.2%
Reinvestment %		13.6%	11.7%	15.5%	↑	5.7%	8.8%

Note: Arrow colour indicates performance against target; arrow direction indicates performance against prior year.

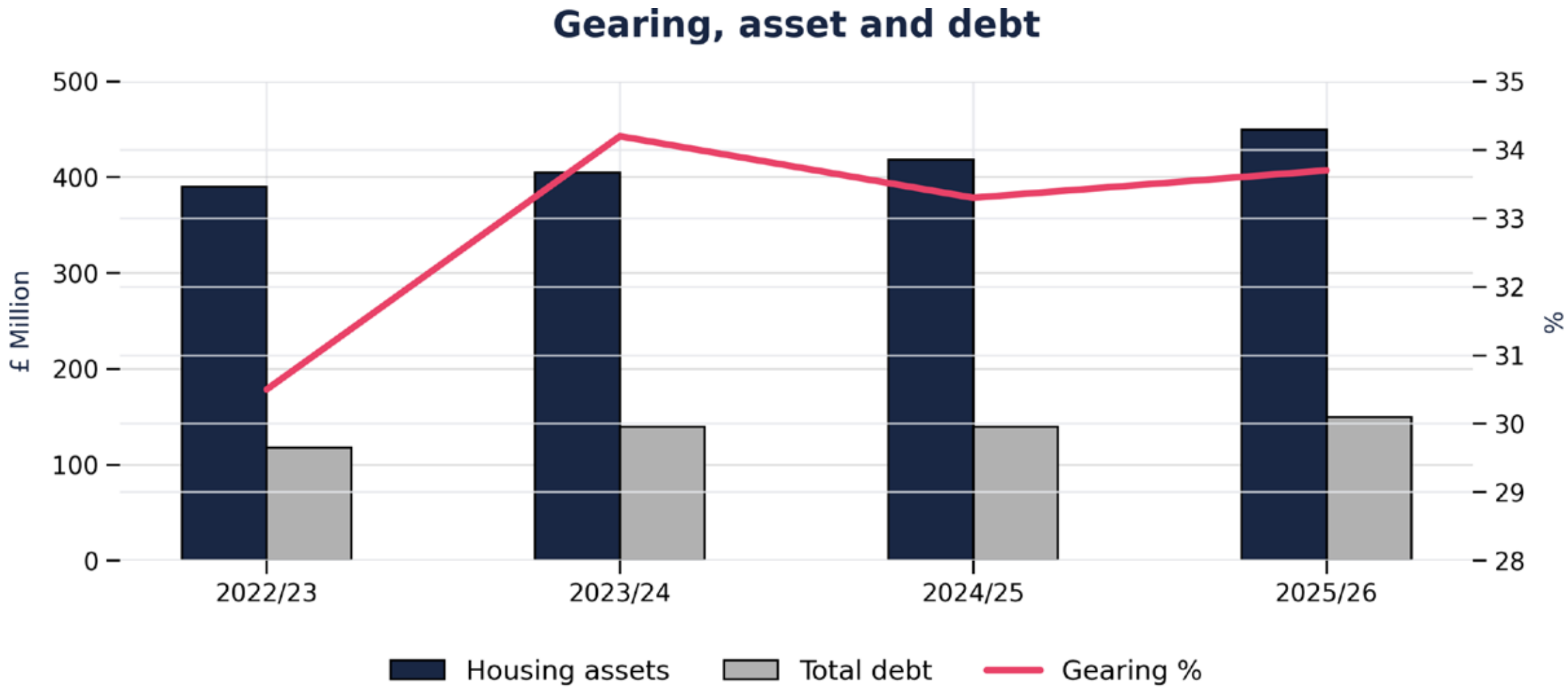


Reinvestment also underperformed at 11.71% against a 15.87% target, primarily driven by delayed development completions, grant timing and external dependencies, although momentum improved in the final quarter. In response, focus remains on strengthening forecasting accuracy, accelerating development delivery, closely managing funding dependencies, and converting a robust pipeline into consistent operational performance and investment outcomes.

Our capacity to grow and invest is further enhanced by the additional new facility of £150m (£14m drawn in year, £136m remaining) secured in a mix of revolving credit facility and fixed term loans secured at competitive rates.

Operating margin closed slightly below target, reflecting both increased cost pressures and deliberate decisions to accelerate repairs and maintenance activity to address legacy issues. Reinvestment performance similarly reflects timing and grant dependencies rather than reduced organisational intent.

To drive value for money and strengthen financial integrity, we have enhanced our business partnering and corporate finance capability through improved skills and systems, providing greater accountability, analysis and insight in delivering our Better Futures strategy.



Value for Money Statement

Delivering Value for Money (VfM) is core to our Better Futures strategy and is one of our three underlying principles in reaching decisions in the delivery of the strategy.

To identity VfM opportunities Magna, as part of its annual financial planning, considers both strategic or operational opportunities to deliver VfM, these are monitored alongside mitigating plans through the year.

2025/26 VfM achievements highlights

Procurement was a key driver of value for money in 2025/26, strengthening governance and delivering strong commercial outcomes. We ended the year with 89 registered projects, representing over £40m of contract value. Of these, 25 competitive processes delivered estimated cash-releasing and cost-avoidance savings of £2.4m, significantly above the £400k target. A further nine competitive projects are due to complete in early 2026/27, with estimated savings of over £0.8m. Priorities for 2026/27 include improving contract management, developing a medium- to long-term procurement plan, and increasing contracted supplier spend to strengthen control and value.

In improving productivity effectiveness in the delivery of our Better Futures change projects, we implemented a new project system, saving £24,000 over three years, while supporting key programmes including Awaab’s Law readiness and stronger control over major system upgrades.

Strategic renegotiations informed a £67,000 cost reduction compared to budget as part of the replacement of laptops and improved cyber security through Cyber Essentials Plus certification, migrated email to the cloud, and renegotiated key IT contracts to secure further savings. These included £30k on Microsoft SQL licensing, a 15% monthly reduction on mobile phone costs, and a 75% reduction in 0800 number charges, saving around £8k per month.

We view VfM through the lens of economy, efficiency and effectiveness:

- Economy

Minimising the cost of resources used while having regard to quality.

- Efficiency

The relationship between the output from goods or services and the resources to produce them (the input). More output for the same input, the same output for less input, or less output for even less input, are all examples of improved efficiency.

- Effectiveness

The extent to which objectives are achieved and the relationship between intended and actual impacts.

Other added value outcomes

In 2025/26, we invested over £15.3m in existing homes, including Social Housing Decarbonisation Fund grant, improving energy efficiency, building fabric, safety and quality resulting in lower utility cost for our customers.

Value for money also shaped fleet decisions, ensuring replacement vans had the right capacity, storage and timing, with white branding reducing costs without weakening Magna’s identity.

Our grants and funding team secured over £69,000 for customers, around £10,000 above target, while the £40,000 community benefit fund supported six local projects.

We also provided:

- £4,770 through the heating oil hardship fund
- £22,344 in energy vouchers
- £3,250 in energy debt write-offs.

We also held five winter warmer events across Dorset and Somerset, offering warm spaces, refreshments and social connection.

Better Services: Our service transformation programme

During 2025/26, we also laid the groundwork for our Better Services transformation programme, which included enhancing our change and service design capacity and capabilities to set ourselves up for successful change. The programme will take a human-centred approach to reviewing and designing our core services with customers at the heart over the next three years, working collaboratively with colleagues, customers and communities and in line with our strategic priorities to provide best value services.

Regulator VfM metrics

The following table shows performance against the regulator’s value-for-money metrics:

Magna Housing Ltd Value for Money Metrics	2023/24	2024/25	2025/26	2026/27	2028/29	2024/25	2024/25	2023/24
	Financial statements	Financial statements	Financial statements	Budget	Year 3 Forecast	Global Accounts (Median) - ALL	Global Accounts (Median) - Benchmark	Global Accounts (Median) - Benchmark
Reinvestment %	7.6%	5.7%	11.7%	17.6%	11.5%	7.6%	6.3%	7.7%
New Supply Delivered (Social housing units) %	0.34%	0.80%	0.59%	2.28%	3.29%	1.30%	1.00%	1.40%
New Supply Delivered (Non-Social housing units) %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gearing %	26.2%	25.2%	29.9%	39.0%	32.4%	45.5%	50.1%	45.6%
EBITDA MRI Interest Cover %	123.7%	176.8%	117.3%	110.5%	140.2%	113.0%	118.0%	122.0%
Headline social housing cost per unit (£)	5,771	6,274	6,364	6,806	6,452	5,576	5,745	5,136
Operating Margin (Social Housing lettings) %	18.1%	13.5%	14.3%	13.2%	20.3%	20.5%	19.0%	20.4%
Operating Margin (Overall) %	18.3%	16.2%	14.5%	13.0%	19.0%	17.6%	17.4%	18.5%
Return on capital employed %	2.4%	2.6%	2.0%	2.2%	2.5%	3.1%	3.1%	2.8%

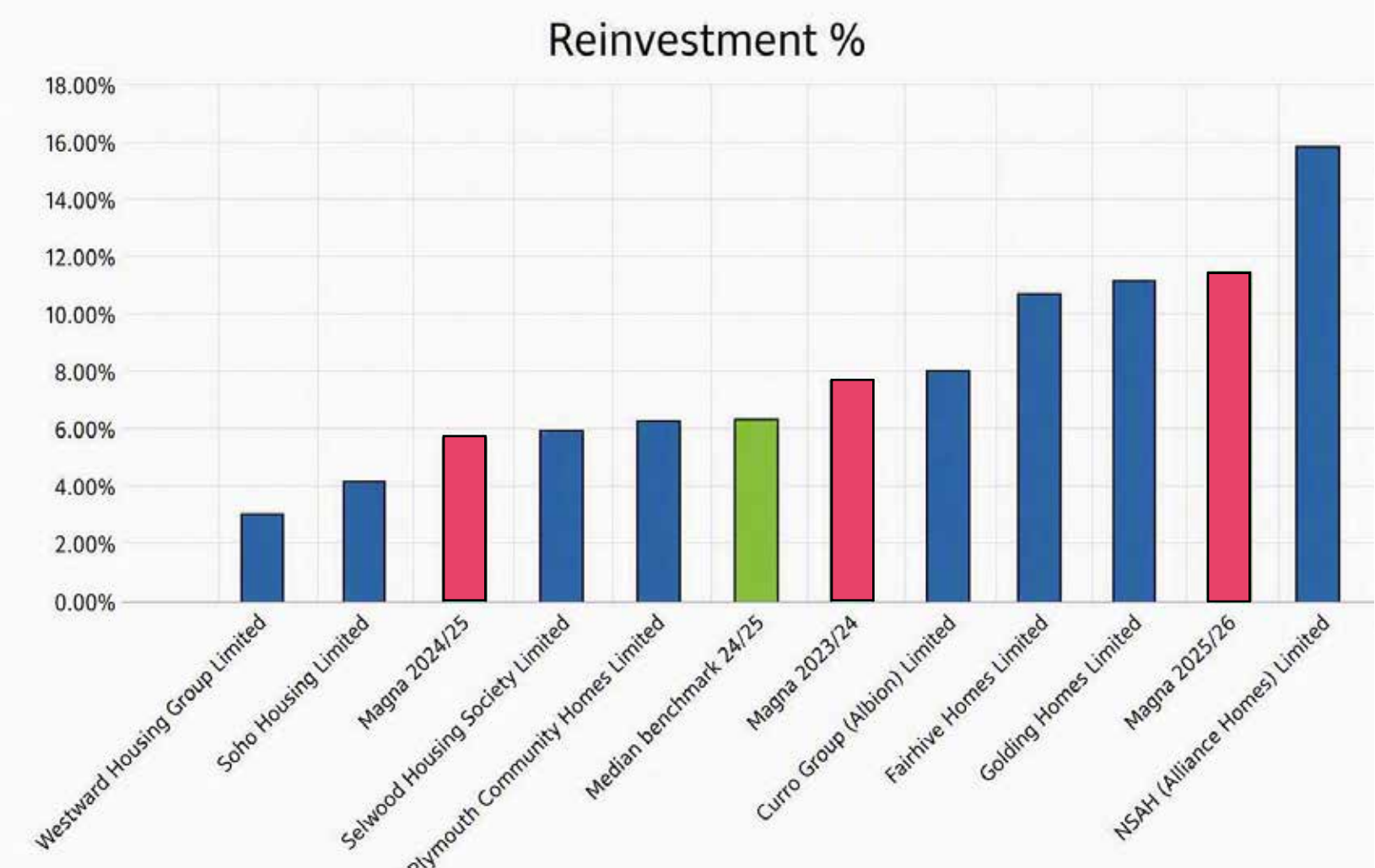
The latest benchmark figures have been obtained from the global accounts (GA) for 2025/26. The ‘ALL’ benchmark reflects the median performance of 200 organisations across the UK, with our benchmark being derived from data for 23 housing associations working in the southwest and southeast, excluding London, with a minimum of 2,500 properties and a maximum of 15,000 properties. There was no metric for new supply, non-social housing units, delivered. Eight of the closest peers are included in the following graphs.

The impact of the external economic environment has clearly been seen within the change in benchmark medians with reductions since 2021/22, with operational surpluses and interest cover being impacted in particular.

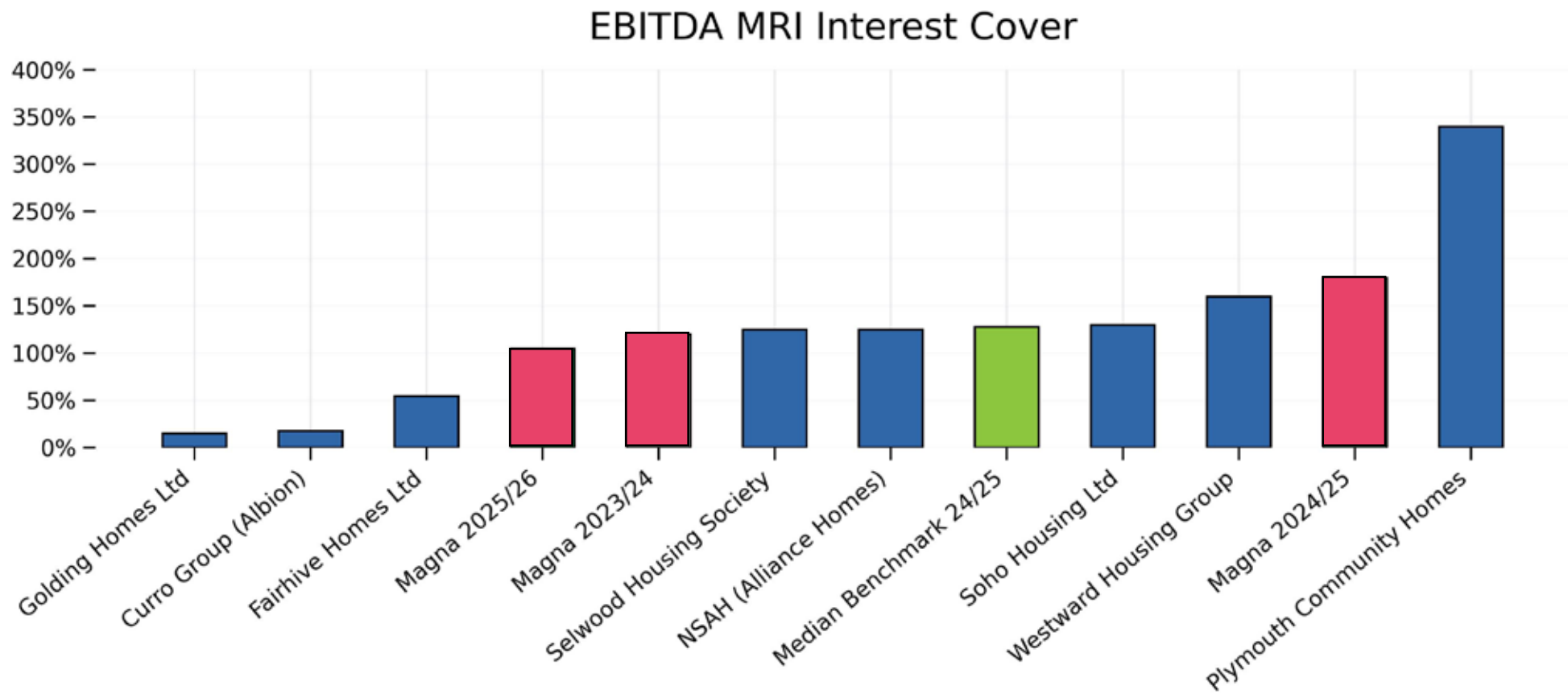
This is further corroborated by the £593 increase (10.3%) since 2023/24 in the social housing cost per unit which is £6,364 for Magna in 2025/26.

Magna is well-protected on the interest cover metric following the re-financing exercise that was completed in Autumn 2021 and a further exercise carried out in 2025. A low interest rate means that capacity is not squeezed to the same extent as some of our peers, and with low gearing we are well placed to continue to invest in both current and new homes. Overall, these measures provide confidence that the business is well placed to continue to meet its strategic objectives and in delivering VfM.



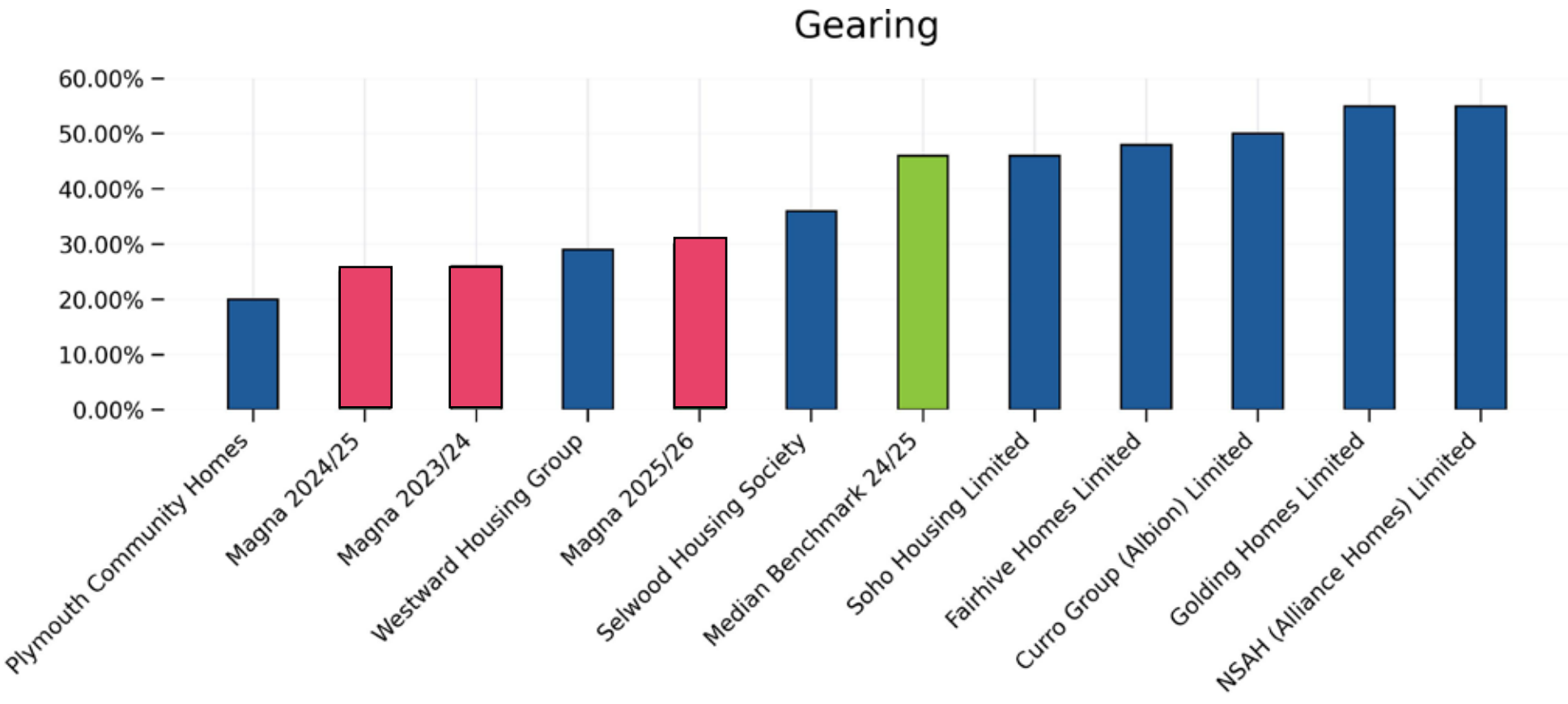


Magna shows higher levels of investment than our peers, with some £53m spent on new homes and existing homes in the year. Our growing pipeline of new homes means our targets for reinvestment are higher for the next few years, with a SAHP bid for further grant having been made in early 2026 to extend this.

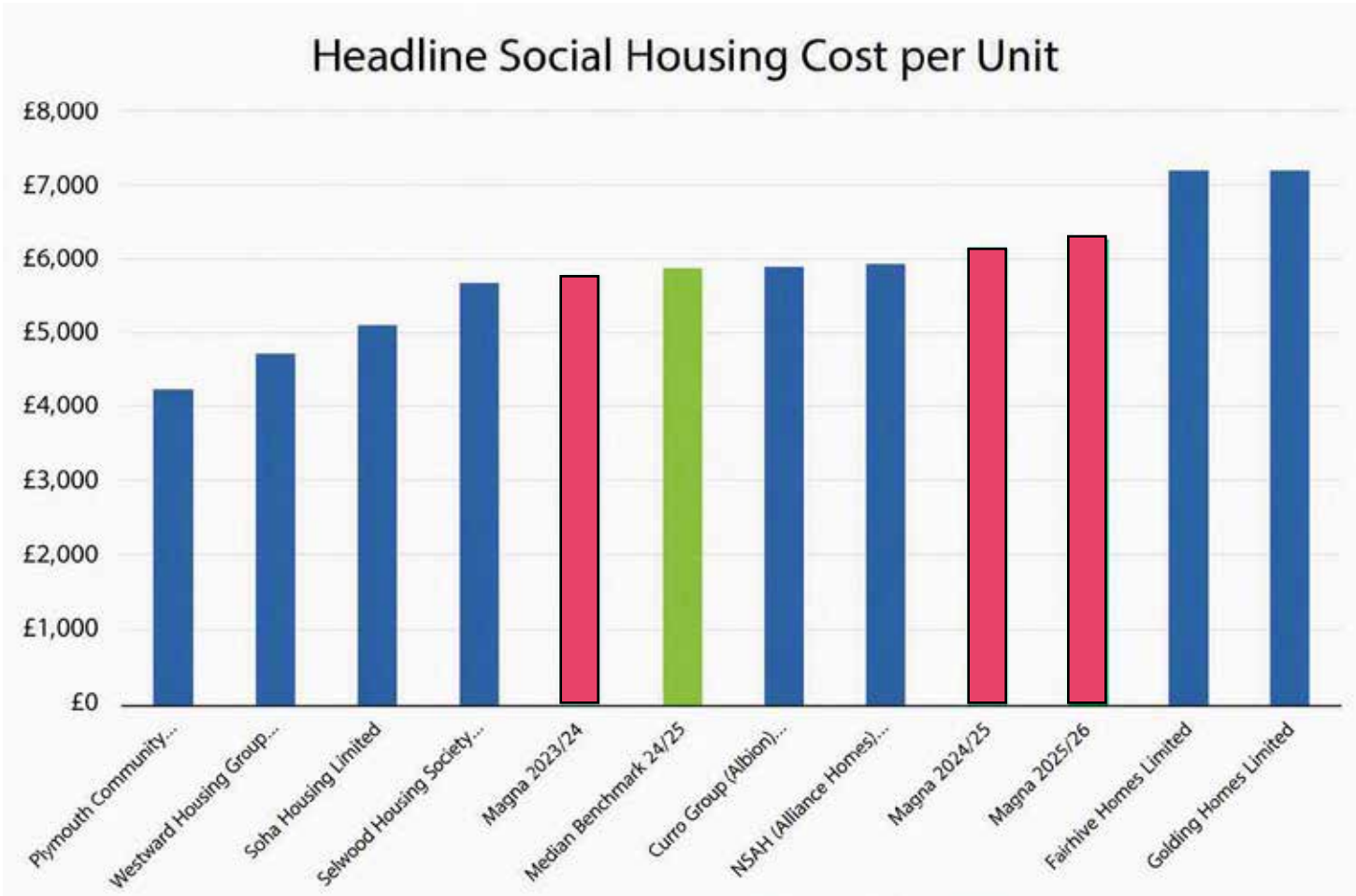


Our internal processes tell us that this measure is tight to our internal golden rules. However, this is tightly managed to ensure investments are maximised as we strive to deliver more.

A low average cost of capital supports this, with increases to future interest payments carefully considered to continue to deliver new homes, and investments in current homes.



Gearing has increased during the year, following the drawing of debt to fund the development programme. However, this continues to be a key strength for Magna, with significant headroom for further funding to be utilised to support the future investment plans.



We continue to increase year-on-year investment in capital works (a £1.4m increase on 2024/25), which is reflected in this measure. We also continue to strive for efficiencies and better purchasing pricing to drive costs down and, excluding the additional capital investment, the average cost per unit is 1.1% lower than in 2024/25 (1.4% higher overall year-on-year).

2026/27 VfM

Our budgets for 2026/27 are set and include targeted added value. We continue to add value for our customers by investing in their homes, particularly an increase in the total response repairs budget, which is some £1.5m greater than the previously approved business plan. Our key goal is to improve the speed of repairs and embed learning from complaints.

Our procurement function aims to add £0.9m of both cash avoidance and cashable gains and investments have been made to support non-financial added value for our customers, as part of Better Futures, our new five-year strategy.

Some of the value inputs and outcomes expected in the next year are:

- Reducing root causes of complaints.
- Further improvement of customer services and complaint handling, including introducing a learning module on complaints for all colleagues.
- Focus on continual service and business improvement, and laying the foundations for transforming services to meet customer demands today and into the future.
- Continued improvement to EPC rating of our homes specifically draw-down of grant from SHDF 3 funding.
- Investment in new roles with a future focus, including apprentices.
- Continuing our net zero carbon journey.
- Enhancing the digital offer for our customers.
- Improving our response repairs service.
- Reviewing communal electricity meters for smart meter upgrades, improving the quality of billing for our customers.

Future prospects

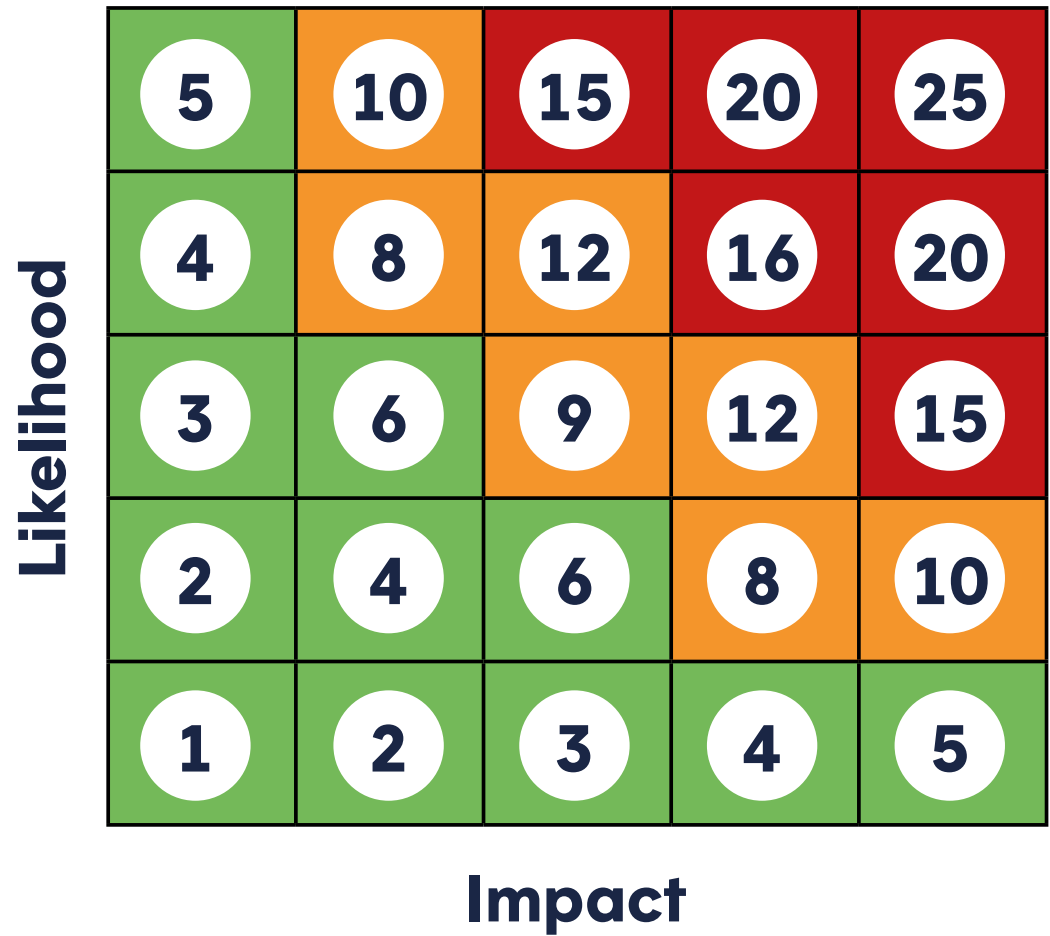
The statement of financial position as at 31 March 2026 demonstrates Magna’s financial strength. The current economic environment places additional pressures on the business, however, Magna is a resilient business, able to respond quickly and effectively to threats and any subsequent downturn in performance. Long-term business plans show Magna’s financial strength increasing further in future years alongside delivery of all strategic objectives. This has also been stress-tested, and we understand in-depth those scenarios that could threaten the stability of the business.

We ended 2025/26 with a strong development programme with 214 (2025: 65) homes on site and have 399 units in our contracted and committed pipeline, including our largest investment to date, a 100-unit scheme with start on site expected in 2027. Along with allocation of grant secured from Homes England associated with the SAHP 21-26 programme, Magna has submitted a bid to secure grant through the SAHP 26-36 programme, aiming to deliver up to 300 homes a year moving forward.



Description of principal risks and uncertainties being faced

Magna’s strategic risks, those that influence the achievement of our strategy, are reviewed by the Executive Board continually and by the Risk and Audit Committee and the Strategic Board at each of their meetings. The strategic risk register describes, for each strategic risk: the current mitigated risk position; the impact; the controls in place to reduce probability and impact; the actions being taken to strengthen the controls; and a progress report on those actions. Each risk is scored by impact and likelihood, before and after the application of controls. Risks are mitigated through Magna’s whole system of internal control, which is described in the Internal Control and Risk Management section of this report.



Risk ratings

Red and amber risks are those risks for which actions are required to reduce them to, or below, an acceptable level. The definitions are as follows:

RED Risks – We have moved into a position where we’re uncomfortable with and will manage very closely.

AMBER Risks – We need to watch out, stay alert and act.

GREEN Risks – We’re managing this satisfactorily, minimal action required.

The tables below contains details of the seven strategic risks, the risk description and details of controls, and the risk score at the end of March 2026:

Strategic risk	Examples of key controls we have in place to reduce probability and impact
Building Safety Failure to maintain and implement the systems, culture, competency, and controls required to ensure ongoing building safety compliance, leading to unsafe homes, legal breaches, or regulatory intervention. 12	• Governance and Policy Framework – Policies, delegated accountabilities, oversight by Health and Safety (H&S) Forum, and escalation arrangements. • Risk and Compliance Assurance – Risk assessments, Construction, Design and Management (CDM) compliance, third party audits, and insurance. • Performance Management – Regular Key Performance Indicator (KPI) reporting and annual improvement planning. • Competence and Culture – Training, induction, and safety focused procurement. • Data and Information Integrity – Controlled, verified building safety and risk critical data. • Resilience and Recovery – Disaster recovery/business continuity planning arrangements tested through scenario testing and assurance reviews.
People Safety Failure to maintain the culture, controls, systems and competencies required to ensure the safety of customers, colleagues and contractors, leading to incidents that cause harm or breach regulatory obligations. 4	• Strong Governance and Leadership Oversight - Clear Board and Executive accountability for colleague health and safety, supported by robust governance, policy and regular reporting. • Legal and Regulatory Compliance - with all relevant UK health and safety legislation, with effective monitoring, reporting, and regulatory engagement. • Comprehensive Risk Assessment and Control Framework - Systematic identification, assessment and mitigation of colleague health and safety risks. • Competence, Training and Capability - Mandatory and role-specific health and safety accountabilities and training ensuring colleagues, managers and leaders are competent to manage risks safely. • Colleague Wellbeing and Occupational Health Support - Proactive management of physical and mental health risks through occupational health provision and wellbeing initiatives. • Incident Reporting, Learning and Continuous Improvement - Robust processes for reporting, investigating and learning from incidents and near misses to prevent recurrence. • Effective Contractor and Third-Party Management - Clear health and safety standards and assurance for contractors and partners working alongside colleagues. • Emergency Preparedness and Resilience - Established emergency response and business continuity arrangements to protect colleagues during serious incidents. • Performance Monitoring and Independent Assurance - Use of meaningful health and safety metrics, internal audit, and external assurance to monitor control effectiveness.
Customer satisfaction A significant fall in satisfaction with Magna, leading to damage to our reputation, financial implications, regulatory scrutiny and community trust impact. 6	• Ensuring our colleagues are adequately trained and adhere to policy and procedures. • Service improvement reviews. • Using data and insight to inform our strategic priorities, specifically around customer complaints. • Monitoring of performance and taking corrective action to deal with poor performance. • Compliance with the Social Housing (Regulation) Act. • Collaborative working with external stakeholder and scrutiny groups collectively tackling wider sector risks. • Robust contract management to ensure service being provided to customers is satisfactory.

Strategic risk		Examples of key controls we have in place to reduce probability and impact	
Major business interruption / Business continuity 6 Sustained business disruption for an extensive and unknown period, for example as a result of fire, flood or medical emergency, IT failure or organisational capability and capacity gap.		• Business continuity policy and plan. • Business impact assessment. • Business continuity lead (deputy in place). • Separate IT disaster plan. • Cyber security disciplines. • Emergency communication plan. • Plans and processes cloud-based and can be accessed remotely. • Business continuity steering group. • Regular stress tests of plan. • Stress-testing recovery plan • Incident management team. • Extensive home working capability.	
Legal and regulatory 6 Adverse or catastrophic impact on the business of failure to comply with legal or regulatory requirements including but not limited to; Regulator of Social Housing (RSH), General Data Protection Regulation (GDPR), Health and Safety Executive (HSE).		• Compliance policies that are regularly reviewed and updated. • Monitoring and reporting of performance against requirements through all levels of governance. • Health and safety framework including risk assessments, policies, procedures etc. • Risk awareness training. • Lessons learnt reports from more minor instances and near misses. • Strong controls and review of reporting to the regulator. • Full range of corporate insurances in place. • Business recovery and continuity plans including scenario testing.	
Reputational risk 6 Direct: Arising from the conduct, actions, or internal issues of the organisation. Indirect: Arising from the conduct or issues of our employees. Peripheral: Arising from our partners' or sector's conduct and actions.		• Monitoring compliance with code of governance and regulatory standards. • Programme of internal audit and annual report. • Robust approach to ensuring our customers' homes are safe; customer communications; learning from complaints; commitment to customer experience; H&S standards and compliance; rent and service charge setting; conflicts of interest monitoring at all levels; executive pay is reviewed annually by the Governance and Remuneration Committee. • Business continuity and disaster recovery planning and continuous review. • Crisis communication and pro-active public relations (PR) management (national and local). • Fraud response policy and plan. • Active participants in regional and national forums, enabling the monitoring of political and wider sector issues.	
Finance – threats to income, liquidity, and increased expenditure 9 Inability of the business to function as required due to a lack of cash flow or sustained losses causing the business to default on payment to its creditors or on loan covenants.		• Cash flow management and control from policies, procedures, and Financial Regulations. • Regular review and monitoring of financial indicators. • Management and financial accounts plus external statutory audit. • Internal audit of financial controls. • 30-year financial plan regularly reviewed against changes in economic indicators. • External audit. • Minimum cash holding. • Stress testing, mitigation and recovery plans. • Recovery plan.	

Magna’s appetite for risk is commensurate with how far it thinks the likely impact of taking the risk, after having taken all reasonable actions to manage it, will help to achieve its strategy, and the risk’s compatibility with Magna’s capacity, it being a not-for-profit housing charity in receipt of public money. During 2024/25, the Board undertook a review of its risk appetite as part of Magna’s introduction of its new strategy phase, and in March 2026 it split out safety into two sections, Building and People to better align and articulate risk reporting.

C Turner
Chair

Report of the Board

Structure, Governance and Management

Corporate governance

The Board is responsible for the proper conduct of Magna’s affairs. It consists of a maximum of 12 (2025: 12) members, all but one being non-executive directors. They bring substantial relevant knowledge and experience. Each was remunerated for their services. Each Member acts in a personal capacity. The Board met six times (2025: six) during the year. The Board has adopted the 2020 NHF Code of Governance and considers that it has no areas of non-compliance to explain in this report.

The Board ended the year with three (2025: three) permanent committees, dealing in turn with Risk and Audit, Governance and Remuneration, and Asset Investment. The Chairs Committee is an ad-hoc committee which met twice during the year. A Treasury Panel, including board members, was set up in 2020 and supported the Board in overseeing the refinancing in 2021/22. This panel only meets when appropriate and was convened in 2025 to support the process of raising new finance. Membership of the committees and panel is shown on the right. Each have terms of reference and report to the Board by means of its minutes and reports from its committee/panel chair.

The table below details the members of the committees and the Treasury Panel in 2025/26:

Committee	Member
Risk and Audit Committee	Ms Suzanne Rastrick (Chair until July 2025), Mr Raj Kambo (Chair from July 2025), Mr Jonathan Cowie, Mr Nigel Perryman, Mr Mark Ripley (independent committee member, full Board member from July 2025), Mrs Adesola Osuji (independent committee member), Ms Sandra Quinn
Governance and Remuneration Committee	Ms Lara Martini (Chair), Ms Christine Turner (committee member until December 2025, attendee thereafter), Ms Suzanne Rastrick (until July 2025), Mr Nigel Perryman, Mr Jens Gemmel
Asset Investment Committee	Mr John Skivington (Chair), Mr Jonathan Cowie, Ms Linda Page, Mr James Ballantyne, Mr Guy Palmer (independent committee member)
Chairs Committee	Ms Christine Turner, Mr Raj Kambo (from July 2025), Ms Lara Martini, Ms Suzanne Rastrick (until July 2025), Mr John Skivington
Treasury Panel	Mr Nigel Perryman (Chair), Ms Christine Turner, Mrs Selina White



Magna seeks Board members with the skills, experience and other qualities that enable them to help run the business properly, and who accept the obligation upon them to uphold the purpose and objectives of Magna. The Board undertakes annual self-assessment of its effectiveness. Individual performance of Board and Independent members is assessed at least annually by way of an appraisal conducted by the Chair of the Board and the Chairs of the Committees for Independent members. The performance of the Chair of the Board is assessed annually by the Chair of the Governance and Remuneration Committee and summarised to the Board.

In accordance with the scheme of delegation, the Risk and Audit Committee retains responsibility for overseeing the risk management framework, including strategic risk management, risk governance, and internal control systems in order to provide assurance of its effectiveness to Board. It reviews reports from management, from the internal auditors and from the external auditors, and seeks to obtain reasonable assurance that controls are in place and are being followed. Additionally, it approves the nature and scope of external audit, approves an annual internal audit plan and associated terms of reference, considers recommendations, and agrees appropriate responses and action with the senior executive officers. The Committee met four times during the year. The internal auditors also attended meetings, and they had unrestricted access to the Chair of the Committee. The senior executive officers attended meetings when required. The Risk and Audit Committee reports back to the Board any issues of concern. The Board also formally considers internal control during the year in addition to considering the statement on internal control contained in these financial statements. The minutes of the committee are formally recorded and are reported to the Board.

The Board delegates day-to-day management to the Chief Executive and other senior colleagues. They are accountable to the Board, carrying out its instructions and providing it and its committees with comprehensive reports and advice on Magna’s affairs, including its performance across a broad range of

measures. One employee, the Chief Executive, is a member of the Board.

The Board has adopted the 2020 NHF Code of Conduct to help ensure probity and considers that it complies with the principles and provisions of the code. It has policies and procedures on sensitive areas such as tendering and procurement, again to help ensure probity. It uses internal audit to check compliance with these and other policies and procedures which have the same aims.

In February 2026 the Regulator of Social Housing assessed Magna and confirmed a governance grade of G1 and a financial viability regrade to V2. To the best of its knowledge, the Board considers that it complied with the Governance and Financial Viability Standard of the Regulatory Framework and the provisions concerning rents set out in the 2016 Welfare Reform and Work Act.

Magna has remunerated Board Members since April 2017, and this totals 0.1% of annual turnover.

Members of the Board and Senior Executive Officers

The Members of the Board and the senior executive officers of Magna are set out on page 4. All the Members and senior executive officers served throughout the year except as noted on page 4.

Accounting Policies

Magna’s financial statements are reported under FRS102. The detailed accounting policies are disclosed in Note 1.

Treasury Policy

Magna’s financing structure is made up of term and revolving loans and development grant from Homes England. Treasury activities are controlled and monitored by the Chief Finance Officer, reporting to the Board with advice from treasury advisors. They are carried out in accordance with a Treasury Management Policy.

Cash flow requirements are reviewed weekly and monitored daily. Magna normally carries only sufficient liquidity for current working capital requirements, with any significant excess cash balances managed in accordance with the Treasury Management Policy.

Magna increased its debt portfolio during the year to £290m (2025: £190m). The new debt portfolio consists of a £140m facility via a Private Placement, a £70m term facility and two £40m Revolving Credit Facilities (RCFs). All facilities are fully secured.

The Private Placement is fully drawn, all of which is at fixed interest rates with repayments in 2051 (£80m), 2053 (£20m) and 2056 (£40m). The RCFs are partially drawn at £14m (2025: £nil) but are available until 2030 with the loan repayment due within this year also. None of the term facility is drawn as at 31 March 2026 but has an availability period to draw by 2027 with repayment in 2032. The RCF and term facilities are on a variable interest rate basis.

Interest rate exposure is managed using interest rate fixes as part of a balanced treasury strategy and, at the year-end, 91% (2025: 100%) of Magna’s drawn funds were at fixed interest rates.

Magna meets all financial covenants as agreed with its lenders.

Social and community activities and charitable donations

We continue to work with the wider community and others to help achieve our purpose. Magna made charitable donations totalling £34,674 (2025: £23,336). Within this total, £23,618 was paid to local community initiatives (2025: £14,666).

Directors’ and officers’ insurance

The Group maintains directors’ and officers’ liability insurance.

Internal control and risk management

This report covers the whole system of internal control during the year 2025/26 and is not restricted to internal financial control.

The Board acknowledges that it is responsible for Magna’s system of internal control and for reviewing its effectiveness. The Board recognises that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Board is satisfied that the process for identifying, evaluating and managing the significant risks faced by Magna is continuous, has been in place for the year in question and up to the date of approval of the financial statements, and is regularly reviewed.

The Board has reviewed the effectiveness of the system of internal control by several means, including its oversight of the Risk Management framework including quarterly risk reporting, consideration of the work of the Risk and Audit Committee, regular reports on performance against targets, compliance and similar reports by external bodies, and a review of the fraud and theft register.

The Board reviews and approves policies and practices which are designed to achieve effective internal control and/or which link to strategic risk.

Magna exercises control in the first instance by establishing and following a methodical process of deciding its vision, mission, strategic priorities, operational targets and associated budgets.

The Board last reviewed its risk management policy in January 2025 and reviews its strategic risks and how they are controlled quarterly. A scheme of delegation in Magna requires the Board to take primary responsibility for the Risk Management Policy. The risk management framework itself is subject to periodic internal audit.

Magna views risk primarily as anything that does, or may, hinder its ability to achieve its strategy. Hence, its main risks may be readily summarised as any factor that may lead to failure to achieve its vision and strategic priorities. The quality and effectiveness of the controls in place to manage those risks are further tested and strengthened by consideration of risks such as, but not limited to, major fraud or

breach of lenders’ covenants. The overall aim of the risk management policy is to ensure Magna has a successful and embedded risk management framework, creating stability and contributing to continued financial viability.

Magna kept the risks created by the general operating, political, economic, climate and health environments under constant review during 2025/26, and implemented/maintained suitable controls where necessary and possible.

Responsibility for key controls is mainly allocated by policies and procedures. These are controlled and maintained to a high standard and made available to colleagues in electronic format.

Magna operates a whistle-blowing system, which encourages colleagues to raise anonymously with external consultants any concerns they feel they cannot raise through the normal internal channels.

Control is further reinforced by the production of comprehensive performance data, followed by analysis and action.

The Internal Audit Plan 2025-26 was aligned to strategic risks and the overall framework so that internal audit resources are directed towards testing the most significant risks and their controls, which, if they fail, could cause harm to Magna. The plan, which is subject to the approval of the Risk and Audit Committee, is proposed and implemented by professional, independent auditors, who have unrestricted right of access to the Chair of the Risk and Audit Committee.

Magna places emphasis on the benefits that arise from personal responsibility in addition to those achieved by following procedures. We aim to produce an open organisation in which information of all sorts flows freely in the belief that the more open an organisation is the more robust it is as it is more likely to uncover weaknesses of any type in good time. Recruitment, selection, training and appraisal policies seek to reinforce this approach.

The Risk and Audit Committee is a committee of the Strategic Board

of Magna. It receives quarterly internal audit reports from the internal auditors. Any material instances of weak internal control are reported to this committee and/or the Board.

The Board considers reports from the external auditors, and from other external bodies, such as the Regulator of Social Housing, on compliance. Board members undergo both collective and individual appraisal, and view this as an important risk control.

Fraud and theft

Magna complies with the Regulator of Social Housing’s requirements on fraud and adheres to additional requirements of its own. Association-wide anti-fraud policies require, amongst other things, a register to be maintained of all instances of actual and suspected fraud and theft.

Conclusion on internal control

The Risk and Audit Committee has received the annual report on the effectiveness of anti-fraud measures and internal control. In light of that, and using other sources of assurance available to it, the Board has reviewed the effectiveness of the system of internal control. The Board is satisfied that there is sufficient evidence to show that systems of internal control existed and operated throughout the year, that those systems were aligned to a continuous process for the management of the significant risks facing Magna, and that those controls are subject to professional, independent testing and assessment. The Board believes that this will remain true up to (and beyond) the date of the approval and signing of the annual financial statements. The Board is aware of no weaknesses which have resulted in material misstatement or loss, and which have required disclosure in the financial statements and considers that the risk that the financial statements may be materially misstated due to fraud is low. To the best of its knowledge and belief, the Board knows of no reason why it should not sign its Representation Letter to its external auditors.



Statement of Board’s responsibilities

The directors are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and other legislation require the Board to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Registered Provider (RP) and of the surplus or deficit 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 accounting estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- And prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board is responsible for keeping accounting records that are sufficient to show and explain the RP’s transactions and disclose with reasonable accuracy at any time the financial position of the RP and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and Regulations thereunder, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2022. It is also responsible for safeguarding the assets of the RP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring the accuracy of the Magna website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of compliance

The Board confirms that the Report of the Board has been prepared in accordance with the principles set out in Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

Going concern

The 30-year business plan is updated on a regular basis, with the Risk and Audit Committee reviewing the stress testing assumptions. The final business plan was approved, with stress testing and mitigations in May 2026. We have stress-tested the plan against a wide range of scenarios to identify potential sensitivities in the base plan. We prepare a comprehensive mitigation plan annually that identifies, in order of priority, the areas we would target to reduce expenditure if necessary.

The Board has reviewed and approved the annual budgets for 2026/27 and the medium- to long-term financial position as demonstrated in the 30-year business plan and is assured that Magna has the financial capacity and strength to successfully operate for the foreseeable future.

In reaching this level of assurance, the Board has scrutinised several areas:

- Exposure to the property market – budget and business plan sensitivity testing takes account of a slowing down of construction, fewer first tranche sales, and a reduction in sales values.
- Increases in operating costs – considering increases in management costs, reflecting higher CPI and RPI levels and delays to our expected efficiencies.
- Rent and service charge receivable – sensitivity testing a loss of income due to the impact of welfare reforms, considering increases in bad debts and void properties as well as frozen or reduced rent rises.
- Other adverse scenarios, e.g. rising interest rates and heavy fines for non-compliance in areas such as data protection and safeguarding residents.

The Board is satisfied that Magna has sufficient financial capacity and liquidity to remain compliant with its loan covenants, and to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Accordingly, the directors have prepared the financial statements on a going concern basis.

Appointment of Independent Auditor

Bishop Fleming were appointed for the year ended 31 March 2026 at Magna’s Annual General Meeting held on 31 July 2025.

By order of the Board



C Turner
Chair

30 July 2026



Independent Auditor's Report

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2026, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK,

including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the strategic report and report of the board, other than the financial statements and our auditor's report thereon. The board are responsible for the other information contained within the strategic report and report of the board. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Board

As explained more fully in the board's responsibilities statement set out on page 26, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.



Auditor’s responsibilities for the audit of the financial statements

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

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of inquiries with management and directors in relation to their own identification and assessment of the risk of irregularities within the entity;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- Any matters identified having obtained and reviewed the association’s documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the association operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Co-operative and Community Benefit Societies Act 2014, FRS 102, UK tax legislation, and the Accounting Direction from the Regulator of Social Housing for registered providers.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the association’s ability to operate or avoid a material penalty. These include data protection regulations, health and safety regulations, employment legislation, and money laundering legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigation;

- Performing detailed transactional testing in relation to the recognition of income, with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC’s website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor’s report.

Use of our report

This report is made solely to the association’s members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming Audit Limited

Craig Sullivan (Senior statutory auditor)
For and on behalf of
Bishop Fleming Audit Limited
Chartered Accountants
Statutory Auditors

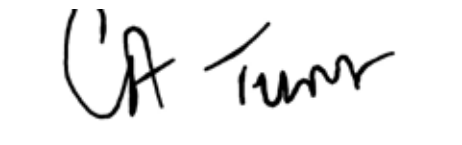
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 07 August 2026

Statement of Comprehensive Income

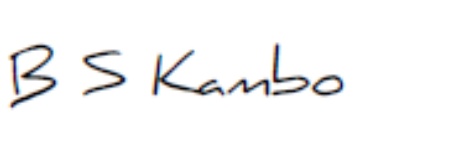
The financial statements on pages 33 to 57 were approved and authorised for issue by the Board on 30 July 2026 and were signed on its behalf by:

Chair



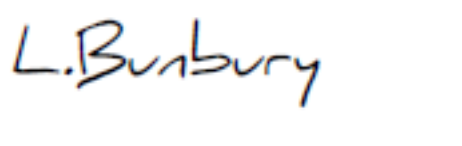
C Turner

Board member



B Kambo

Company Secretary



L Bunbury

	Note	Year ended 31 March 2026	Year ended 31 March 2025
		£000	£000
Turnover	2	60,667	59,791
Cost of sales	2	(1,472)	(761)
Operating expenditure	2	(50,421)	(49,334)
Impairment losses on assets of cash generating units		-	-
Surplus on disposal of fixed assets	5	555	1,748
Increase/(decrease) in valuation of investment properties	12	-	15
Operating surplus		9,329	11,459
Interest receivable and similar income	6	589	1,165
Interest payable and other financing costs	7	(3,630)	(3,796)
Surplus/(Deficit) before tax		6,288	8,828
Other comprehensive (expenditure)/income			
Actuarial gain/(loss) in respect of pension schemes	23	(566)	1,369
Total other comprehensive income/(expenditure)		(566)	1,369
Total comprehensive income/(expenditure) for the year		5,722	10,197

2025 turnover and expenditure figures updated to split out grant received – No changes to totals.

Statement of Changes in Reserves

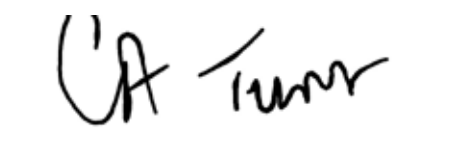
	Revaluation reserve	Income and expenditure reserve	Total reserves
	£000	£000	£000
Balance as at 31 March 2024	85,643	187,103	272,746
Surplus from statement of comprehensive income	-	10,197	10,197
Depreciation at deemed cost transferred from revaluation reserve to income and expenditure reserve	(1,198)	1,198	-
Movement on revaluation reserve for disposal of fixed assets	(639)	639	-
Balance as at 31 March 2025	83,806	199,137	282,943
Surplus from statement of comprehensive income	-	5,722	5,722
Depreciation at deemed cost transferred from revaluation reserve to income and expenditure reserve	(1,195)	1,195	-
Movement on revaluation reserve for disposal of fixed assets	535	(535)	-
Balance as at 31 March 2026	83,146	205,519	288,665



Statement of Financial Position

The financial statements on pages 33 to 57 were approved and authorised for issue by the Board on 30 July 2026 and were signed on its behalf by:

Chair



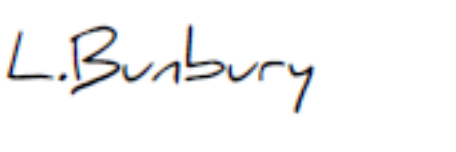
C Turner

Board member



B Kambo

Company Secretary



L Bunbury

	Note	Year ended 31 March 2026	Year ended 31 March 2025
		£000	£000
Fixed Assets			
Tangible fixed assets	11	457,506	419,885
Investment properties	12	975	975
Investments in subsidiaries	13	26	26
Total Fixed Assets		458,507	420,886
Current Assets			
Inventories	14	8,638	3,270
Trade and other debtors	15	3,842	2,554
Cash and cash equivalents	16	17,191	34,055
		29,671	39,879
Creditors: amounts falling due within one year	17	(25,876)	(23,146)
Net Current Assets/(Liabilities)		3,795	16,733
Total assets less current liabilities		462,302	437,619
Creditors: amounts falling due after more than one year	18	(173,154)	(153,799)
Provision for Liabilities			
Pension provision	23	(483)	(877)
Other provisions		-	-
Total Net Assets		288,665	282,943
Reserves			
Non–equity share capital	26	-	-
Income and expenditure reserve		205,519	199,137
Revaluation reserve		83,146	83,806
Total Reserves		288,665	282,943

Statement of Cash Flows

	Year ended 31 March 2026	Year ended 31 March 2025
	£000	£000
Net cash generated from operating activities – see note A	19,302	22,408
Cash flow from investing activities		
Purchase of tangible fixed assets	(19,223)	(15,081)
New development spend	(35,035)	(8,457)
Proceeds from sale of tangible fixed assets	2,469	3,692
Gift Aid	-	-
Interest received	606	1,173
Grants received	4,896	1,255
	(46,287)	(17,418)
Cash flow from financing activities		
Interest paid	(3,879)	(3,946)
New borrowings	14,000	-
Repayment of borrowings	-	-
	10,121	(3,946)
Net change in cash and cash equivalents	(16,864)	1,044
Cash and cash equivalents at the beginning of the year	34,055	33,011
Cash and cash equivalents at the end of the year	17,191	34,055

	Year ended 31 March 2026	Year ended 31 March 2025
	£000	£000
Note A		
Cash flow from operating activities		
Operating surplus for the year	9,329	11,444
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	11,155	11,331
Amortisation of grant	(211)	(167)
Surplus on disposal of fixed assets	(430)	(1,753)
Impairment	-	-
(Increase) /decrease in stock	(52)	(45)
Decrease / (Increase) in trade and other debtors	(6,458)	(1,473)
Decrease in debtors more than one year	-	-
Increase/(decrease) in trade and other creditors	1,363	(1,095)
Increase in creditors more than one year	4,606	4,166
Increase/(decrease) in provisions	-	-
Net cash generated from operating activities	19,302	22,408

Notes to the Financial Statements

1. Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements have been prepared in compliance with FRS102. Magna meets the definition of a public benefit entity (PBE).

The accounts have been prepared on the historical cost basis of accounting, except in respect of the revaluation of investment properties, and are presented in sterling (£'000) for the year ended 31 March 2026.

A summary of the more significant accounting policies, which have been applied consistently, is set out below:

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

- **Going concern.** The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. We have agreed a business plan which

allows us to fund both our latest stock condition survey and our development programme. The business plan also shows our adherence to our borrowing covenants and has also been stress tested against a number of scenarios, with mitigating actions identified to counter these. We therefore consider it appropriate to continue to prepare the financial statements on a going concern basis.

- **Categorisation of housing properties.** Magna has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, Magna has considered if the asset is held for social benefit or to earn commercial rentals. Magna has determined that market rented properties are held to earn commercial rentals and hence have been classified as investment properties.
- **Housing properties** in tangible fixed assets are valued at deemed cost as at 1 April 2014. Magna took advantage of transitional relief set out in FRS102 for deemed cost and treated all grant on transition under the performance model with subsequent grants under the accrual model.
- **Investment properties** include market rented properties, shops and other commercial properties. They are measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date.
- **Impairment.** Magna considers the need for impairment on overall property demand and other external sources of information such as changes in Government policy, including the review of voids on a property-by-property basis.
- **Service charge** estimates for current year variances to scheme surplus or deficits are calculated at a high level, against corresponding service charge costs for the year. During the year ahead these will be refined against the actual variances and updated in the following accounting period.

Other key sources of estimation and assumptions

- **Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- **Revaluation of investment properties.** Magna carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. Fair value, as defined by FRS102, is used for these property types as it can be measured on an on-going basis. Magna engages independent valuation specialists to determine fair value as at 31 March each year. The valuer uses a valuation technique based on a discounted cash flow model. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long term vacancy rate.





- **Pension and other post-employment benefits.** Magna participates in three defined benefit pension schemes as an ‘Admitted Body’:
 - The Local Government Fund (LGPS) administered by Dorset Council (DC);
 - The Local Government Fund (LGPS) administered by Somerset Council (SC); and
 - The Social Housing Pension Scheme (SHPS).

Magna closed these defined benefit pension schemes to new members on 1 October 2011 and introduced, in their place, a defined contribution scheme.

The cost of the LGPS and SHPS defined benefit pension plans are primarily determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, the scheme employers consider the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector.

Any pension asset arising from these valuations are not recognised in Magna’s accounts due to there being no prospect of receiving such a surplus. The asset ceiling of nil is applied.

Further details are given in note 23.

- **Impairment.** Housing properties are assessed annually for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken comparing the asset’s carrying amount to its recoverable amount. Where the carrying amount of an asset is deemed to exceed its recoverable

amount, the asset is written down to its recoverable amount. This is likely to be the value in use of the asset based on its service potential (Depreciated Replacement Cost – DRC). The resulting impairment loss is recognised as expenditure in the Statement of Comprehensive Income. Depreciated Replacement Cost (DRC) is calculated using a replacement cost valuation, depreciated for the number of years the property has been in use.

Investment properties are valued annually. Where there is a change in value, the charge is recognised in the Statement of Comprehensive Income.

Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Investments

Investments in shares in group companies are stated at the lower of cost and net realisable value. Any impairment in the value of investments is charged to the Statement of Comprehensive Income in the year in which it is first recognised.

Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities and Homes England, income from the sale of shared ownership and other properties developed for outright sale and other income and is recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Service charges

Service charge income and costs are recognised on an accrual’s basis. Magna operates variable service charges on a scheme by scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the actual surplus or deficit from prior years as well as an estimate

on the current years’ surplus or deficit, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the Statement of Financial Position.

Sinking funds

Magna has a number of schemes which require sinking funds in order to provide for the future cost of maintaining them. Magna manages sinking funds in accordance with its policy. Funds are held in a separate bank account and included in the Statement of Financial Position within creditors until costs are incurred.

Interest payable and financing costs

Interest costs and fees associated with obtaining debt are held on the Statement of Financial Position and charged to the Statement of Comprehensive Income using the effective interest rate method over the term of the debt. Where cash flows cannot be reliably estimated due to uncertainty over drawdowns and/or variability in interest rates, the effective interest rate cannot be determined with sufficient reliability. In such cases, fees incurred in arranging the debt are amortised on a straight-line basis over the expected term of the facility.

Also included within finance costs are ongoing servicing fees of borrowings.

Taxation

Magna has charitable status and is therefore not subject to corporation tax on surpluses derived from charitable activities. All charitable activities undertaken are classed as charitable.

Value Added Tax

Magna charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by Magna and not recoverable.

Property, plant and equipment

Housing properties

Tangible fixed assets are stated at deemed cost as at 1 April 2014, less accumulated depreciation. Magna took advantage of transitional relief set out in FRS102 for deemed cost and treated all grant on transition under the performance model with subsequent grants under the accruals method.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

Magna depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

Component	UEL
Alternative energy sources	15 to 30 years
Bathrooms	30 years
Boilers	15 years
Cavity wall insulation	30 years
Central heating	30 years
Doors	35 years
External wall insulation	30 years
Flat roofs	30 years
Garages	50 years
Kitchens	20 years
Lifts & other communal assets (eg fire safety)	25 to 35 years
Loft insulation	20 years
Oil tanks	25 years
Pitched roofs/chimneys	60 years
Structure	100 years
Structure (pre-cast reinforced concrete)	50 years
Windows	30 years

Magna depreciates housing properties held on long term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Other tangible fixed assets

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected useful economic lives which are as follows:

Freehold and long leasehold properties	50 years
Maintenance equipment	5 years
Computer equipment	3 – 6 years
Office equipment, fixtures and fittings	5 years
Motor vehicles – New or Pre-Owned	8 years (from vehicle registration date)
Non-housing communal assets (eg CCTV)	6 years
In-home emergency call system	15 years



Low cost home ownership properties

The costs of low cost home ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the low cost home ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets.

Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental due to the development process and directly attributable to bringing the property into its intended use.

Property managed by agents

Where Magna carries the majority of the financial risk on property managed by agents, income arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the majority of the financial risk, income includes only that which relates solely to Magna.

In both cases, the assets and associated liabilities are included in Magna’s Statement of Financial Position.

Operating leases

All Magna’s leases are operating leases and payments are charged to the Statement of Comprehensive Income on a straight line basis over the term of the lease.

Investment properties

Investment property includes commercial and other properties not held directly to achieve Magna’s purpose. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

Inventories

Stocks of materials are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

Properties held for resale are included in current assets at the lower of cost or estimated selling price less sale costs. If selling price less sale costs is lower, then grant is considered prior to impairment.

At each reporting date, stock and properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and which are receivable or payable within one year are recorded at transaction price.

Provisions for bad and doubtful debts

The association maintains bad debt provisions for any potential non-payment of debt.

At each Statement of Financial Position date Magna makes an assessment as to the level of bad debt provision required against

individual debtors. The assessment takes into account the past payment history of the debtor, the age of the debt and the contractual relationship.

Non-government grants

Grants received from non-government sources are recognised under the “performance model”. If there are no specific performance requirements the grants are recognised as turnover when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as turnover.

Social Housing and other government grants

Magna has taken advantage of transitional relief set out in FRS102 for deemed cost and treated all grant on transition under the performance model with subsequent grants under the “accruals method”.

Where developments have been financed wholly or partly by Social Housing Grant (SHG), the amount of the grant received is held as deferred income on the Statement of Financial Position under creditors less than and greater than one year. The grant is released to turnover over the estimated useful life of the associated asset under the accruals model.

Where other grant is received, e.g. SHDF (Social Housing Decarbonisation Fund), the grant is released over the UEL of the asset it funded under the “accruals model”.

Grant received for items of cost written off in the Statement of Comprehensive Income Account is included as part of turnover.

SHG must be recycled by Magna under certain conditions, primarily if a property is sold. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If the grant is not required to be recycled or repaid, any unamortised grant is recognised as turnover.

Recycling of Capital Grant

Where SHG is recycled, as described above, it is credited to a fund which appears as a creditor until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year.

Retirement benefits

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees’ services.

Consistent with the guidance in FRED 71 paragraph 4 (FRS 102 paragraph 28.11B), the difference between the deficit funding liability is recognised in Other Comprehensive Income. Further disclosures in this area are included in note 23.

Revaluation reserve

The revaluation reserve represents the difference on transition between the fair value of social housing properties and other assets and the historical cost carrying value, where deemed cost transitional relief was taken.

Financial instruments

Financial assets and liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of future receipts discounted at a market rate of interest.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments meet the conditions in paragraph 11.8(b) of FRS102 and are measured at amortised cost using the effective interest method.

Financial instruments held by Magna are classified as follows:

- Financial assets such as current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method;
- Financial liabilities are held at amortised cost using the effective interest based on an appropriate market rate;
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment.



2. Particulars of turnover, cost of sales, operating expenditure and operating surplus

31 March 2026	Turnover	Cost of Sales	Operating Expenditure	Operating Surplus
	£000	£000	£000	£000
Social housing lettings (note 3)	58,061	-	(49,733)	8,328
Other social housing activities				
Charges for support services	-	-	-	-
Supporting people	-	-	(4)	(4)
First tranche sales	1,368	(1,472)	-	(104)
Development costs not capitalised	-	-	(9)	(9)
Abortive development costs	-	-	(152)	(152)
Activities non-social housing				
Lettings – market rented	187	-	(62)	125
Other	1,051	-	(461)	590
Revaluation of investment properties	-	-	-	-
Sub Total	60,667	(1,472)	(50,421)	8,774
Surplus on disposal of property, plant and equipment	1,072	-	(517)	555
Total	61,739	(1,472)	(50,938)	9,329

31 March 2025	Turnover	Cost of Sales	Operating Expenditure	Operating Surplus
	£000	£000	£000	£000
Social housing lettings (note 3)	55,907	-	(48,334)	7,573
Other social housing activities				
Charges for support services	-	-	-	-
Supporting people	27	-	(4)	23
First tranche sales	767	(761)	-	6
Development costs not capitalised	-	-	(44)	(44)
Abortive development costs	-	-	(323)	(323)
Other*	1,717	-	-	1,717
Activities non-social housing				
Lettings – market rented	181	-	(110)	71
Other	1,192	-	(519)	673
Revaluation of investment properties	-	-	15	15
Sub Total	59,791	(761)	(49,319)	9,711
Surplus on disposal of property, plant and equipment	2,925	-	(1,177)	1,748
Total	62,716	(761)	(50,496)	11,459

* Other income above includes a one off £1.7m insurance receipt related to a long-term historic claim.

3. Particulars of turnover and operating costs from social housing lettings

Year ended 31 March 2026	General housing	Supported housing	Low cost home ownership	Total
	£000	£000	£000	£000
Income				
Rent receivable	39,498	12,660	1,016	53,174
Service charge income	1,210	2,931	148	4,289
Amortisation of grant	211	-	-	211
Other revenue grants	-	387	-	387
Turnover from social housing lettings	40,919	15,978	1,164	58,061
Operating Expenditure				
Management	9,830	4,981	216	15,027
Service charge costs	1,478	2,611	29	4,118
Routine maintenance	6,211	2,627	31	8,869
Planned maintenance	2,845	947	8	3,800
Major repairs	5,406	2,186	16	7,608
Bad debts	170	61	1	232
Property lease charges	275	-	-	275
Depreciation on housing properties	7,630	2,345	-	9,975
Impairment of housing properties	-	-	-	-
Pension operating charge	(171)	-	-	(171)
Operating cost of social housing lettings	33,674	15,758	301	49,733
Operating surplus on social housing lettings	7,245	220	863	8,328
Void losses	(232)	(242)	-	(474)

Year ended 31 March 2025	General housing	Supported housing	Low cost home ownership	Total
	£000	£000	£000	£000
Income				
Rent receivable	38,995	12,219	976	52,190
Service charge income	1,085	2,279	130	3,494
Amortisation of grant	167	-	-	167
Other revenue grants	56	-	-	56
Turnover from social housing lettings	40,303	14,498	1,106	55,907
Operating Expenditure				
Management	9,450	4,756	185	14,391
Service charge costs	1,502	2,006	12	3,520
Routine maintenance	5,895	2,445	28	8,368
Planned maintenance	2,741	912	8	3,661
Major repairs	5,963	1,965	17	7,945
Bad debts	154	55	1	210
Property lease charges	257	-	-	257
Depreciation on housing properties	6,673	2,225	-	8,898
Impairment of housing properties	-	-	-	-
Pension operating charge	1,084	-	-	1,084
Operating cost of social housing lettings	33,719	14,364	251	48,334
Operating surplus on social housing lettings	6,584	134	855	7,573
Void losses	(214)	(318)	(2)	(534)

Income has been reapportioned between classifications, but the overall totals have not changed.

4. Surplus on ordinary activities

Operating surplus is stated after charging:	2026	2025
	£000	£000
Auditor's remuneration (excluding VAT)		
In their capacity as statutory auditors	38	34
Fees payable to the auditors and its associates for other services:		
Taxation compliance services	-	2
Other assurance services for loan covenant certification	-	-
Operating lease rentals		
Other – vehicles	-	-
Land and buildings	327	355
Office equipment	6	5
Impairment losses of housing properties	-	-
Depreciation of housing properties	9,379	8,901
Depreciation of other fixed assets	1,180	1,141

5. Surplus on disposal of fixed assets

	Low cost home ownership staircasing	Right to Buy	Others	Total
	£000	£000	£000	£000
Proceeds of sales	809	190	73	1,072
Less: costs of sales	(465)	(52)	-	(517)
Surplus	344	138	73	555

	Low cost home ownership staircasing	Right to Buy	Others	Total
	£000	£000	£000	£000
Proceeds of sales	453	766	1,706	2,925
Less: costs of sales	(261)	(245)	(671)	(1,177)
Surplus	192	521	1,035	1,748

6. Interest receivable and similar income

Surplus for the year is stated after crediting:	2026	2025
	£000	£000
Bank interest	589	1,165

7. Interest payable and financing costs

	2026	2025
	£000	£000
Defined benefit pension charge	(355)	65
On loans wholly or partly repayable in more than five years	3,906	3,769
Other financing costs	554	266
Less: interest capitalised on housing properties under construction	(475)	(304)
	3,630	3,796

8. Taxation

Magna’s charitable objects exempt it from corporation tax.

9. Directors’ remuneration

The remuneration paid to key management personnel, ie the Chief Executive and Executive Directors was:

	2026	2025
	£000	£000
Emoluments	773	766
Pension contributions	118	117
	891	883
Emoluments paid to the highest paid Director, excluding pension contributions in the year	186	183

Key management personnel include Chief Executive, Chief Finance Officer, Director of Customer Operations, Director of Sustainability and Investment, and Strategic Organisational Capability Director (2025: five).

Remuneration for the Chief Executive in the year, excluding pension contributions, was £186,315.78

The Chief Executive is an ordinary member of the Social Housing Pension Scheme. No enhancements or special terms are applied. Pension contributions of £27,227.16 (2025: £26,693.28) were made during the year on behalf of the Chief Executive.

9. Directors’ remuneration (continued)

Non-Executive Board members received the following remuneration:

The board members remunerations are shown in £’s and include National Insurance contributions where relevant.

	2026	2025
	£	£
Alistair Auty	-	6,458
James Ballantyne	5,000	5,000
Jonathan Cowie	5,000	5,000
Jens Gemmel	5,000	3,424
Chris Hartiss	-	3,319
Raj Kambo (from 31 July 2025)	5,281	-
Lara Martini	7,874	7,443
Adesola Osuji	3,500	3,500
Linda Page	5,000	3,424
Guy Palmer	3,500	2,397
Nigel Perryman	5,000	5,000
Sandra Quinn	5,000	5,000
Suzanne Rastrick (resigned 31 July 2025)	2,625	7,500
Mark Ripley (independent committee member, full Board member from 31 July 2025)	4,506	3,500
Robin Roberts	-	583
John Skivington	7,874	6,042
Christine Turner	14,487	13,250
	79,647	80,840
Total expenses reimbursed to Members	2,289	2,021

Selina White is an executive board member but receives no additional remuneration.

10. Employee information

	2026	2025
Average number of full time equivalent employees during the year	519	489

The calculation is based on the numbers of employees at the end of each quarter.

Employee Costs	2026	2025
	£000	£000
Wages and salaries	19,802	17,735
Social security costs	2,406	1,704
Other pension costs	2,041	2,061
	24,249	21,500

The number of employees whose remuneration payable in the period of account, including pension contributions and non-cash benefits, excluding national insurance, exceeded £60,000 was:

	2026	2025
£190,001 to £200,000	1	1
£180,001 to £190,000	1	-
£170,001 to £180,000	1	-
£150,001 to £160,000	-	-
£140,001 to £150,000	3	3
£130,001 to £140,000	-	-
£120,001 to £130,000	-	-
£110,001 to £120,000	1	-
£100,001 to £110,000	1	3
£90,001 to £100,000	7	5
£80,001 to £90,000	1	3
£70,001 to £80,000	7	6
£60,000 to £70,000	17	11
	40	32

11. Tangible fixed assets

	Housing properties	Other tangible assets	Total
	£000	£000	£000
Net book value: At 1 April 2025	416,084	3,801	419,885
Net book value: At 31 March 2026	451,890	5,616	457,506

Housing properties

	Housing properties under construction	Housing properties held for letting	Low cost ownership properties under construction	Completed low cost ownership properties	Total
	£000	£000	£000	£000	£000
Gross book value:					
Cost at 1 April 2025	20,668	479,197	4,974	18,881	523,720
Additions – New Build	-	-	-	-	-
Properties under construction	17,968	-	19,194	-	37,162
Completions	(5,684)	5,684	(7,128)	7,128	-
Works to existing properties	-	15,343	-	-	15,343
Disposal of components	-	(3,216)	-	-	(3,216)
Interest capitalised	285	-	190	-	475
Transfer from current assets	-	-	2,601	-	2,601
Transfer to current assets	-	-	(7,916)	-	(7,916)
Transfer to First Tranche COS	-	-	(1,472)	-	(1,472)
Disposals	-	(58)	-	(381)	(439)
Cost at 31 March 2026	33,237	496,950	10,443	25,628	566,258
Accumulated depreciation:					
Depreciation at 1 April 2025	-	105,690	-	1,946	107,636
Charge for the year	-	9,229	-	150	9,379
Disposal of components	-	(2,620)	-	-	(2,620)
Disposals	-	(13)	-	(14)	(27)
Depreciation at 31 March 2026	-	112,286	-	2,082	114,368
Net book value at 31 March 2026	33,237	384,664	10,443	23,546	451,890
Net book value at 31 March 2025	20,668	373,507	4,974	16,935	416,084

11. Tangible fixed assets (continued)

	2026	2025
	£000	£000
Housing Properties comprises		
Freehold land and buildings	450,091	414,371
Leasehold land and buildings (under 21 years)	1,799	1,713
	451,890	416,084
Expenditure on works to existing properties in the year		
Components capitalised	15,343	13,918
Amounts charged to expenditure	20,277	19,918
Development interest capitalised	475	304
Interest rate used for capitalisation (average)	2.55%	2.51%

Housing properties valued at deemed cost

Housing properties held for letting as at 1 April 2014 were professionally valued during April 2014 by Savills as at 31 March 2014. The basis of the valuation was their Existing Use Value – Social Housing (“EUV-SH”). The valuation was undertaken in accordance with the RICS Asset Valuation Manual. In determining the valuation, the valuers made use of discounted cash flow methods. The discount rate was 5.5%. The valuation incorporates the impact of the Regulator’s Rent Influencing guidance, which sets target rents for each property. The rents set were assumed to grow by RPI plus 0.5% in 2014/15, by CPI plus 1.0% per annum until 2025/26 and then by CPI thereafter.

Magna took advantage of transitional relief set out in FRS 102 to restate the value of its properties at deemed cost as at 1 April 2014, the date of transition. To do this it used the 31 March 2014 valuation, less accumulated depreciation.

All grant on transition was treated under the performance model and was released to the Income and Expenditure Reserve. This increased the carrying value of those properties in the Statement of Financial Position.

Other tangible assets

	Freehold property	Maintenance equipment	Computer equipment	Office equipment, fixtures and fittings	Motor vehicles	Assets under construction	Total
	£000	£000	£000†	£000	£000	£000	£000
Cost							
At 1 April 2025	3,241	394	6,581	1,315	3,940	19	15,490
Additions	-	198	443	455	1,460	458	3,014
Reclassification of existing asset	-	-	-	-	-	-	-
Disposals	-	(16)	(13)	-	(375)	-	(404)
As at 31 March 2026	3,241	576	7,011	1,770	5,025	477	18,100
Accumulated depreciation							
At 1 April 2025	2,157	297	5,560	1,180	2,495	0	11,689
Charge for year	27	59	562	90	442	-	1,180
Disposals	-	(16)	-	-	(369)	-	(385)
As at 31 March 2026	2,184	340	6,122	1,270	2,568	0	12,484
Net book value							
As at 31 March 2026	1,057	236	889	500	2,457	477	5,616
As at 31 March 2025	1,084	97	1,021	135	1,445	19	3,801

12. Investment properties held for letting

Net book value:	2026	2025
	£000	£000
At start of year	975	960
Additions	-	-
Disposals	-	-
Revaluation	-	15
At end of year	975	975

Investment properties were valued at 31 March 2026 by Savills. Commercial properties have been valued on a desktop basis at £295k. The residential properties remain valued at £680k.

13. Investments in subsidiaries and joint ventures

Charter (S.W.) Limited

Charter made a surplus before tax of nil in the year (2025: £nil surplus).

The carrying value of the investment of £26,000 (2025: £26,000) is supported by underlying net assets.

14. Inventories

Properties held for resale	2026	2025
	£000	£000
Completed properties for sale	1,989	-
Work in progress on properties for sale	5,927	2,600
Stocks of maintenance materials	722	670
	8,638	3,270
The value of stocks of maintenance materials charged to expenditure in the year was:	1,319	1,337

15. Trade and other debtors

	2026	2025
	£000	£000
Gross rent arrears	1,945	1,908
Less provision for doubtful debts	(1,036)	(982)
	909	926
Other debtors	2,342	535
Prepayments and accrued income	591	1,093
Amounts owed by subsidiaries	-	-
	3,842	2,554

16. Cash and cash equivalents

	2026	2025
	£000	£000
Cash at bank	11,957	29,061
Sinking fund balances	5,234	4,994
	17,191	34,055

17. Creditors: amounts falling due within one year

	2026	2025
	£000	£000
Trade creditors	1,861	1,867
Rents received in advance	2,204	2,035
Other taxes and social security	851	693
Maintenance sinking fund	5,221	4,863
Recycled capital grant fund (note 20)	-	12
Other creditors	1,443	1,667
Pension creditor	270	223
Accruals and deferred income	6,642	5,519
Amounts owed to subsidiaries	68	68
Loan interest and repayments (note 19)	-	-
Capital grant received in advance (note 22)	7,574	6,287
Refinancing loan asset	(258)	(88)
	25,876	23,146

18. Creditors: amounts falling due after more than one year

	2026	2025
	£000	£000
Loan interest and repayments (note 19)	154,000	140,000
Refinancing loan asset	(1,918)	(1,238)
Recycled capital grant fund (note 20)	342	181
Social housing grant (note 22)	20,730	14,856
	173,154	153,799

The financing loan issue costs are amortised over the life of the loans.

19. Debt analysis

Loans repayable by instalments:	2026	2025
	£000	£000
Within one year	-	-
In one year or more but within two years	-	-
In two years or more but within five years	14,000	-
In more than five years	140,000	140,000
Total loans repayable in more than one year	154,000	140,000
Total Loans	154,000	140,000

19. Debt analysis (continued)

At 31 March 2026 Magna had facilities of £290,000,000 (2025: £190,000,000) with a private placement note purchase agreement of £140,000,000, a Fixed Term facility with a two-year availability period of £70,000,000 with AIB and RCF’s with Nationwide and Barclays Bank totalling £80,000,000 (£40m with each lender). At 31 March 2026, £154,000,000 (2025: £140,000,000) had been drawn down, £14,000,000 of which is at variable rate. The full year average interest rate for all debt is 2.55%. The borrowings are secured by fixed charges over housing property assets.

	2026	2025
	£000	£000
At 31 March 2026 Magna had the following undrawn borrowing facilities	136,000	50,000
	136,000	50,000

20. Recycled capital grant fund

	2026	2025
	£000	£000
At the start of the year	193	393
Inputs: Grants recycled	239	-
Interest accrued	10	10
Recycling: New build	(100)	(210)
At the end of the year	342	193
Amount where repayment may be required within one year	0	12
Amount where repayment required after one year or more	342	181
	342	193



21. Contingent liability

During 2019/20 Magna purchased a block of flats, Raglan Lodge. As part of the agreement Magna agreed to accept the liability for the capital grant. This grant, valued at £240,798 only becomes repayable should Magna decide to sell the block of flats outside of the sector. This is not expected to happen and therefore the grant has not been accounted for but will remain a contingent liability.

22. Social housing grant

	2026	2025
	£000	£000
At the start of the year	21,143	20,130
Additions	7,488	1,180
Recycled on disposal	(116)	-
Amortised within statement of comprehensive income	(211)	(167)
At the end of the year	28,304	21,143
Creditors: Amounts falling due within one year	7,574	6,287
Creditors: Amounts falling due after one year	20,730	14,856
	28,304	21,143

Social housing grant (SHG) is receivable from the Homes and Communities Agency (HCA). Grant received for properties under construction is classified as a creditor due in less than one year. Once properties have been completed the grant is classified as a long-term creditor and amortised to the profit or loss for the period over the life of the properties’ structure.

23. Pension arrangements

Magna participates in three defined benefit pension schemes as an ‘Admitted Body’:

- The Local Government Fund (LGPS) administered by Dorset Council (DC);
- The Local Government Fund (LGPS) administered by Somerset Council (SC); and
- The Social Housing Pension Scheme (SHPS).

Magna closed these defined benefit pension schemes to new members on 1 October 2011 and introduced, in their place, a defined contribution scheme. The impact of the McCloud / Sargeant judgement is included in the LGPS disclosures. No adjustments have been included in light of the Virgin Media case, there is insufficient information to be able to quantify the potential impact.

Dorset County Pension Fund

Magna is a member of the Dorset County Pension Fund.

A full actuarial triennial valuation was completed as at 31 March 2022, using suitable methods, by a qualified independent actuary.

As at the 31 March 2026 there were 33 active members of the defined benefit (DB) Scheme (2025: 37) employed by Magna. The total pension cost for Magna for the year in respect of this Fund was £447,000 (2025: £470,000). The cost is assessed in accordance with advice from a qualified actuary. Employer’s contributions to the Fund of £24,473 (2025: £25,300) were included in creditors and paid after the year-end. The employer’s contributions certified by the actuary to the Fund in respect of the year ending 31 March 2026 were 520% (2025: 522%) of members’ contributions.

Somerset Council Pension Fund

Magna is a member of the Somerset Council Pension Fund. As at the 31 March 2026 there were 19 active members of the defined benefit (DB) Scheme (2025: 20) employed by Magna. The total pension cost for the year in respect of this Fund was £197,000 (2025: £215,000). The cost is assessed in accordance with advice from a qualified actuary. Employer’s contributions to the Fund of £16,490 (2025: £17,667) were included in creditors and paid after the year-end. The employer’s contributions proposed by the actuary to the Fund in respect of the year ending 31 March 2026 were 379% (2025: 358%), of members’ contributions.

23. Pension arrangements (continued)

Dorset and Somerset Pension Funds

The main financial assumptions adopted as at 31 March 2026 were:

	Both 2026	Both 2025	Both 2024
Financial assumptions (per annum)			
Retail price index inflation	3.3%	3.2%	3.3%
Consumer price Index	2.9%	2.9%	2.9%
Salary inflation	2.9%	2.9%	2.9%
Pension increases	2.9%	2.9%	2.9%
Discount rate	6.1%	5.8%	4.9%
Life expectancy (years)			
Males retiring today	22.3	21.8	21.8
Females retiring today	23.9	24.0	23.9
Males retiring in 20 years	23.9	23.1	23.1
Females retiring in 20 years	25.6	25.4	25.4

Magna’s share of the fair values of each main class of assets held by the Funds as at 31 March 2026 and the expected rates of return for the ensuing year are set out in the following table:

Fair Value:	2026	2025	2024
	£000	£000	£000
Equities	39,648	36,144	35,736
Gilts	517	519	576
Property	3,694	3,813	4,174
Bonds	4,482	4,407	4,312
Cash	1,287	1,300	1,258
Other	9,118	8,923	8,632
	58,746	55,106	54,688

Magna’s share of the net assets and liabilities of the Dorset and Somerset Council Pension Funds is set out below:

	2026	2025	2024
	£000	£000	£000
Share of assets	52,011	48,609	53,734
Share of estimated liabilities	52,014	48,611	(55,044)
Net deficit at 31 March	(3)	(2)	(1,310)

Amount charged to surplus

	2026	2025	2024
	£000	£000	£000
Current service cost	(371)	(451)	(475)
	(371)	(451)	(475)

23. Pension arrangements (continued)

Amount charged to other finance income

	2026	2025
	£000	£000
Interest on assets	3,138	2,636
Interest on pension scheme liabilities	(2,742)	(2,636)
Net charge	396	-

Actuarial gain/(loss) in respect of pension schemes

	2026	2025
	£000	£000
Return on assets less interest	2,345	(5,889)
Change in financial assumptions	(2,976)	7,003
Net gain/(loss)	(631)	1,114

The movement in the net deficit for the year to 31 March 2026 is as follows:

	2026	2025
	£000	£000
Fair value of scheme assets at 1 April	48,609	53,734
Interest on assets	3,138	2,636
Return on assets less interest	3,009	(346)
Other actuarial gains/(losses)	(50)	-
Administration expenses	(39)	(40)
Contributions by employer including unfunded	644	685
Contributions by fund participants	138	150
Changes in effect of asset ceiling	(614)	(5,543)
Estimated benefits paid	(2,824)	(2,667)
Fair value of scheme assets at 31 March	52,011	48,609
Defined benefit obligations at 1 April	(48,611)	(55,044)
Service cost	(371)	(451)
Interest cost	(2,742)	(2,636)
Change in financial assumptions	1,697	6,738
Change in demographic assumptions	(407)	137
Experience loss on defined benefit obligations	(4,266)	128
Estimated benefits paid net of transfer in	2,823	2,666
Contributions by scheme participants	(138)	(150)
Unfunded pension payments	1	1
Defined benefit obligations at 31 March	(52,014)	(48,611)
Net deficit at 31 March	(3)	(2)

23. Pension arrangements (continued)

Social Housing Pension Scheme (SHPS)

Magna participates in the social housing pension scheme, a defined benefit multi-employer scheme administered by TPT Retirement Solutions (TPT).

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

	2026	2025	2024
Retail price index inflation	3.3% per annum	3.0% per annum	3.1% per annum
Consumer price Index	3.0% per annum	2.8% per annum	2.8% per annum
Salary inflation	4.0% per annum	3.8% per annum	3.8% per annum
Discount rate	6.3% per annum	6.0% per annum	4.9% per annum
Life expectancy (years)			
Males retiring today	20.9 years	20.5 years	20.5 years
Females retiring today	23.2 years	23.0 years	23.0 years
Males retiring in 20 years	22.2 years	21.7 years	21.8 years
Females retiring in 20 years	24.6 years	24.5 years	24.4 years

Magna’s share of the fair values of each main class of assets held by the Funds as at 31 March 2026 and the expected rates of return for the ensuing year are set out in the following table:

Fair Value	2026	2025
	£000	£000
Absolute return	-	-
Alternative risk premia	-	-
Cash	1	90
Credit	284	254
Credit relative value	-	-
Currency hedging	-	11
Distressed opportunities	-	-
Emerging markets debt	-	-
Global equity	789	744
High yield	-	-
Infrastructure	-	1
Insurance-linked securities	11	20
Investment grade credit	419	205
Liability driven investment	2,172	2,012
Long lease property	-	2
Liquid alternatives	1,268	1,232
Net current assets	69	14
Opportunistic liquid credit	-	-
Private credit	860	813
Private debt	-	-
Private equity	15	6
Property	348	333
Real assets	671	795
Risk sharing	-	-
Secure income	216	111
	7,123	6,643

23. Pension arrangements (continued)

Magna’s share of the net assets and liabilities of the SHPS fund is set out below:

	2026	2025
	£000	£000
Share of assets	7,123	6,643
Share of estimated liabilities	(7,601)	(7,518)
Net deficit at 31 March	(478)	(875)

Amount charged to surplus

	2026	2025
	£000	£000
Current service cost	(83)	(94)
	(83)	(94)

Amount charged to other finance income

	2026	2025
	£000	£000
Interest on assets	405	342
Interest on pension scheme liabilities	(446)	(407)
Net charge	(41)	(65)

Actuarial gain/(loss) in respect of pension schemes

	2026	2025
	£000	£000
Return on assets less interest	(252)	(895)
Change in financial assumptions	317	1,150
Net surplus/(loss)	65	255

	2026	2025
	£000	£000
Fair value of scheme assets at 1 April	6,643	6,705
Interest on assets	405	342
Return on assets less interest	(252)	(895)
Contributions by employer including unfunded	467	615
Estimated benefits paid	(140)	(124)
Fair value of scheme assets at 31 March	7,123	6,643
Defined benefit obligations at 1 April	(7,518)	(8,282)
Service cost	(83)	(94)
Interest cost	(446)	(407)
Change in assumptions	317	1,150
Estimated benefits paid net of transfer in	140	124
Expenses	(11)	(9)
Defined benefit obligations at 31 March	(7,601)	(7,518)
Net deficit at 31 March	(478)	(875)

23. Pension arrangements (continued)

As at the 31 March 2026 there were 13 active members of the defined benefit (DB) Scheme (2025: 13) employed by Magna. The annual pensionable payroll for Magna in respect of those DB members was £643,600 (2025: £617,817).

The total pension cost for Magna for the year in respect of this DB Scheme was £93,322 (2025: £192,183). Employer contributions to the DB Scheme of £7,786 (2025: £15,999) were included in creditors and paid after the year end.

Magna closed this defined benefit pension scheme to new members on 1 October 2011 and replaced it with a defined contribution (DC) scheme. As at the statement of financial position date there were 437 active members (2025: 403). The annual pensionable payroll in respect of those DC members was £16,020,753 (2025: £14,040,028).

The total pension cost to Magna for the year in respect of this DC section of the Scheme was £1,747,633 (2025: £1,537,684). Employer contributions to the DC section of the Scheme of £152,201 (2025: £134,868) were included in creditors and paid after the year end.



24. Analysis of changes in net debt

	At beginning of the year	Cash flows	Non-cash movements	At end of the year
	£000	£000	£000	£000
Cash and cash equivalents	34,055	(26,837)	9,973	17,191
Housing loans due in one year	-	-	-	-
Housing loans due after one year	140,000	14,000	-	154,000
	174,055	(12,837)	9,973	171,191

25. Financial instruments

Financial instruments are analysed as follows:	Note	2026	2025
		£000	£000
Financial assets that are debt instruments at amortised cost			
Trade receivables	15	909	926
Other receivables	15	2,933	1,628
		3,842	2,554
Financial liabilities measured at amortised cost			
Bank loans	19	154,000	140,000
Trade creditors	17	1,861	1,867
Rent in advance	17	2,204	2,035
Sinking fund	17	5,221	4,863
Recycled capital grant	20	342	193
Social housing grant	22	20,730	14,856
Taxes and social security	17	851	693
Owed to subsidiaries	17	68	68
Other creditors	17	8,355	7,409
		193,632	171,984

26. Non-equity share capital

Allotted, issued and fully paid	2026	2025
	£000	£000
At 1 April	19	18
Shares of £1 issued during the year	2	2
Surrendered during the year	(5)	(1)
At 31 March	16	19

Each Member of Magna holds a non-equity share of £1 in Magna. They carry the right to vote at General Meetings of Magna on the basis of one share one vote. No rights to participate in the distribution of the net assets of Magna in the event of a winding up are conferred by the shares.

27. Capital commitments

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

	2026	2025
	£000	£000
Contracted	39,107	7,780
Authorised but not contracted	36,764	30,087
	75,871	37,867
Capital commitments will be funded by:		
Cash or drawings on agreed loan facilities	75,871	37,867

28. Operating leases

Magna holds properties, office equipment and vehicles under non-cancellable operating leases. At the end of the year Magna had commitments of future minimum lease payments as follows:

	2026	Restated 2025
	£000	£000
Land and Buildings:		
In less than one year	338	327
In one year or more but less than five years	1,208	1,192
In five years or more	1,047	1,280
Others:		
In less than one year	78	6
In one year or more but less than five years	141	7
In five years or more	-	-
	2,812	2,812

29. Accommodation owned and managed

Under development at the end of the year	No. of properties 2026	No. of properties 2025
General needs housing	230	92
Low-cost home ownership	125	37
	355	129

Social Housing	No. of properties 2026		No. of properties 2025	
	Owned	Managed	Owned	Managed
Under management at the end of the year				
General needs housing	6,145	5	6,130	-
Supported housing	253	-	254	-
Housing for older people	1,869	-	1,870	-
Shared ownership	371	5	266	-
Fixed equity for the elderly	16	-	-	-
Freehold Only	386	-	384	-
Total social housing units owned and managed	9,040	10	8,904	-

Non-social	No. of properties 2026		No. of properties 2025	
	Owned	Managed	Owned	Managed
General needs	37	-	37	5
Low-cost home ownership	-	-	79	5
Fixed equity	-	-	16	-
Market rented	25	-	25	-
Total housing units	9,102	10	9,061	10

Reconciliation of stock movements in the year	GN	SH	SU	LCHO	Other Social	Total
Units at start of period	6,172	1,870	254	350	425	9,071
New developments/acquisitions	19	-	-	32	-	51
Property sales/disposals	(4)	-	-	(8)	2	(10)
Other	-	(1)	(1)	2	-	-
Units at 31 March 2026	6,187	1,869	253	376	427	9,112

Garages	No. of units owned 2026	No. of units owned 2025
Under management at the end of the year		
Garages	1,322	1,322

Managed units represent properties we manage on behalf of The Buckland Newton Community Partnership Trust.
Accommodation managed by others (from Note 30) is included within the information above.

30. Accommodation managed by others

Magna owns/leases property managed by other bodies	No. of properties 2026	No. of properties 2025
	Managed	Managed
General needs - social	1	1
Market rented	25	25
Supported housing	60	60
	86	86

31. Related parties

Legal status

Magna Housing Limited is a public benefit entity.

Magna Housing Limited (‘Magna’) is the ultimate parent undertaking and controlling party of the Group. All bodies are incorporated in England and Wales. The registered office of the Group is Everdene House, Railway Triangle Industrial Estate, Dorchester, Dorset, DT1 2PJ.

Magna is the parent company and provides management and administration services to members of the Group who have agreed to pay for the cost of those services. None of these are consolidated on the basis of materiality.

Name	Incorporated	Registered/Non registered	Legal Status
Charter (S.W.) Limited *	Companies Act 2006	Non Registered	Private company limited by shares

* Charter (S.W.) Limited is a 100% owned subsidiary of Magna Housing Limited.

At the end of the financial year no (2025:0) Board member was a tenant of Magna.

The recharge for management and administration services from Magna to Charter (S.W.) Limited is a nominal charge to cover time spent by the Chief Executive and Finance Director on Charter (S.W.) Limited matters. Charges incurred during the year were £nil (2025: £nil).

Amounts charged by members of the Group during the year

	2026	2025
	£000	£000
Amounts charged from Magna to Charter (S.W.) Limited for management and administration	-	-

A summary of intra-group closing debtor and creditor balances

	2026	2025
	£000	£000
Charter (S.W.) Limited Intra-Group closing debtor and creditors Balances		
Debtors – amounts owed by group members	68	68
Creditors – amounts payable to group members	-	-

There is no interest charged on the outstanding balances and they are unsecured debt.



For more information visit
magna.org.uk