

Registered number: 07084201

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

Non-Executive Directors	S J Beamand G Cain (resigned 31 December 2025) A Edwards (resigned 31 December 2025) M Shields M Jolly (Chair of the Audit and Risk Committee) S Khaira (Chair of the Board) S Piercy (Chair of the Tenant Engagement & Empowerment Committee) S E Woodall (Chair of the Remuneration Committee) A J Inman (appointed 18 December 2025) A Papathos (appointed 20 March 2026)
Executive Directors	I R MacGregor - Chief Executive Officer S Egan - Transformation Director (resigned 16 April 2026)
Company Secretary	S Egan (resigned 16 April 2026) W J Flood (appointed 16 April 2026)
Registered number	07084201
Regulator of Social Housing Registration Number	4687
Registered office	1A and 1B Greenfield Crescent Birmingham B15 3BE
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Solicitors	Anthony Collins 134 Edmund Street Birmingham B3 2ES Devonshires 37 Temple Street Birmingham B2 SDP
Bankers	Barclays Bank PLC 1 Churchill Place Canary Wharf London E14 SHP

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Directors' report	1 - 7
Value for money self-assessment	8 - 14
Independent auditor's report	15 - 18
Statement of comprehensive income	19
Balance sheet	20
Statement of changes in equity	21
Statement of cash flows	22
Analysis of net debt	23
Notes to the financial statements	24 - 38

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2026

The Directors present their report and the financial statements for the year ended 31 March 2026.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A qualifying third-party indemnity provision is in place for Directors and officers of the Company.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors

The directors who served the Company during the year are shown on page 1.

We are delighted to report that we have operated with a stable and committed Board for the period. In line with the NHF code of Governance we have reviewed our Board and Executive succession strategy with regards to the skills needs of the organisation, future retirement dates, and strategy needs for 2026 onwards. To support our Board succession and to enable Board retirement in line with the NHF Code of retirement after 6 years of service, we continue to actively recruit Board members with experience and know how to allow Sustain develop. We are pleased to welcome Alison Inman to our Board this January an experienced Housing sector NED and also to Argiri Papathos, a governance specialist, who joined in March. We said farewell to Andrew Edwards and Gregory Cain who both stood down from the Board on 31 December, 2025.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

Stability

The year has seen a very stable organisation, with low staff turnover, and high staff morale. Whilst we have completed our planned drop in the number of Home Providers in Birmingham, we have replaced these numbers with high quality partners in the wider Midlands area and now operate in Local Authority areas across the East and West Midlands. The Company Secretary resigned but was immediately replaced.

Innovation

We have continued our innovation of service this year.

We have continued to develop effective and robust systems to respond and listen to our tenants, allowing us to meet the Consumer Standards, and maintain our Tenant Survey Metric (TSM) & Consumer Standard performance. In relation to our Tenants, we continue to innovate through the highly effective 'Friends of Sustain' - a natural progression from the Tenant Forums.

We have recognised the need to rationalise the oversupply of exempt accommodation in the Birmingham City Council area - which now stands at over 33,000 beds, to this end we have not increased our Home Supplier base but focused on reducing void levels and delivering quality accommodation and support. We have listened to our tenants in what service improvements we can make and have developed move-on options with the DWP. We have engaged Local Authorities and are helping them with the reform of this sector and welcome the new Licensing System which will come into place as a result of The Supported Housing Regulatory Oversight Act 2023.

Further to this, we have progressed diversifying our business model to meet our tenants needs, looking at options such as; property purchase, development, conversion of void stock into much needed family homes, supporting the DWP in innovative move-on to work accommodation solutions, and partnering with other organisations who provide social support services in addition to homelessness prevention.

Improvement

This year has seen Sustain continue to improve its services, we have engaged locally with Birmingham City Council's (BCC) Inspection Teams. We have continued to support the BCC backed 'Q' Mark for Supported Exempt Accommodation and have been provisionally awarded a Silver Grading for the standard of our services. In line with the RSH Consumer Standards and the 'Q' Mark Sustain has delivered continual high standards of service, this being reflected in relatively low numbers of complaints and in a very high level of satisfaction shown in responses to our Tenant Survey (see below Consumer Standards Results).

To support our improvement and innovation, we have continued to develop our Board; through training, key strategy development sessions, the use of external assurance lines such as Independent Internal Audits, and through reviews of our activities to ensure they meet Regulator of Social Housing (RSH) compliance needs and sector-wide best practice.

To allow for the Board to maximise its effectiveness and allow for detailed scrutiny and reporting, it has been supported by three Committees which meet quarterly, these comprise:

The Audit and Risk Committee - Chaired by Mike Jolly, focused on: the Risk Management framework; financial reporting; financial controls; On-boarding and new supply/diversification; prudent management of reserves; and, Internal and External audit and assurance.

The Remuneration Committee - Chaired by Sara Woodall, succeeding from Andrew Edwards, focused on: Director and Executive succession planning and skills; recruitment and reward; Staff & Board development and planning; and, Executive, Board and Staff Pay.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

The Tenant Engagement & Empowerment Committee - Chaired by Sian Piercy, focused on: Complaints Reporting; the Tenant Engagement Strategy; Consumer Standards; and, BCC relations.

Value For Money

During the year, as detailed in our "Value for Money Self-Assessment", Sustain continued to deliver good Value for Money (VfM) for its Tenants and Home Providers compared to its peer group. Critically our costs per unit remain low when compared to our peers, and satisfaction with our services has improved as shown through our Tenant Survey Results.

Value for Money for Tenants and the Public Purse was a key factor in producing Rent and Service Charge annual increases below potential maximum levels available in all of the last 4 years in our bids to Birmingham City Council under the fixed service charge regime

A full Value for Money report is included in the Annual Report showing Sustains performance across key metrics for the sector.

Regulatory Engagement

It is disappointing to report that Sustain was downgraded by the Regulator for Social Housing (RSH) to G3/V3 in July 2025.

In order to recover, Sustain has allocated sufficient resources to commit to an action plan designed to restore the business to full compliance by July 2027. We are actively engaging with the RSH on a regular basis and immediately commenced a Rapid Assessment programme of all of business processes in August of 2025, which resulted in an Improvement Action Plan (IAP) being adopted by the Board in late Autumn 2025. We have recruited more staff including experienced Governance professionals and are on track to hopefully complete our journey by the middle of next year.

The process of achieving full compliance has been embraced fully by the Board and they are in full control of the oversight of the project.

The Directors present the financial statements for Sustain (UK) Ltd ("Sustain") for the year ended 31 March 2026. To report that the business has shown a steady turnover contributing to a strong balance sheet which allows us to plan and build/develop our services for tenants whilst maintaining future viability.

At the end of the financial year, we had the bed capacity available to support 1,702 vulnerable adults across Birmingham down from 1,783 in 2024/2025.

Strategically, the Board has concentrated on ensuring quality of accommodation and service provision within the context of providing value for money and meeting the Regulators concerns relating to the Sector, whilst at the same time delivering a Stress-Tested Business Plan which will allow Sustain to develop services for its tenants in the future.

We have removed a number of poorly performing operations from our business and sought to replace them with better quality property and support from both existing and newer Home Providers, this has resulted in a drop of numbers of tenants being supported.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

The Business Plan for the coming five years has a number of key strategic aims, these being:

1. Achieve Regulatory Excellence
2. Deliver Sustainable Growth
3. Strengthen Financial Resilience
4. Improve Tenant Outcomes and Service Quality
5. Build an Effective and Scalable Organisation

Whilst controlling and mitigating the key risks faced by Sustain and reported upon within our Risk Management Framework.

Our Business Plan and Strategy comply with the 2020 NHF Code of Governance, the Board can report that by 31st March 2026 Sustain complied with all four core principles – having a clear Mission and Values, A Clear Strategy and Delivery Plan, an effective Board to Monitor and Control Sustain, and a Functioning Board and Risk Control Framework which provided for good control and assurance on Sustain's activities. The Board has carried out a self-assessment against the standard and can report no areas of non-compliance.

Future Prospects

A New Business Plan for the period 2026-2031 was developed and adopted by the Board in May 2026, the Plan sets out our strategic aims as noted above.

Our plan will see Sustain continue to develop the quality of our offering to our tenants and home providers, grow high quality supply in a prudent fashion, and diversify our offering to further support our tenant cohorts needs

The plan has been stress-tested against the risks facing Sustain, this has been reviewed by the Board, who are assured that Sustain can deliver the Plan and has the financial strength to deal with any risks that may emerge.

The Board is pleased to report that the financial viability of the business remains strong despite a recent downgrade to Viability Rating. Our reserves stand at over £4.9m. These reserves are prudently managed, and are sufficient to support our future business plans, to mitigate risk costs if they materialise and to support investment to gain compliance and improve our services.

This financial strength will allow us to continue to invest in improving our services, our IT, development of our staff base and make investment in initiatives supporting tenants in line with our aims. The Board are also investigating and progressing diversification projects in areas that we feel will improve the wellbeing for many of our vulnerable tenants.

Once Sustain achieves its most pressing aim of Regulatory Compliance, the Board is committed to growing the Business in a prudent fashion through growth in existing services and investing in relevant diversification projects which meet our social purpose.

As part of the Business Plan, we are committed to continuing substantial investment for the future in our IT and Staff, and to support transforming Sustain to allow it to be compliant with all seven Regulatory standards. This Plan also supports our aim to be a leader in Birmingham and the wider area in delivering state-of-the-art & relevant supported living solutions and pathways for our vulnerable tenants.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

Remuneration Report

Remuneration and Performance of Executives and Non-Executives is carefully considered by the Board and it's Remuneration Committee (Remcom) through the year.

The details of the revised remuneration for Key Management Personnel are set out in detail in Note 10 to the accounts.

	2026	2025
Executive		
Salaries and Wages, including pension contributions	501,252	489,996
Non-Executive Directors	84,121	61,649
Total	<u>585,373</u>	<u>551,645</u>

Emoluments paid to the highest paid Directors (CEO)

Excluding Pension Contributions	130,385	127,818
---------------------------------	---------	---------

Statement of Compliance with the Regulatory Standards

The Board confirms that Sustain has complied with all relevant legislation, and in relation to the RSH Governance, Viability & Consumer Standards, areas of non – compliance have been identified and plans to ensure compliance have been enacted.

We can report that the company has continued the work of gaining compliance with the Regulatory Standards at pace and have liaised and engaged with the RSH.

We have adopted the 2020 NHF Code of Governance and can report that by 31st March 2026 we are compliant across all four of its Core principles. No areas of non-compliance with the Code during the financial year have been identified, but areas of improvement have been identified and reported to Board.

As part of our commitment to the Consumer Standards our Tenant Engagement & Empowerment Committee has continued to develop our tenant-centric ethos, which will allow the Board to further focus, direct and ensure that Sustain continues to improve services and deliver to Tenants through a resourced and reported-upon Tenant Engagement Strategy. We have reported and published our performance through the year (see below published metrics) and are delighted to inform that we continue to maintain our high-level of performance. The year has seen us run an active and successful tenant engagement programme, with several tenant-led events. Tenants are becoming increasingly involved with Sustain's service design and were actively involved in the design of the current Tenant Engagement Strategy.

In 2024 we adopted the new Housing Ombudsman Complaints Handling Code, and we have published our Complaints Handling Self-Assessment and our Performance during the year. We continue to deliver rapid, effective and compliant responses to complaints and have adopted and implemented an innovative tenant-centric 'issues to complaint' process.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

During the year we have actively encouraged and participated in Birmingham City Council's Inspections Regime, we continue to engage with the BCC Registration and certification scheme, received a provisional Silver Grade in the Quality Charter Mark, which will help set the standards expected for providers in the region. We have contributed to the Local Supported Exempt Accommodation forum associated with this scheme. We intend to be active in developing and promoting the new local licensing scheme whenever it is launched

Statement of Compliance with the Companies Act 2006

The Company has chosen, in accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the Company's Directors' Report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

Results and dividends

The profit for the year, after taxation, amounted to £192,633 (2025 - £516,488).

There were no dividend declared or paid during the year.

Directors

The Directors who served during the year were:

S J Beamand
G Cain (resigned 31 December 2025)
A Edwards (resigned 31 December 2025)
M Shields
M Jolly (Chair of the Audit and Risk Committee)
S Khaira (Chair of the Board)
S Piercy (Chair of the Tenant Engagement & Empowerment Committee)
S E Woodall (Chair of the Remuneration Committee)
A J Inman (appointed 18 December 2025)
I R Macgregor
A Papatthos (appointed 20 March 2026)

S Egan - Transformation Director (resigned 16 April 2026)

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

This report was approved by the board and signed on its behalf.



S Khaira (Chair of the Board)
Chair

Date: 16/09/2026

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

Value for money self-assessment
FOR THE YEAR ENDED 31 MARCH 2026

1. Background

In 2018, the Regulator for Social Housing (RSH) published a new Value for Money (VfM) Standard. Since then, there have been various updates, the latest being a 'Value for Money metrics – technical note guidance published on 5 June 2026.

The reporting required in the annual accounts of Registered Providers (RP) is focused on a minimum of seven VfM metrics, two with sub metric sections, along with performance measured against their own chosen VfM targets by which they demonstrate economy, efficiency and effectiveness. The metrics provide a tool for RPs to demonstrate that they are making best use of their assets and resources to stakeholders, including tenants and the Regulator. Measurable plans to address any areas of underperformance must also be published which clearly state any areas where improvements would not be appropriate and the rationale for this.

In addition, the Board has monitored and benchmarked Executive and Director Pay and rewards, which are dealt with in terms of outlining the processes and final reporting which support Note 10 of this year's accounts. The Remuneration Committee has considered levels and benchmarked these against sector equivalents.

Not all the RSH defined metrics are relevant to Sustain's lease-based business model, e.g. EBITDA interest cover, gearing/ROCE (see below). Sustain does not own the properties used to accommodate its tenants and it does not currently engage in borrowing or finance lease arrangements to fund its operations. We operate a zero-liability lease base model (with just 4 units retained on three-year leases – see note 17). We have adapted the metrics in calculating our own performance KPI's, whilst still keeping to the 'spirit' of the RSH definitions. The RSH metrics report acknowledges this as acceptable practice.

In the past we have reported our VfM metrics in our Annual Report and Financial Statements which are made available to the public each September. We will continue to report this in September 2026 upon publishing of the Annual Report. In addition, we return our VFM figures through NROSH reporting and these are published by the RSH.

2. Current position and performance

Sustain has reported in its financial statements that its turnover in the year 2025/26 has reduced from £19.69m to £19.06m due to reducing Housing Provider numbers. We have effectively and responsibly managed the bed capacity to support approximately 1,702 vulnerable adults across Birmingham, whilst decreasing capacity of beds via rationalisation to ensure higher quality accommodation and support within the remaining estate.

Sustain is actively working towards continued compliance against the Governance & Viability standards whilst developing and maintaining a tenant-centric approach to service delivery, producing high consumer standards results.

Sustain believes in offering the best Value for Money it can whilst delivering a quality and meaningful service to our Tenants and Home Providers. The last year, despite seeing a drop in bed numbers, has seen Sustain deliver greater efficiencies in its cost base whilst delivering on key investments such as improving our IT infrastructure at below target costs, this has allowed Sustain to maintain a competitive headline Social Cost Per Unit. In addition, we believe in providing value to our suppliers, increasing our fee to our Home Providers for increased services at below inflation levels.

This has resulted in our overall operating margin dropping by 1.9% to 0.4% which is the lowest in peer group analysis.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

3. RSH Vfm Metrics - Sustain's Future Vfm Plans

During the last 12 months Sustain has continued to develop its systems to more accurately reflect and validate both rent and service charge costs, thus allowing us to deliver the right services at the correct cost to our tenants. We work closely with Birmingham City Council (BCC) and other Local Authorities to ensure we can deliver the best Value for Money for the public purse.

A recent Freedom of Information request has shown that Sustain's average Rent and Service Charge claim to BCC falls well below the average claim that BCC pays across its portfolio of some 29,000 EHB claims each week in the city. The BCC average at April 2026 was £323.88 compared to Sustain's average claim of £275.96. Over the coming year we will be looking very closely at these figures as whilst our operating margins are amongst the lowest in the sector at just 0.4% for 2025/26, we are conscious of the effects that the cost of living crisis is having on our Managing Agents, coupled with a substantive rise in Market Rents over the last couple of years due to the lack of available housing in the city.

We are using an on-boarding system that we have developed in-house over the last couple of years to ensure that we can develop a pipeline of quality suppliers that can work with Sustain to increase the quality provision available not just in Birmingham and its surrounding areas but also further afield.

As part of Tenant Engagement Strategy, we communicate our VFM metrics to our tenants and provide them with meaningful forums and methods to influence Sustain's future activities that effect VFM for them.

4. Other Vfm Key Performance Indicators & Benchmarking our Vfm Performance

This year we have continued to work with Housing Quality Network (HQN) to benchmark our Value for Money performance metrics against our peers and across the sector, so that we can more clearly demonstrate our levels of performance. This benchmarking exercise involved looking at data available from 9 Registered Providers (RP) that provide similar specialisations to Sustain and who in total provided 21,110 units in 2024/25.

The Board have continued to further conduct an exercise in relation to information on suppliers in the BCC area whether they be Registered Providers or not, to assure themselves of Sustain's performance results.

The VFM metrics are reviewed by The Board, and in particular the Tenant Engagement & Empowerment Committee and Audit and Risk Committee and are used as part of the toolbox for the Board to review performance and develop meaningful Business Planning and Strategies to improve our service offering to Tenants and Home Providers.

The Key findings of this year's benchmarking exercise are as follows:

- Sustain's headline cost per social housing unit rent for social housing lettings in 2025/26 was £11,534, compared to £11,091 in 2024/25. As compared to our peer group's -including Sustain - headline cost per social housing unit of £15,979 in 2024/25.
- Sustain's Social Housing Operating Margin for 2025/26 was 0.4% the weighted average for the peer group in 2024/25 was 4.3% and the highest margin was 18.9%. Although Sustain has lower margins than those generally in the Supported Accommodation Sector, it is committed to investing in innovation and improving its services, it is also committed to providing good VFM.
- Sustain has a unique Tenant Engagement Strategy, involving communicating our VFM metrics to our tenants, and provide them with meaningful forums and methods to influence Sustain's future activities that will affect VFM for them including co-production of the Tenant Engagement Strategy which feeds into our business planning and strategy processes.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

- Any diversification & growth investment is strictly planned, modelled and monitored.

5. RSH VfM Metrics – Sustain’s Results

Measure	2024/25	2025/26	Movement
Metric 1 – Reinvestment %. This metric looks at the investment in properties, existing stock as well as new supply, as a percentage of the value of total properties held. Comment Sustain does not currently purchase or carry out capital works to existing properties	N/A	N/A	N/A
Metric 2a – New supply delivered. This metric sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total social housing units owned at period end Comment Sustain does not own any units hence this measure does not apply. There has been a rationalisation of the leased units in management, as we have focused on increasing the quality of accommodation and support, as a result the number of social housing units in management reduced by 262 in 2025/26.	N/A	N/A	N/A
Metric 2b – New Supply Delivered Non-Social Units This metric sets out the number of new non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end Comment Sustain does not own any units hence this measure does not apply. During the year 181 tenancies at above social rent rates were brought onboard.	N/A	N/A	N/A
Metric 3 – Gearing %. This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider’s appetite for growth. Comment Sustain’s operating model does not currently have any debt	N/A	N/A	N/A
Metric 4 – EBITDA (MRI) Interest Cover %. This is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates against interest payments. Comment Sustain has no borrowing so no interest was paid in 2025/26.	N/A	N/A	N/A
Metric 5 – Headline social housing cost per unit. RSH sector median for 2024/25 was £5,688 Sustain’s 2025/26 peer group average was £15,979. Comment Sustain’s figure is higher than the sector median but it reflects the fact that we provide services to supported housing units but do not run the projects directly. As a result, we invest in a very effective Inspection regime which ensures better quality of both housing stock and support to vulnerable individuals. It also ensures that we quickly identify poorly performing Home Providers and replace/improve them with better quality property and support from existing and new Home Providers.	£11,091	£11,534	+£443 / +3.99%

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

Measure	restated 2024/25	2025/26	Movement
Metric 6a – Operating Margin % Social (assuming all stock is social) This metric demonstrates the profitability of operating assets before exceptional expenses are taken into account	2.4%	0.4%	-2.0%
Metric 6b – Operating Margin % Overall Reducing margins reflects reduced number of units due to quality drive combined with increased compliance costs and reflects our purpose of quality whilst keeping costs as low as possible for tenants.	2.4%	0.4%	-2.0%
Metric 7 – Return on capital employed % This metric compares operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. Comment This figure fluctuates as Sustain does not employ capital in the traditional sense, so this is the operating surplus divided by the net assets in the balance sheet. This reduction is due fewer homes in management and a subsequent drop in the surplus.	9.7%	1.4%	-8.3%

6. Sustains VFM Performance Versus our Peers – In Depth

The peer group organisations are detailed below:

- Advance Housing and Support Ltd
- Bournemouth Churches Housing Association Limited
- Brunelcare
- Golden Lane Housing Ltd
- Inclusion Housing Community Interest Company
- Look ahead Care and Support LTD
- Salvation Army Housing Association
- St Mungo Community Housing Association
- YMCA St Pauls Group

These peers have been chosen on the basis that they are Regulated by the RSH and deliver at least 50% of their services to homes classed as Supported Housing. In total the peer group manage 21,110 homes.

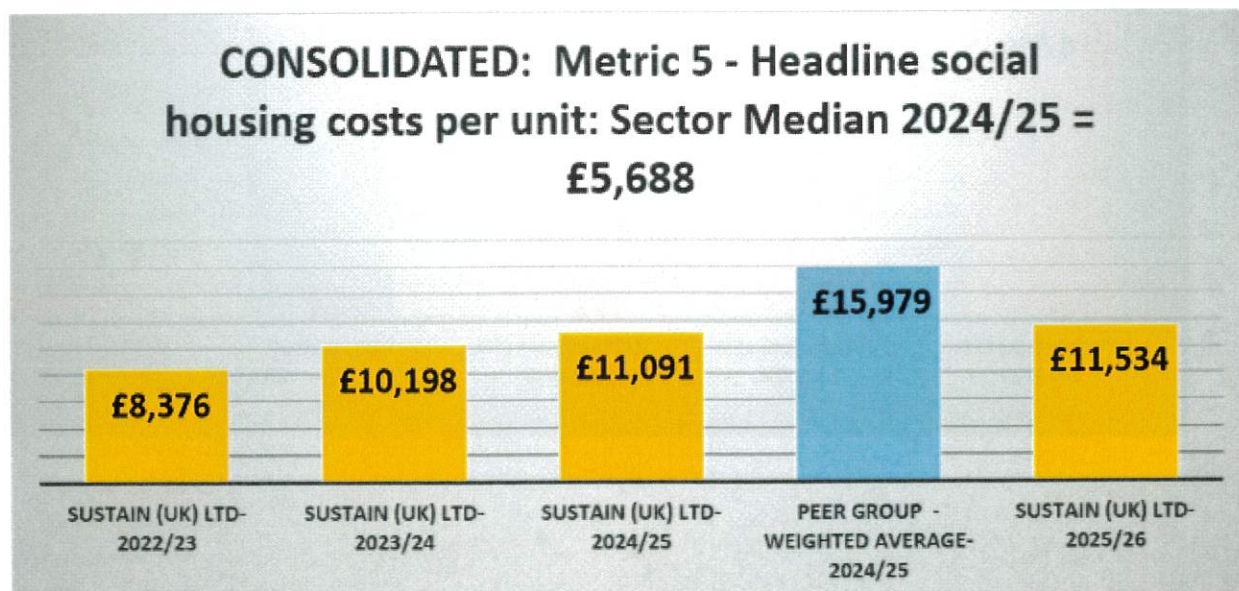
The table shows Sustain's VFM metrics for the last 4 years and compares that performance with peer group's average figures and the median figures for the sector.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

Metric	Sustain 2022/23	Sustain 2023/24	Sustain 2024/25	Peer weighted average 2024/25	Sustain 2025/26	Sector median 2024/25
Total social housing units owned/managed	2,038	1,852	1,684	22,794	1,422	2,909,430
Metric 1 – Reinvestment	N/A	N/A	N/A	5.4%	N/A	7.5%
Metric 2a – New supply delivered (social)	N/A	N/A	N/A	0.7%	N/A	1.3%
Metric 2b – New supply delivered non-social	N/A	N/A	N/A	0.00%	N/A	0.00%
Metric 3 – Gearing %	N/A	N/A	N/A	-0.6%	N/A	45.5%
Metric 4 – EBITDA (MRI)	N/A	N/A	N/A	186.5%	N/A	112.9%
Metric 5 – Headline social housing costs per unit	£8,376	£10,198	£11,091	£15,979	£11,534	£5,688
Metric 6a – Operating margin (SHL) %	4.5%	3.7%	2.1%	6.2%	0.4%	20.0%
Metric 6b – Operating margin (Overall) %	4.5%	3.7%	2.3%	4.3%	0.4%	17.4%
Metric 7 – ROCE	22.4%	17.0%	9.7%	3.5%	1.4%	3.0%

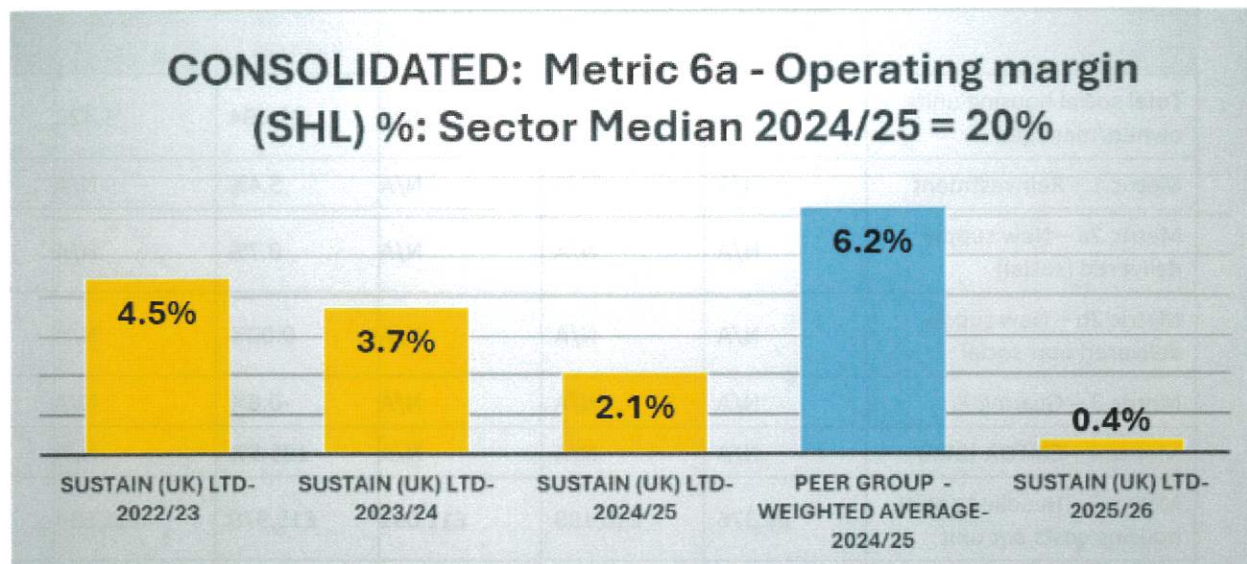
The graphs below show Sustain's key VfM metrics over the last 4 years and how its performance compares to its peer group – comparison data is only available for 2024/25.



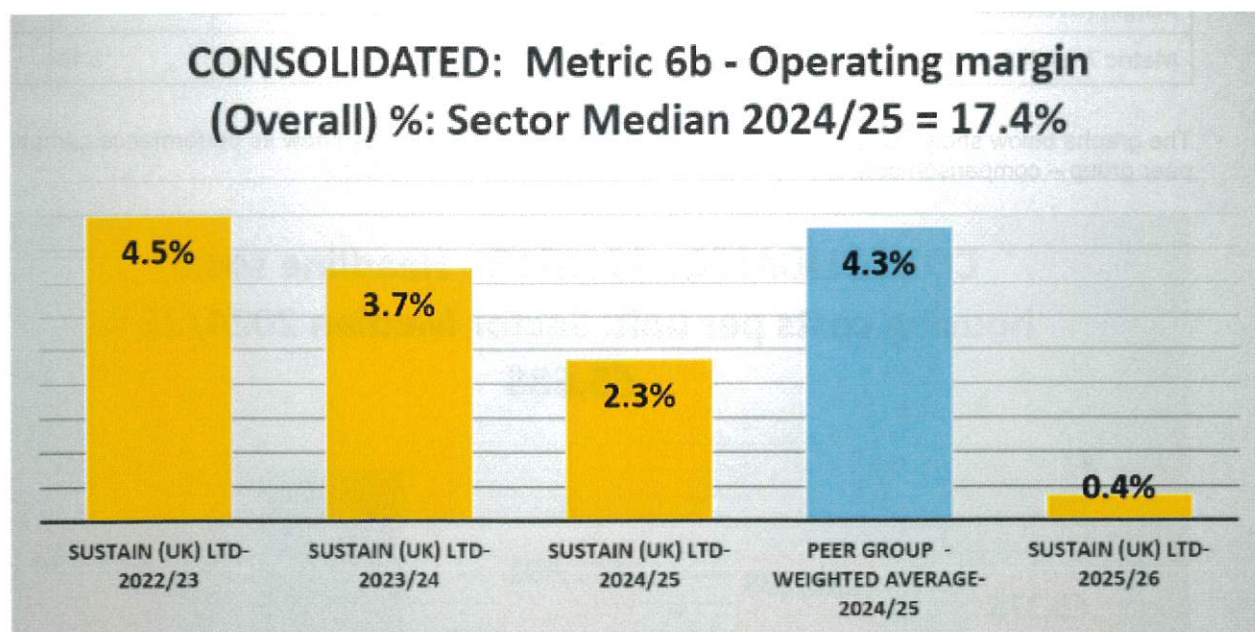
SUSTAIN (UK) LIMITED
(A company limited by guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

Sustain's operating costs increased by £443 per unit (+3.99%) but it is significantly lower than the weighted average for the peer group.



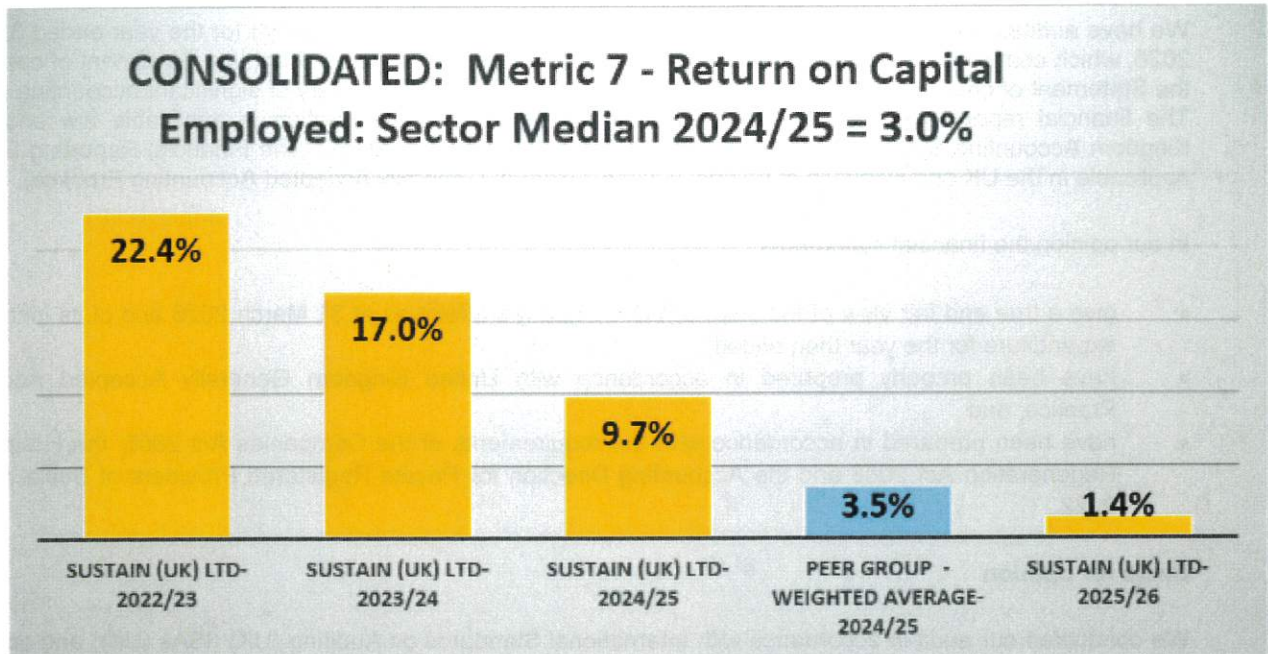
Sustain's Social Housing operating margin has been falling for a number of years and is much lower than the peer group's weighted average.



SUSTAIN (UK) LIMITED
(A company limited by guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

Due to the overall number of beds in management reducing by 81 the surplus has reduced.



Sustain has net assets of £4.9m but due to reduction in bed spaces the overall surplus has reduced in 2025/26.

Approved by the Board of Directors on 16th September 2026 and signed on its behalf by:


.....
Mr S Khaira
Chair

Date: 16/09/2026

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUSTAIN (UK) LIMITED

Opinion

We have audited the financial statements of Sustain (UK) Limited (the 'Company') for the year ended 31 March 2026, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Company'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 Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Emphasis of matter - Regulatory engagement

We draw attention to note 20; Regulatory Engagement which describes the non-compliance with the Regulator of Social Housing's governance and viability standards as well as the continued engagement with the Regulator in order to deal with failings by the Company in delivering the outcomes of the Rent Standard.

Our audit opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

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

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUSTAIN (UK) LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUSTAIN (UK) LIMITED (CONTINUED)

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 obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be in the following areas: timing of recognition of income; the override of controls by management, including posting of unusual journals; inappropriate treatment of non-routine transactions and areas of estimation uncertainty.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review and discussion of non-routine transactions, sample testing on the posting of journals and income transactions and review of accounting estimates for biases.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUSTAIN (UK) LIMITED (CONTINUED)

Use of our report

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

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill

London

EC4M 7JW

Date: 24.09.2026

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026**

	Note	2026 £	2025 £
Turnover	4	19,059,167	19,696,096
Cost of sales	4	(16,716,254)	(17,277,630)
Gross surplus	4	2,342,913	2,418,466
Administrative expenses		(2,271,547)	(1,953,563)
Operating surplus	7	71,366	464,903
Interest receivable and similar income	11	185,634	223,749
Surplus before tax		257,000	688,652
Tax on surplus	12	(64,367)	(172,164)
Surplus for the financial year		192,633	516,488

There was no other comprehensive income for 2026 (2025:£NIL).

The notes on pages 24 to 38 form part of these financial statements.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 07084201

BALANCE SHEET
AS AT 31 MARCH 2026

	Note	2026 £	2025 £
Fixed assets			
Intangible assets	13	63,500	71,354
Tangible assets	14	1,262	1,485
		<u>64,762</u>	<u>72,839</u>
Current assets			
Debtors: amounts falling due within one year	15	703,146	496,616
Cash at bank and in hand		5,094,110	4,975,367
		<u>5,797,256</u>	<u>5,471,983</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(887,435)	(760,790)
Net current assets		<u>4,909,821</u>	<u>4,711,193</u>
Total assets less current liabilities		<u>4,974,583</u>	<u>4,784,032</u>
Provisions for liabilities			
Deferred tax	18	(15,572)	(17,654)
Net assets		<u>4,959,011</u>	<u>4,766,378</u>
Capital and reserves			
Designated reserves		3,000,000	3,000,000
Income and expenditure reserve		1,959,011	1,766,378
		<u>4,959,011</u>	<u>4,766,378</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



S Khaira (Chair of the Board)
Director

Date: 16/09/2026

The notes on pages 24 to 38 form part of these financial statements.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2026**

	Designated reserves £	Income and expenditure reserve £	Total equity £
At 1 April 2024	3,000,000	1,249,890	4,249,890
Comprehensive income for the year			
Surplus for the year	-	516,488	516,488
At 1 April 2025	3,000,000	1,766,378	4,766,378
Comprehensive income for the year			
Surplus for the year	-	192,633	192,633
At 31 March 2026	3,000,000	1,959,011	4,959,011

The notes on pages 24 to 38 form part of these financial statements.

The designated reserve is a fund being built up to cover all and any future identifiable risks to the business.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	2026 £	2025 £
Cash flows from operating activities		
Surplus for the financial year	192,633	516,488
Adjustments for:		
Amortisation of intangible assets	20,688	15,360
Depreciation of tangible assets	223	677
Loss on disposal of tangible assets	-	(3,163)
Interest received	(185,634)	(223,749)
Taxation charge	64,367	172,164
Increase in debtors	(206,530)	(26,636)
Increase in creditors	211,796	18,408
Corporation tax paid	(151,600)	(207,634)
Net cash generated from operating activities	<u>(54,057)</u>	<u>261,915</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(12,834)	(50,700)
Sale of tangible fixed assets	-	4,560
Interest received	185,634	223,749
Net cash from investing activities	<u>172,800</u>	<u>177,609</u>
Net increase in cash and cash equivalents	<u>118,743</u>	<u>439,524</u>
Cash and cash equivalents at beginning of year	4,975,367	4,535,843
Cash and cash equivalents at the end of year	<u><u>5,094,110</u></u>	<u><u>4,975,367</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>5,094,110</u></u>	<u><u>4,975,367</u></u>

The notes on pages 24 to 38 form part of these financial statements.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2026

	At 1 April 2025 £	Cash flows £	At 31 March 2026 £
Cash at bank and in hand	4,975,367	118,743	5,094,110

The notes on pages 24 to 38 form part of these financial statements.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

1. General information

Sustain (UK) Limited is a not-for-profit company limited by guarantee and registered in England and Wales, registration number 07084201. The registered office is 1A and 1B Greenfield Crescent, Birmingham, B15 3BE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are prepared on the historical cost basis of accounting and are presented in sterling £, which is the functional currency of the Company.

The financial statements have been prepared in compliance with FRS 102. In complying with FRS 102 the Company meets the definition of a public benefit entity.

2.2 Going concern

The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis based on the Company's business plan, which has been subjected to stress tests including the impact of the current uncertain economic climate.

2.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Turnover represents enhanced housing benefit received from Birmingham City Council, Charnwood Borough Council, City of Wolverhampton Council and Wyre Forest District Council. Income is recognised when the Income can be reliably measured and it is probable that future economic benefits will flow to the Company.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

2. Accounting policies (continued)

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Computer Software	-	25 % Reducing balance
-------------------	---	-----------------------

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Office equipment	-	15%
------------------	---	-----

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Property managed for others

The Company manages properties on behalf of a number of non-registered Supported Accommodation Providers. The Company receives a fixed management fee per week per tenant before paying the residual balance over to the non-registered Supported Accommodation Providers..

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

2. Accounting policies (continued)

2.12 Financial instruments (continued)

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

2.13 Employee benefits

When employees have rendered service to the Company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

3. Judgements in applying accounting policies 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 balance sheet 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.

Contractual obligations and management agreements

The Company operates a leased-based model which allows it the exclusive use of a Home Provider's property, usually for a minimum of 3 years, with no financial obligation. This model reduces Sustain's financial risk to zero, as the obligation to maintain the property and ensure that all of the correct services are provided for each vulnerable adult tenant lie with the Home Provider. The maintenance and services provided are verified by Sustain on a regular basis through its Inspections regime.

For each property there is a Management Agreement in place which lays out the obligations of both parties-Sustain and the Home provider-in detail.

As part of that Management Agreement, Sustain has an obligation to administer Housing Benefit on behalf of each of its vulnerable tenants, and to pass over to the Home Provider that portion of the Housing Benefit, once it has been received by Sustain, that allows that Home Provider to fulfil their duties and obligations to the tenant as prescribed in the Management Agreement.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

3. Judgements in applying accounting policies (continued)

The Company has reviewed its management agreements and concluded that all current agreements do not meet the criteria of an operating lease.

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated economic useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future Investments, economic utilisation and the physical condition of the assets.

4. Particulars of turnover, operating expenditure and operating surplus

	<u>2026</u>		
	Turnover £	Operating expenditure £	Operating surplus £
Social housing lettings (see note 5)	16,459,289	(16,401,720)	57,569
Activities other than Social Housing (see note 6)	2,599,877	(2,586,080)	13,797
Total	19,059,166	(18,987,800)	71,366

	<u>2025</u>		
	Turnover £	Operating expenditure £	Operating surplus £
Social housing lettings (see note 5)	19,068,875	(16,719,604)	2,349,271
Activities other than Social Housing (see note 6)	627,221	(558,026)	69,195
Total	19,696,096	(17,277,630)	2,418,466

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

5. Social housing lettings

	Supported accommodation £	Total 2026 £	Total 2025 £
Income			
Rent receivable net of identifiable service charges	5,724,541	5,724,541	6,442,651
Service charge income	10,734,748	10,734,748	12,626,224
Total turnover from social housing lettings	<u>16,459,289</u>	<u>16,459,289</u>	<u>19,068,875</u>
Operating expenditure			
Payments to supported living specialists	(14,440,038)	(14,440,038)	(16,719,604)
Management costs	(1,961,682)	(1,961,682)	(1,956,726)
Total operating expenditure on social housing lettings	<u>(16,401,720)</u>	<u>(16,401,720)</u>	<u>(18,676,330)</u>
 Operating surplus on social housing lettings	 <u>57,569</u>	 <u>57,569</u>	 <u>392,545</u>

6. Turnover from non-social housing lettings

	2026 £	2025 £
Market renting	<u>2,599,877</u>	<u>627,221</u>

7. Accommodation

The Company manages properties on behalf of a number of non-registered supported Accommodation Providers.

	2026	2025
Social housing accommodation managed for others - bed units	1,422	1,684
Non-social housing units managed for others - number of units	<u>280</u>	<u>99</u>

The Company does not own any housing properties (2025: Nil).

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

8. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2026 £	2025 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	30,900	30,000
Fees payable to the Company's auditor in respect of:		
Taxation compliance services	2,850	2,750
	<u>2,850</u>	<u>2,750</u>

9. Employees

Staff costs, including Directors' remuneration, were as follows:

	2026 £	2025 £
Wages and salaries	1,314,283	1,195,175
Social security costs	151,383	117,621
Cost of defined contribution scheme	42,217	39,320
	<u>1,507,883</u>	<u>1,352,116</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2026 No.	2025 No.
Directors	6	5
Non-Executive Directors	9	8
Operations	19	17
	<u>34</u>	<u>30</u>

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

10. Key management personnel emoluments

Key management personnel are defined as Board members, the Chief Executive and Executive Team.

The remuneration paid to the Executives and Directors of the Company was:

	2026 £	2025 £
Executive		
Salaries and wages, inc pension contributions	501,252	489,996
Non-Executive Directors	84,121	61,649
Total	<u>585,373</u>	<u>551,645</u>

Emoluments paid to the highest paid Director (CEO)

	2026 £	2025 £
(Excluding pension contributions)	<u>130,385</u>	<u>127,818</u>

The aggregate number of full-time equivalent staff whose remuneration exceeded £60,000 in the year.

	2026 £	2025 £
£60,001 to £70,000	2	1
£90,001 to £100,000	1	1
£101,001 to £110,000	1	1
£130,001 to £140,000	-	1
£140,001 to £150,000	1	-

A pension contribution of £13,038 (2025: £12,782) was made by the Company in addition to the personal contributions of the Chief Executive.

11. Interest receivable

	2026 £	2025 £
Other interest receivable	<u>185,634</u>	<u>223,749</u>

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

12. Taxation

	2026 £	2025 £
Corporation tax		
Current tax on surplus for the year	66,400	163,961
Adjustments in respect of previous periods	49	-
Deferred tax		
Origination and reversal of timing differences	(2,082)	8,203
Taxation on surplus	<u>64,367</u>	<u>172,164</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2025 - *the same as*) the standard rate of corporation tax in the UK of 25% (2025 - 25%). The differences are explained below:

	2026 £	2025 £
Surplus on ordinary activities before tax	<u>257,000</u>	<u>688,652</u>
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2025 - 25%)	63,599	172,164
Effects of:		
Expenses not deductible for tax purposes	719	-
Adjustments to tax charge in respect of prior periods	49	-
Total tax charge for the year	<u>64,367</u>	<u>172,164</u>

Factors that may affect future tax charges

There are no factors announced that affect future tax charges.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

13. Intangible assets

	Computer software £
Cost	
At 1 April 2025	125,100
Additions	12,834
At 31 March 2026	137,934
Amortisation	
At 1 April 2025	53,746
Charge for the year	20,688
At 31 March 2026	74,434
Net book value	
At 31 March 2026	63,500
At 31 March 2025	71,354

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

14. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2025	7,325
At 31 March 2026	<u>7,325</u>
Depreciation	
At 1 April 2025	5,840
Charge for the year	223
At 31 March 2026	<u>6,063</u>
Net book value	
At 31 March 2026	<u>1,262</u>
At 31 March 2025	<u>1,485</u>

15. Debtors

	2026 £	2025 £
Other debtors	44,198	23,910
Prepayments and accrued income	658,948	472,706
	<u>703,146</u>	<u>496,616</u>

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

16. Creditors: Amounts falling due within one year

	2026 £	2025 £
Trade creditors	84,927	50,407
Corporation tax	59,400	144,551
Other taxation and social security	38,063	32,018
Other creditors	52,948	45,900
Accruals and deferred income	652,097	487,914
	<u>887,435</u>	<u>760,790</u>

17. Contractual obligations and management agreements

The Company operates a leased-based model which allows it the exclusive use of a Home Provider's property, usually for a minimum of 3 years, with no financial obligation. This model reduces Sustain's financial risk to zero, as the obligation to maintain the property and ensure that all of the correct services are provided for each vulnerable adult tenant lie with the Home Provider. The maintenance and services provided are verified by Sustain on a regular basis through its Inspections regime.

For each property there is a Management Agreement in place which lays out the obligations of both parties - Sustain and the Home provider-In detail.

As part of that Management Agreement, Sustain has an obligation to administer Housing Benefit on behalf of each of its vulnerable tenants, and to pass over to the Home Provider that portion of the Housing Benefit, once it has been received by Sustain, that allows the Home Provider to fulfil their duties and obligations to the tenant as prescribed in the Management Agreement.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

18. Deferred taxation

	2026 £
At beginning of year	17,654
Credited to the statement of comprehensive income	(2,082)
At end of year	15,572

The provision for deferred taxation is made up as follows:

	2026 £	2025 £
Fixed asset timing differences	15,572	18,210
Short term timing differences	-	556
	(15,572)	(17,654)

19. Company status

The Company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the Company in the event of liquidation.

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

20. Regulatory engagement

In January 2019 the Regulator of Social Housing (RSH) graded Sustain (UK) Ltd as V2/G3, meaning that the Company was compliant with the financial viability standards but non-compliant with the governance standard. A voluntary undertaking was entered into with the RSH to allow Sustain to improve its governance; the RSH confirmed during the year that this undertaking has now lapsed.

Following an escalating programme of regulatory engagement, the RSH issued a Regulatory Judgement on 9 July 2025 downgrading the Company's Viability grading from V2 to V3 (Governance remaining at G3) and identifying serious failings in delivering the Rent Standard. The RSH's findings included inconsistencies in the calculation of rent and service charges; a requirement that service charge income should equate to the cost of delivering the service; and a lack of understanding of the Company's lease cost exposure.

In response, the Board commissioned an independent rapid organisational assessment which made 76 recommendations across five workstreams and adopted an Improvement Action Plan (IAP) targeting full compliance with the regulatory standards by July 2027.

During the year, and since the year end, the Company has engaged extensively and cooperatively with the RSH, providing detailed technical evidence covering rent-setting methodology, service charge methodology, the surplus and management fee position, historic stock classification, lease exposure and cost allocation, together with an independently modelled stress test of the Company's business plan and an associated mitigation plan. Following a meeting on 2 September 2026, the RSH verbally confirmed that it had obtained good assurance in relation to the Company's regulatory position on reclassification, the onboarding of new stock, the distinction between social and non-social housing, the service charge methodology and controls applied to Home Providers, and the Company's stress-testing, mitigation planning and liquidity position.

As matters concerning the calculation of rent and service charges remain unresolved and have not been confirmed in writing by the RSH, the potential outcome of this ongoing regulatory engagement cannot be determined at this stage. As a result, no liability has been recognised in these financial statements in respect of these matters. The Board will continue to keep members informed of developments and remains committed to achieving full regulatory compliance.

21. Pension commitments

The Company operates a defined contribution scheme for its employees. The assets of the scheme are controlled by a separately administered fund. Total outstanding contributions as at 31 March 2026 were £6,474 (2025: £6,224).

SUSTAIN (UK) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

22. Commitments under operating leases

At 31 March 2026 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2026 £	2025 £
Not later than 1 year	106,970	114,781
Later than 1 year and not later than 5 years	161,404	263,138
	<u>268,374</u>	<u>377,919</u>