

**Saffron Housing Finance plc**

Annual Report and Financial Statements

Year Ended 31 March 2025

Annual Report and Financial Statements for the Year Ended 31 March 2025

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**Directors and Advisers**

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**Directors at the date of this report**

James Francis  
Iain Innes  
Mike Jolly (Resigned 31.03.2025)  
Kim Newman  
Robert Llewelyn (appointed 01.04.2025)

**Company Secretary**

Tom Riches

**Registered office**

Saffron Barn, Swan Lane, Long Stratton, Norfolk NR15 2XP

**Bankers**

The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL

**Solicitors**

Barclays Bank plc, 1 Churchill Place, London E14 5HP  
Devonshires Solicitors LLP, 30 Finsbury Circus, London, EC2M 7DT

**Independent Auditor**

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

**Companies House**

Registration No. 08559467

**Strategic Report for the Year Ended 31 March 2025**

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The Company's immediate and ultimate parent undertaking is Saffron Housing Trust Limited.

The principal activity of Saffron Housing Finance plc is to issue bonds on behalf of the Saffron Group which comprises Saffron Housing Trust Limited, Crocus Homes Limited, Crimson Development Homes Limited and Saffron Housing Finance plc (the 'Group').

**Review of the business and future developments**

Saffron Housing Finance plc successfully raised a £125 million bond of which £75 million was issued on 9 July 2013, with £50 million paid at that date and a further £25 million paid on 9 July 2014. In September 2014 the £50 million retained bond was sold. The bond has a final maturity of 2048 and a fixed interest rate of 4.641%.

In September 2014 the £50 million retained bond was sold at a rate of 4.42% resulting in the receipt of a premium of £1.99m. This premium was lent from Saffron Housing Finance plc to Saffron Housing Trust Limited under a separate loan agreement at an agreed fixed interest rate of 4.64%. The capital is repayable on such dates and in such amounts as notified to the borrower from time to time.

The underlying assets of the issuance belong to Saffron Housing Trust Limited through a security trust arrangement with the Prudential Trustee Company Limited.

The bond costs of issue are capitalised and amortised over the life of the loan using the effective interest method.

The bond was fully drawn at the beginning of the year and during the year the Company continued to make and receive interest payments. Interest payable to the bond holders and receivable from the parent in relation to the face value of the bond in the year was £5.801 million (2024: £5.801 million).

The premium is amortised over the life of the bond which creates a profit for the year after annual expenses. The profits of £110k (2024: £113k) have been gift aided to the parent company in the year.

The Directors are satisfied with the results in the year and expect future performance to continue on the same basis.

**Corporate Governance****Statement of Corporate Governance: Section 172 statement**

The Company was set up to raise finance to on-lend to the parent organisation, Saffron Housing Trust Limited. The entity operates solely as a group funding vehicle. Directors are comprised of two members of the parent organisation's Board and two executive officers of the parent organisation. The Company has no direct employees. The parent organisation is the sole shareholder. This statement is therefore consistent with the size and complexity of the Company and the nature of its sole shareholder.

**Sch 7.11(1)(b) – Employee engagement**

The company has no direct employees.

**Strategic Report for the Year Ended 31 March 2025 (Continued)**

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**Sch 7.11B(1) – Business relationships**

The company maintains good working relationships with its providers of banking and legal services, security trustee, investors and sole shareholder. The Company has no direct business relationships with other suppliers or customers.

We meet annually with our investors, holding an annual presentation, and keep them updated on any significant changes, providing information which is in the public domain.

The Company's business operations have a positive impact on communities and the environment, via on-lending and any gift aid made to the parent organisation, whose charitable objectives include community investment and providing housing. The parent organisation's housing stock has a good average SAP rating of 72 and funding is used to build new housing of a higher SAP rating.

The parent organisation maintains a high awareness of reputation and carries the highest governance and financial viability ratings, as judged by the Regulator of Social Housing.

The Company's Directors maintain an awareness of the need to act fairly, however they have not experienced any matters to report in this category, due to the nature of the company's activities. No Directors of the Company have any interest in the shares of the Company.

The Company has lent on all of its funds to the parent organisation and all Board seats are taken by members of the parent organisation's Board and Executive Officers. The Group has a robust Probity Policy in place. The key strategic decision has been the Company's decision to gift aid profits to the parent organisation, in keeping with the Group's objectives. The key factor which is considered being the amount of interest paid and received in relation to the loan. There is no intention for the parent organisation to repay any debt prior to maturity.

Shareholder engagement is inherent in the Company's structure, as the parent organisation is the sole Shareholder. There are key lines of reporting and accountability in place and the Group Board receive the minutes of the Company's Board meetings.

The Company has adopted the Group's corporate policies, including the Code of Conduct, and Directors fully understand their duties. The Company and Group are committed to maintaining a reputation for high standards of business conduct, including within the wider Stakeholder group. This is maintained via a positive culture and strong corporate values, 'Professional, Accountable, Collaborative and Evolving' which are fully embedded within the Group. The Group has in place stringent policies in relation to GDPR and the Modern Slavery Act, in relation to business operations and suppliers.

**Internal control and risk management systems**

The Group operates under a formal treasury management policy and considers the successful identification, monitoring, and control of risk as central to the effectiveness of its treasury activities. The Company recognises that sound treasury management supports the achievement of its strategic and operational objectives. Accordingly, it remains committed to delivering value for money and applying appropriate performance measurement techniques within a framework of effective risk management.

The Group also maintains a structured internal control framework to support sound governance and risk management. The control environment, which includes defined responsibilities, oversight mechanisms, and a culture of accountability, was assessed during the year and found to be effective

**Strategic Report for the Year Ended 31 March 2025 (Continued)**

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**Corporate Governance (continued)****Principal risks and uncertainties**

The Company was set up to raise finance to on-lend to the parent company. Therefore, the company's principal risks and uncertainties surround financial risk management.

**Financial risk management**

The Company's operations expose it to a variety of financial risks that include the effects of repayment risk, liquidity risk and credit risk. The Group has in place a risk management programme that seeks to limit the adverse effects of the financial performance of the Company by monitoring levels of debt finance and related finance costs.

**Repayment risk**

Early repayment of the bond could result in breakage costs. There is no intention to repay any debt prior to maturity therefore any movement in the market value of debt due to changes in interest rates is not deemed material to the ongoing operations of the Group.

**Liquidity risk**

The Company actively lends the full amount of the loans it itself borrowed, thus the entity has assets to fully offset its liabilities and interest receivable to offset its interest payable.

**Credit risk**

As at 31 March 2025 the Company has lent on all of its funds to Saffron Housing Trust Limited and therefore the main risk is that the latter will be unable to pay interest or principal when they fall due. Saffron Housing Trust Limited is rated A3 by Moody's and is not regarded as a high-risk debtor.

**Key performance indicators**

The entity operates as a Group funding vehicle and as such has no specific key performance indicators. The entity is monitored against the original performance model, and it is thus expected to break even. However, the loan of the premium received on the sale of the retained bond to the parent results in an annual interest receipt which results in profit for the year. The company opted to donate the profit to the parent company in 2025.

**For and on behalf of the Board**

Chair

21<sup>st</sup> July 2025

**Directors' Report for the Year Ended 31 March 2025**

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The Directors present their report together with the audited financial statements for the year ended 31 March 2025.

**Directors**

The Directors of the Company during the year were:

Kim Newman – Chair  
Iain Innes  
James Francis  
Mike Jolly (Resigned 31.03.2025)  
Robert Llewelyn (appointed 01.04.2025)

No director had any interest in the shares of the company at any time during the year.

**Results**

In accordance with S414C(11) of Companies Act 2006, the Company has presented its review of the business and future developments, principal risks and uncertainties and key performance indicators in the Strategic Report.

The results of the Company for the year ended 31 March 2025 are set out on page 13 and show a profit for the year. The directors do not recommend the payment of a dividend. Instead, the profit for the year was donated to the parent company in 2025, in line with the Group's financial strategy and funding arrangements

**Going Concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements. In forming this view, the Directors have considered the Company's financial position, forecast future performance, anticipated cash flows, and the ability of the parent undertaking, Saffron Housing Trust Limited, to continue to meet its obligations under the loan agreement.

The Company operates solely as a funding vehicle for the Group and has lent all of its funds to the parent undertaking. The parent continues to meet all interest and capital repayment obligations as they fall due. As such, the Directors consider it appropriate to prepare the financial statements on a going concern basis

**Statement of the Directors' responsibilities**

The Directors are responsible for preparing the Strategic Report and Director's 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 United Kingdom Generally Accepted Accounting Practice, United Kingdom Accounting Standards and applicable law. 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 profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

**Directors' Report for the Year Ended 31 March 2025 (Continued)**

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**Statement of the Directors' responsibilities (continued)**

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement as to disclosure of information to auditors**

In accordance with Section 418 of the Companies Act 2006, each Director in office at the reporting date confirms that:

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

**Directors' statement pursuant to the Disclosure and Transparency Rules**

Each of the Directors, whose names are listed in the Directors' Report, confirms that, to the best of their knowledge:

- the financial statements, prepared in accordance with the Companies Act 2006 give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report contained in the annual report includes a fair review of the development and performance of the Company and of the principal risks and uncertainties that it faces.

**Auditor**

Crowe U.K. LLP has indicated its willingness to continue in office and a resolution concerning its reappointment will be proposed at the Annual General Meeting.

**For and on behalf of the Board**

Kim Newman

**Chair**

21<sup>st</sup> July 2025

**Independent auditor's report to the member of Saffron Housing Finance plc**

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**Opinion**

We have audited the financial statements of Saffron Housing Finance Plc (the "Company") for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including 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 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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 as applied to listed public interest entities, 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

As the entity on-lends to its immediate parent, the principle risk facing the entity is that the parent will be unable to make its interest or principal payments when they fall due and this impacts on the entity's ability to meet its obligations as they fall due and to conclude that it is a going concern.

The going concern of the company is therefore intrinsically linked to the future viability of the parent entity, and management's assessment of going concern involves consideration about the ability of Saffron Housing Trust to continue as a going concern. More details in relation to this are provided within Key Audit Matters.

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.

**Independent auditor's report to the member of Saffron Housing Finance plc (continued)**

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**Overview of our audit approach***Materiality*

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £1,275,000 (2024: £2,500,000), based on a percentage of gross assets. In the prior year, we additionally set a specific materiality of £119,000 based on a percentage of revenue, which has been used in the audit of income and expenditure.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Our performance materiality was set at 70% of financial statements materiality, amounting to £890,000 (2024: £1,750,000 and £83,000).

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions.

We agreed with the Audit Committee to report to it all identified errors in excess of £63,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

*Overview of the scope of our audit*

Our audit procedures, which are designed primarily to enable us to form an opinion on the financial statements, were carried out in accordance with International Standards on Auditing (UK). We performed the entire audit of the entity whose operations are wholly in the UK.

Our work comprised predominantly substantive procedures involving direct verification of balances and transactions, including obtaining confirmations from third parties where we considered this to be necessary.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Independent auditor's report to the member of Saffron Housing Finance plc (continued)**

<b><i>Key audit matter</i></b>	<b><i>How the scope of our audit addressed the key audit matter</i></b>
<p>Recoverability of loan to group undertakings (Note 11 and 12)</p> <p>The Company receives fixed interest from Saffron Housing Trust which enables it in turn to pay the fixed interest on its bond debt to investors as well as making the repayment of the bond in future periods. The recoverability position therefore rests with ensuring that Saffron Housing Trust has sufficient funds and cashflow to pay the interest and future repayments when due. Therefore, the recoverability is linked with the going concern assessment for the wider group.</p>	<p>The recoverability of the loan is therefore intrinsically linked to the future viability of the parent entity, and management's assessment of going concern involves consideration about the ability of Saffron Housing Trust to continue as a going concern</p> <p>Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included considering the ongoing financing arrangements and future cashflow projections. The assessment covers the period to 31 July 2026, being 12 months from the date of signing.</p> <p>We have discussed this with the company's management in order to fully understand their assessment including the underlying assumptions applied.</p> <p>In addition we have:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the budgeting and forecasting process followed by management for the entity and the group, including performing a retrospective review comparing the group's actual performance in the year to 31 March 2025 against the original budget to understand whether an indication of management bias exists;</li> <li>• Obtained the Group's forecast covering the going concern period, and management's assessment of the going concern basis formed;</li> <li>• Discussed the cash flow forecast with management, challenging key assumptions;</li> <li>• Considered the Group's continued compliance with banking covenants and considering the stress required to the model to indicate a breach;</li> <li>• Considered the availability of Group finance facilities at the year end and over the period of assessment and the amount available for drawdown;</li> <li>• Considered the appropriateness of disclosure made in respect of going concern and ensuring it is consistent with our knowledge of the business and the reforecasting exercise.</li> <li>• We have no further observations arising from that evaluation.</li> </ul>

**Independent auditor's report to the member of Saffron Housing Finance plc (continued)**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our 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 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

**Responsibilities of the directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

**Independent auditor's report to the member of Saffron Housing Finance plc (continued)**

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**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

*Extent to which the audit is capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

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 such as the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements 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 in addition to the Companies Act 2016, were listing rules and taxation 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 potential override of controls by management and in the recoverability of the intra-group debt. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, consideration of the recoverability of the intra-group debt with reference to the overall group going concern position and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Independent auditor's report to the member of Saffron Housing Finance plc (continued)**

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**Other matters which we are required to address**

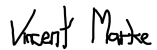
We were appointed by Members of the Board on 4 December 2017 to audit the financial statements for the period ending 31 March 2018 and subsequent periods. Our total uninterrupted period of engagement is seven years, covering the periods ending 31 March 2018 to 31 March 2025.

Non-audit services prohibited by the FRC's Ethical Standard have not been provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

**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.



Vincent Marke

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

**55 Ludgate Hill**

**London**

**EC4M 7JW**

22.09.2025

## Statement of Comprehensive Income for the Year Ended 31 March 2025

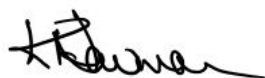
	Notes	2025 £'000	2024 £'000
Interest received and similar income	5	5,956	5,956
Interest payable and similar charges	6	(5,830)	(5,830)
<b>Gross profit</b>		<b>126</b>	<b>126</b>
Administrative expenses	7	(18)	(16)
<b>Profit before taxation</b>		<b>108</b>	<b>110</b>
Tax on profit		-	-
<b>Profit after taxation for the year and total comprehensive income</b>		<b>108</b>	<b>110</b>

All activities relate to continuing operations.

## Balance Sheet at 31 March 2025

	Notes	2025 £'000	2024 £'000
<b>Fixed assets</b>			
Debtors due after more than one year	12	125,974	126,004
<b>Current assets</b>			
Debtors due within one year	11	1,475	1,478
Cash at bank and in hand		39	31
<b>Total current assets</b>		<b>1,514</b>	<b>1,509</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>( 1,482)</b>	<b>( 1,483)</b>
<b>Net Current assets</b>		<b>32</b>	<b>26</b>
<b>Total assets less current liabilities</b>		<b>126,006</b>	<b>126,030</b>
<b>Creditors: amount falling due after more than one year</b>	14	<b>( 125,956)</b>	<b>( 125,980)</b>
<b>Net assets</b>		<b>50</b>	<b>50</b>
<b>Capital and reserves</b>			
Ordinary share capital		50	50
<b>Shareholders' funds</b>		<b>50</b>	<b>50</b>

The financial statements were approved and authorised for issue by the Board of Directors on 21<sup>st</sup> July 2025.



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**Kim Newman**

**Chair**



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**Iain Innes**

**Director**

The notes on pages 16 to 21 form part of these financial statements.

## Statement of Changes in Equity for the Year Ended 31 March 2025

	Share Capital	Profit & Loss Reserves	Total
	£'000	£'000	£'000
As at 1 <sup>st</sup> April 2023	50	-	50
Profit for year	-	110	110
Qualifying charitable donation to ultimate parent undertaking	-	( 110)	( 110)
<b>As at 31 March 2024</b>	<b>50</b>	<b>-</b>	<b>50</b>
As at 1 <sup>st</sup> April 2024	50	-	50
Profit for year	-	108	108
Qualifying charitable donation to ultimate parent undertaking	-	( 108)	( 108)
<b>As at 31 March 2025</b>	<b>50</b>	<b>-</b>	<b>50</b>

The notes on pages 16 to 21 form part of these financial statements.

**Notes to the Financial Statements**

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**1 General information**

Saffron Housing Finance plc (SHF) is a public limited company, limited by shares and domiciled and incorporated in England and Wales.

The address of the Company's registered office and principal place of business is Saffron Barn, Swan Lane, Long Stratton, Norfolk NR15 2XP.

The Company's principal activity is to issue bonds on behalf of the Saffron Group and the nature of the operations are to raise finance for the Saffron Group.

The Company (no. 08559467) is limited by shares.

**2 Reduced disclosures**

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument, basis of determining fair values, details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognise in profit or loss and in other comprehensive income
- Section 33 'Related Party Disclosures' – Compensation for key management personnel and other related party transactions with wholly owned members of the group have not been disclosed.

**3 Accounting policies***Basis of accounting*

These financial statements are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). They have also been prepared in accordance with the requirements of the Companies Act 2006 and under the historical cost convention. Monetary amounts within these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

**Notes to the Financial Statements (*Continued*)**

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**3 Accounting policies (*continued*)***Operating Segments*

The Company's only activity is to provide finance to its parent, Saffron Housing Trust Limited, and all operating income and expenditure is derived from activities undertaken in the United Kingdom. As a result, the Company does not have multiple operating segments and therefore additional disclosures under Section 1.5 of FRS102 are not required.

*Going concern*

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. They have considered the forecast future performance, anticipated cash flows and the ability of the parent to meet interest payments. For this reason, they continue to adopt the going concern basis in these financial statements.

*Interest receivable and similar income*

Interest receivable represents interest income and is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

*Financial instruments*

SHF has applied the requirements of FRS102 Section 11 'Basic Financial Instruments' to its financial instruments.

Financial assets and financial liabilities are recognised when SHF becomes a party to the contractual provisions of the instrument and are offset only when SHF currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

*Financial assets – debtors*

Debtors receivable within one year do not constitute a financing transaction and are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised are recognised immediately in profit or loss.

*Financial liabilities – creditors*

All trade creditors payable within one year and which do not constitute a financing transaction and are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

**Notes to the Financial Statements (*Continued*)**

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**3 Accounting policies (*continued*)***Financial liabilities - borrowings*

Borrowings are recognised at the transaction price. Premiums received on the sale of bonds are amortised using the effective interest method.

The financial instruments of SHF have been assessed and classified as basic.

*Taxation*

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid is more than the tax payable.

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid is more than the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Current tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Companies are entitled to tax relief for qualifying charitable donations. The donations are paid gross without the deduction of tax. The donations are deductible from the company's total profits in the year in which the donations are made.

*Reserves and qualifying charitable donations*

A qualifying charitable donation is recognised at the point at which an obligation occurs and will be paid within 9 months of the year end.

Distributable reserves relate to accounting profits in excess of any amounts donated to the parent entity.

Notes to the Financial Statements (*Continued*)**4 Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

The Company make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

*Critical areas of judgement*

The company has a listed bond which is considered to be a basic bond in accordance with Section 11 of FRS102. This is an area of judgement and in categorising the bond as a basic financial instrument the debt is accounted for at amortised cost. If the bond were to be categorised as non-basic it would have to be disclosed at fair value in accordance with Section 12 of FRS102.

**5 Interest receivable and similar income**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Interest on loans to group undertaking	<b>5,927</b>	5,927
Effective interest on bond fees charged.	<b>29</b>	29
	<b>5,956</b>	5,956

**6 Interest payable and similar charges**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Interest on bond	<b>5,801</b>	5,801
Amortisation of bond fees	<b>29</b>	29
	<b>5,830</b>	5,830

**7 Profit on ordinary activities before taxation**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Auditors' remuneration for statutory audit	<b>10</b>	8
Management costs	<b>8</b>	8
	<b>18</b>	16

Notes to the Financial Statements (*Continued*)**8 Employees**

All individuals acting on behalf of the Company are employed by Saffron Housing Trust Limited. All employment costs are accounted for in the financial statements of Saffron Housing Trust Limited.

**9 Directors**

The Directors of Saffron Housing Finance plc are not remunerated for their services by either the company or the parent.

**10 Taxation**

The company is a subsidiary of a charitable registered social housing provider and made an irrevocable commitment before 31 March 2025 to make a qualifying charitable donation equal to taxable profits to the parent. The payment will be made by 31 December 2025. As a result, no corporation tax charge arises for the year.

**11 Debtors: amounts falling due within one year**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Loan to group undertakings	<b>71</b>	74
Interest from group undertakings	<b>1,366</b>	1,366
Unpaid share capital	<b>38</b>	38
	<b>1,475</b>	1,478

**12 Debtors: amounts falling due after more than one year**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Loan to group undertakings	<b>125,974</b>	126,004

The loan is secured against Saffron Housing Trust Limited company assets.

**13 Creditors: amounts falling due within one year**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable	<b>1,367</b>	1,367
Accruals	<b>7</b>	6
Qualifying charitable donation	<b>108</b>	110
	<b>1,482</b>	1,483

Notes to the Financial Statements (*Continued*)**14 Creditors: amounts falling after more than one year**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Amount due to bond holders	<b>125,000</b>	125,000
Bond fees due to parent	<b>(556)</b>	(586)
Bond premium	<b>1,512</b>	1,566
	<b>125,956</b>	125,980

Saffron Housing Finance plc successfully raised a £125 million bond of which £75 million was issued, £50 million in July 2013 and £25 million in July 2014. £50 million of retained bonds were sold in September 2014 at an interest rate of 4.42% resulting in the receipt of a premium of £1.99 million. The bond has a final maturity of 2048 and a fixed interest rate of 4.641% and is redeemed in equal annual instalments from 2038. There are no other repayments prior to 2038.

The underlying assets of the issuance belong to Saffron Housing Trust Limited through a security trust arrangement with the Prudential Trustee Company Limited. The bond costs have been met by Saffron Housing Trust Limited.

The fair value (market value) of the bond at 31 March 2025 was £104,661,250 (2024: £110,428,125).

**15 Ordinary share capital**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted, issued and fully paid</b>		
Ordinary shares of £1 each	<b>13</b>	13
<b>Allotted, issued, but not fully paid</b>		
Ordinary shares of £1 each	<b>37</b>	37

50,000 ordinary shares of £1 each were issued on 6 June 2013.

£12,500 of issued share capital is issued at par, paid up, the remaining issued share capital is shown in debtors.

**16 Ultimate parent undertaking and controlling party**

The ultimate parent undertaking and controlling party is Saffron Housing Trust Limited, a company registered with the Homes and Communities Agency (LH4412) and public benefit entity. The largest group in which the results of the Company are consolidated is that headed by Saffron Housing Trust Limited. No other group financial statements include the results of the Company.

A copy of the Group financial statements can be obtained from Saffron Housing Trust Limited, Saffron Barn, Swan Lane, Long Stratton, Norfolk NR15 2RJ.