



Homes to build lives in

SAGE RENTED LIMITED

ANNUAL REPORT AND
FINANCIAL STATEMENTS 2024

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Find out more online at
www.sagehomes.co.uk

2024 Group Success



4th

year running named
'largest provider of
newly built affordable
homes in England'



3,985

affordable homes
delivered in 2024



18,903

homes delivered overall,
with a further 3,491 in
the pipeline



£353m

invested in building
new affordable homes
this year



98%

of homes rated
EPC A or B

We are proud to be delivering affordable homes to help address England's housing crisis. We continue to see significant improvements as we deliver our ourselves.



£430

saved per customer per year due to homes with efficient EPC ratings*



129,000

customer enquiries resolved by Sage this year



90%+

of calls to the Customer Care team answered within 60 seconds, by year end.



35,701

live chat conversations, of which 29,177 were resolved by automated technology



1,073

Sage households participating in community events since inception



82

customers actively participated in shaping Sage's services



£2m+

in unclaimed benefits accessed by customers since creation of the Financial Wellbeing team



76%

rented customers' overall satisfaction for whole Sage group



1,211

customers supported by Financial Wellbeing team in 2024, across 523 households

Sage Homes is a trading name of Sage Rented Limited and of other companies in the Group. In this report, "Sage Rented" or the "Company" refers to Sage Rented Limited registered at Companies House Number 11217855, Regulator of Social Housing ("RSH") Number 5083. "Sage Homes", "Group" or "Sage Homes Group" refers to the companies shown in note 25 in the financial statements, acting together.

*Compared to the national average EPC D property. This is based on Ofgem average energy prices for Apr-Jun 2024 and annual average energy consumption figures from National Energy Efficiency Data-Framework (NEED)

Sage Rented

HIGHLIGHTS

TURNOVER

£65m

+76%



Revenue has increased reflecting a full year of the larger portfolio, following the transfer of circa 3,500 homes from Sage Housing Limited.

OPERATING PROFIT

£21m

+300%



Profit has increased owing to larger portfolio, in line with turnover increase.

NUMBER OF REPAIRS CARRIED OUT IN 2024

15,663

+25%



We maintain a steady amount of repairs, making sure our customers' homes are safe and in good repair. Our repairs data is also more accurate, now that we manage services ourselves.

CUSTOMER SATISFACTION WITH SAGE'S APPROACH TO ANTISOCIAL BEHAVIOUR

64%

+15%



In our first year of managing services ourselves, our Community Safety team has carried out targeted plans to tackle key areas of antisocial behaviour, improving our customers' safety in their homes and neighbourhoods.

CUSTOMER PERCEPTION THAT SAGE CONTRIBUTES TO NEIGHBOURHOODS

73%

0%



Customers continue to report high levels of satisfaction that Sage contributes to their neighbourhoods.

CUSTOMER SATISFACTION WITH OUR ONLINE SERVICES

78%

+6%



We've continued to improve our online and digital services, including optimising My Sage Home, our customers' digital account, along with refreshing and improving web content.



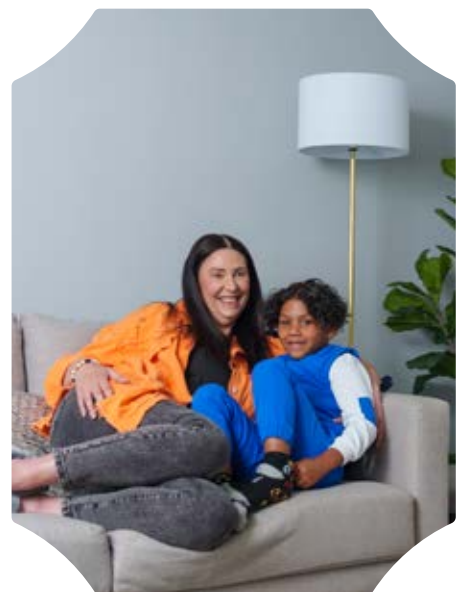
A home to be proud of

Sheree and her family moved into their four-bedroom Sage home in 2021 but sadly suffered a devastating house fire a couple of years later. After several months of living in temporary accommodation, provided by Sage while the house was repaired, they were able to return home. We wanted to help Sheree make the house feel as much like home as possible and worked closely with her throughout the redecoration process, so that she could make decisions, such as choosing paint colours.

We were also able to donate furniture to Sheree from a show home, when it was no longer needed, giving her a much-needed helping hand. "It's been a big upheaval and now everyone's settled back in," Sheree says.

"I was so grateful when I was contacted about the furniture. It made it instantly a home – it would have taken months otherwise."

Sheree and her family are now back into their routine. "Everything we have is in this area," Sheree says. "My boy's school is just up the road, my daughter's work is nearby. I loved this area straight away – and I love my home."



A year of change and focus



As Sage Homes turns seven, it's a chance to step back and recognise what we've achieved in that relatively short time. From a fast-paced start up with a handful of homes and colleagues, we're now an integrated provider with our own housing management service which has delivered the highest number of newly built homes in England for four consecutive years. We've delivered more than double the affordable homes than the next nearest provider, and in 2024, nearly one in 14 new affordable homes delivered in England was a Sage Home.

The Board has steered this phenomenal growth with focus and a steady hand, as reflected by our G1 V2* rating in Sage's first in-depth assessment last year. Across 2021 and 2022, the Board decided to bring housing management services in-house for all our homes. This began in 2023 and was completed in 2024. This is a huge step forward in Sage's development as we now provide management services for all our affordable rent customers direct. This enables our Board and colleagues to be closer than ever to our customers, meeting their needs and delivering truly excellent customer service.

It has been crucial to understand the needs of our customers where previously services were delivered by a third-party provider. Adopting this new model wasn't easy but is proving to be a success and we end 2024 in a stronger position, with well-resourced teams meeting customer needs directly. Rental customers in our sister registered provider Sage Homes RP Limited have an 86% satisfaction rating, showing we already have the systems, processes and teams to deliver high quality service levels.

Not only did we deliver a brand-new housing management function in 2024, but we also achieved a transaction which brought significant institutional investment into the affordable housing sector through the sale of Sage Housing Limited to Universities Superannuation Scheme (USS), officially renamed to Sparrow Shared Ownership and supporting USS as they build an enduring Registered Provider that delivers a tailored service for 3,080 shared ownership homes. This was the largest acquisition of a portfolio of shared ownership homes since the scheme began in 1980. We have aimed to bring more investment and capital into this important sector since our inception and this transaction has more than proved this is possible.

Moving ahead we remain committed to this sector. Last year we took part in a consultation to recommend a long-term index-linked rent settlement. This year we are keen to support the Government's ambitious 1.5 million home target within this parliament as we continue delivering significant numbers of new homes.

My thanks go to my Executive colleagues and fellow Board members for their dedicated, hard work. We end this year of change and innovation, completing many transactions and operational shifts, and tilting our focus now towards expanding and improving the services we provide to the customers we serve.

Alison Thain OBE
Chair

Building a quality service



For Sage Rented Limited, 2024 was a giant leap forward in getting closer to our customers. Having achieved our earlier ambition of delivering 20,000 homes in five years, we then completed an equally ambitious project in early 2024, taking over responsibility for directly managing services for all our customers. We have had to listen and to learn. It has not been without challenges, but we are now establishing strong communities and providing families with firm foundations on which to build their lives. With all services now under our direct control, we are striving to improve and to grow our specialist teams, whether based in our Customer Care centre and office in Northampton or in the field, close to our customers. We have seen significant progress in our active management of antisocial behaviour, in community support, in accessibility and in customer safety.

Importantly we've focused on digital solutions to allow customers to self-serve. Our technology, including our customer portal My Sage Home, allows many customers to get the answers and support they need while also freeing up our colleagues' capacity to focus on those who need more help. This year 16,996 cases were raised by customers on My Sage Home, with automation resolving 82% of our 36,032 online conversations. Our website fully supports our diverse customer base, across three affordable housing tenures, and provides key information with translation and a range of advanced accessibility tools.

Where are we going? Sage wants to grow and to improve how we serve our customers. We seek innovation, teamwork, the best technology and training. Our ambitions remain to be among the very best, providing customer experience at a new level.

In August, we began to support Sparrow Shared Ownership, managing their homes until such time as Sparrow is fully established. The sale of Sage Housing Limited to USS, forming Sparrow Shared Ownership, was a big step for the sector, proving we can introduce institutional equity into the affordable housing sector. We have demonstrated that we can manage homes for others, as need arises, and we can ensure a smooth transition for customers to new Registered Providers, and to their Boards.

My thanks go to our colleagues, our Board members, our investors and our partners. Your work made 2024's successes possible and your ability to ensure stability through change is one of our best attributes. Moving forwards, how we serve our customers is now as important to us as growing the number of homes we own and manage. To our customers, thank you for your suggestions and for your feedback, whether good or bad, and for your efforts to make your homes and your communities a better place.

Mark Sater
Chief Executive Officer

Our strategic pillars



OUR PURPOSE

- Providing homes
- Inspiring change
- Improving lives



OUR MISSION

We make good homes
affordable for people
all over England



OUR VALUES

- Home for everyone
- Powering positive impact
- Enterprising to grow

Our strategy

Our corporate strategy was set by the Board and runs from 2024 to 2028. The four strategic pillars are:

Our customers

To put our customers first and strive towards top quartile customer service.

Our homes

To deliver high-quality, safe homes which are sustainable for the long term.

Our people

To have an engaged and dynamic workforce, highly efficient and effective with a strong customer-centric culture.

Our business

To continuously innovate to create the most efficient Registered Provider in the sector.



Our customers

This year we've continued working hard to serve our customers. Our Customer Care team handled 134,000 calls and surpassed our target of answering 90% of calls within a 60 second wait time, by the end of 2024. 77% of our rental customers and 89% of our shared ownership customers are using our My Sage Home customer portal. On My Sage Home this year alone, 17,000 cases were generated and over 36,000 online chat conversations were had, 82% of which were satisfactorily closed without having to escalate beyond our proprietary AI technology. These statistics show our new technology is helping customers get support faster than ever.

We acknowledge that we still have work to do supporting our customers, as evidenced by our 67% customer satisfaction (below our 80% target). By the end of 2023 we had recruited a new Housing Operations team and in 2024 continued building experience and capability. Across all channels (including phone, livechat and the customer portal), we're working hard to develop high-functioning triage capabilities to ensure customers get to the team member they need quickly to solve their problem.



Co-creating

We continued our work with our Customer Scrutiny Panel (CSP) this year. This panel, made up of rental and shared ownership customers, is the customer's voice inside Sage and helps to shape the services we provide first and foremost, alongside shaping our customer communications and strategies. The panel meets at least quarterly, and in 2024 continued to help us shape policy, co-create services and test delivery of them. They have continuously tested our technology, including My Sage Home, and shaped how our new Damp and Mould and Vulnerable Persons policies ensure all Sage customers are protected and safe in their homes.

Panel members also chair the customer insight groups where wider groups of customers provide feedback on specific topics. The four insight groups this year looked at community safety, complaints handling, empowering communities and damp, mould and condensation. As a result of these groups, we've developed action plans for each area, tracking progress on these and feeding this back to the CSP and Customer & People Committee. Recent changes include further development of our community safety toolkit and app, as well as changing the language in our complaints responses to be more open and effective.



Our homes

It's vital that we deliver safe and secure homes for our customers. This year we've continued our work making sure we do everything we can do to protect our homes and keep them looking good for new and existing customers.

We've continued providing regular communications to customers with advice on how to look after their homes. This includes regular guidance on how to avoid damp and mould developing. For customers who have experienced damp and mould, we provide a specialist programme which includes a rapid diagnosis and resolution. This is followed up by a check-in, four weeks later, to ensure the problem has not returned.

From October, we've started carrying out cyclical works for the first time. This is a reflection of our maturity as we move beyond just being a provider of new homes to a service provider. We've already seen good responses with 90% of customers surveyed happy with our contractors' attitude and 77% happy with the completed works.

Our homes continue to be safe and we are 100% compliant with gas safety certifications. We also began working with our external contractors to create a campaign and reporting mechanism. This encourages them to report any concerns they notice during scheduled visits, such as damp, mould, or possible safeguarding issues.



Our people

2024 has seen a continued growth in our teams and we have worked hard to engage all employees, new and established, to understand what makes Sage a great place to work at. Findings from the employee satisfaction survey prompted the creation of a new Employee Forum, where representatives from all levels at Sage meet regularly to discuss and address key issues, and how to resolve them.

We also developed our new behaviours to better reflect what our people do every day. Known as the 'Three Rs', the behaviours of **Respectful**, **Responsible** and **Responsive** capture how we want our people to work with our customers and each other.



In September, we held our second all-company conference themed around 'Connections', where we launched these new behaviours. Over 300 colleagues came together in London along with Board and investor representatives. Delegates discussed the new behaviours as well as how to connect and collaborate to give our customers the best results. Employees were challenged to enact positive change in their roles, ensuring everyone understood their ability to contribute to Sage's overall success.

Our employee workforce panel, Sage Together, has continued its engagement efforts. The Wellbeing and Diversity & Inclusion sub-panels provide experiences that celebrate cultural events, fostering enjoyment, inclusion, and appreciation of all cultures.



Our business

In 2024 we became a housing management provider to all our customers. This was the completion of several years of planning and preparation. Our growth strategy has helped Sage to scale quickly and reach a size at which we can sustain our own housing operations. There was substantial work undertaken to ensure Sage was ready for this new approach, including the movement of our Community Safety, Homes and Communities and Repairs teams to our Customer Centre in Northampton. By providing our services directly and in one centralised location, we are closer than ever to our customers, and able to support them more efficiently and effectively.

We delivered 3,985 affordable homes in 2024 and were named the largest provider of newly built affordable homes in England for a fourth successive year. While we are now beginning our next stage of focusing more on service delivery, we will continue to deliver new homes to this sector.

A turning point in Sage's, and the sector's, journey was the sale of Sage Housing Limited to Universities Superannuation Scheme (USS), renamed officially to Sparrow Shared Ownership. This sale demonstrates our ability to attract much-needed institutional capital and validates our original mission and ongoing efforts to support the sector. The transition to Sparrow's operational team in 2025 will be carefully managed by both Sage and Sparrow.

Our new corporate plan for 2025 has set out our intention to continue buying and investing in homes and building our teams. Our aim is to continue driving excellence and efficiency across our business through careful investment in our teams and a robust technology platform, enabling us to deliver success.





ENVIRONMENTAL

Looking after our environment

Climate risk and Carbon reporting

In 2024, Sage underwent a full review of climate and carbon-related risks and opportunities. We completed our first Energy Savings Opportunity Scheme assessment, identifying where we can make carbon and cost savings. We've also started working with Bioregional, a carbon consultant, to map out a roadmap for reducing carbon emissions.

Together with Marsh, a climate risk consultant, and our shareholder, we completed a Climate Risk Audit report. This report shows how we manage climate risk to control any impact on financial processes. Marsh independently reviewed a sample of our homes for climate risks, and we reviewed measures taken through the planning process to mitigate these risks. We'll carry out further detailed climate analysis on more homes in 2025.

Sage's carbon emissions data can be found in the Streamlined Energy and Carbon Reporting (SECR) on page 47. In short, carbon emissions have plateaued, but we've seen an increase in carbon emissions from personal mileage (this is classified as Scope 3 carbon indirect emissions which includes energy indirectly associated to Sage such as employees personal vehicle fuel use). This increase is due to our bringing management of housing services in house and therefore having better access to emissions data.

Sage now owns five corporate vehicles and the mileage of these contribute towards our Scope 1 emissions (e.g. emissions from sources that are owned by Sage such as company-owned vehicles). This is a new factor as the vehicles were bought in this financial year.

Our ongoing work includes creating and delivering a carbon reduction roadmap which will drive real progress in achieving our sustainability goals.

Low carbon homes

We have started to analyse data from our trials of low carbon homes and solar retrofitting, which have been live for over a year. These findings will contribute to our carbon reduction roadmap.

Early results show homes with air source heat pumps have reduced carbon emissions while maintaining a comfortable temperature. Owing to electricity and gas prices being different, the running costs were similar.

Homes with batteries or smart water tanks used more solar-powered energy than the existing homes fitted with solar panels, however the latter found their EPC rating improved from B/C to A. We found customers in both these trials successfully adapted their behaviour to use electricity primarily in daytime hours to make use of the solar energy.

This year we began a new trial installing Switchee devices in a variety of homes. These devices gather environmental data including humidity and temperature levels. We plan to use this data to gain insight into risks of damp and mould, understanding how to resolve risks early, before they develop into larger issues.

These initiatives reflect our ongoing commitment to sustainability, continuously improving how we manage our impact on the environment around us.



SOCIAL

Working in our community

Heart of Sage

Heart of Sage is Sage Homes' charitable Community Benefit Society for projects, organisations and individuals. The Heart of Sage team focuses on providing support to Sage customers most in need, harnessing the collective power of our communities and colleagues. Through grant-giving and sponsorship, local charities and organisations working in Sage's communities can apply for sponsorship or full grants to support the most vulnerable. Notable grants and sponsorships include a £20,000 grant to Women's Aid for combatting domestic abuse, a community grant to Upper Lighthorne Allotment Association for building elevated flowerbeds and providing mobility tools, and sponsorship to Aspects for delivering counselling sessions in local schools to support children's mental health.

In addition, community sponsorships have enabled our communities to host events such as Olympic/Paralympic celebrations, involving almost 150 households. Sage colleagues are also offered two days of volunteering leave annually, allowing them to contribute to causes they are passionate about. Heart of Sage has supported various initiatives, including litter picks, homelessness projects, and tree planting schemes, and has matched over £15,000 in funds raised by colleagues for more than 13 different charities through sponsorship events. Effective communication with customers has been crucial in ensuring the benefits of these initiatives are recognised.



Helping customers manage financial hardship

Our dedicated Financial Wellbeing team continue to help customers with food, energy bills, furniture, school uniforms and sourcing white goods. They also support customers in finding untapped areas of support, such as unclaimed benefits.

As of 2024, the team has helped 523 customer households with bills and white goods, and through concerted effort has supported customers to access over £2m of unclaimed benefits. The team has also secured £53,000 in external charitable funding for additional customer support and regularly advocate for our customers in court.

Financial review



“Bringing housing management services in-house and securing strategic refinancing were key milestones, helping the company stay resilient and improve service delivery for customers.”

REVIEW AND HIGHLIGHTS OF 2024

As the Chief Financial Officer of Sage Rented Limited, I am pleased to present this year's financial review, which reflects a period of stability and operational focus. Throughout the year, our efforts were centred on meeting the needs of our customers while ensuring the organisation remained financially robust. This report provides an overview of our financial performance, highlighting the steady, reliable foundation we've laid to sustain long-term resilience and value creation.

In 2024, the social housing sector continued to grapple with many of the same economic challenges experienced in the prior year, including persistent inflation and elevated borrowing costs. In response to these ongoing pressures, the Company remained steadfast in its commitment to prioritising the needs of our customers by maintaining high-quality, energy-efficient and safe homes. We also took significant steps to enhance our operational capabilities by evolving our internal systems and processes. A key milestone during the year was the successful transition of all housing management services to be in-house, a strategic move that has provided us with greater oversight, improved service delivery, and more efficient cost management. Bringing these services in-house has also enabled us to be much closer to our customers and ensure we are able to service them in a bespoke way.

FINANCIAL PERFORMANCE OVERVIEW

Unlike past years, the Company did not acquire any homes from its sister registered providers within the Sage Group. This allowed the Company to concentrate on business-as-usual operations, focusing on our customers and their homes. The company remained operationally profitable, with turnover increasing from £37.2m to £65.0m, primarily driven by the addition of 3,499 homes toward the end of 2023. The benefits of this scale supported growth of operating profit from £6.6m to £20.9m, reflecting the Company's ability to leverage its overhead costs across a larger portfolio.

The Company remains focused on managing its interest costs and liquidity more generally. During the year, interest expenses increased from £46.9m to £60.7m, largely driven by higher debt levels due to the full-year impact of the £308.0m bi-lateral loan.

This increase was partially offset by a rise in interest income from interest rate caps, which grew from £2.3m in 2023 to £4.6m in the current year.

Rising living costs have continued to impact the Company's customers. In 2024, average arrears per home increased by £95, bringing total arrears to £3.0m (2023: £1.5m), growing as the portfolio grew and consistent with 2023 levels. Sage Homes remains committed to supporting customers experiencing financial hardship, with our dedicated Financial Wellbeing team providing practical assistance and helping residents access unclaimed benefits and essential items. This is further reinforced through the work of Heart of Sage. These combined efforts reflect a broader commitment to customer wellbeing and the social impact of Sage's work across the communities it serves.

The Company's net operating income ('NOI') margin increased modestly to 40.6% in 2024, up from 36.6% in 2023. The uplift demonstrates effective cost management and consistent rental income performance, supported by the successful transition of housing management services in-house, which has enabled greater control over service delivery quality and related costs.

OPERATIONAL HIGHLIGHTS

In January 2024, Sage Homes successfully completed a three-year initiative to bring its housing management services in-house, marking a significant step in enhancing its relationship with affordable rental customers. By directly managing all homes, the Company aims to set a new standard for affordable housing, ensuring high-quality service and customer care.

This transition involved recruiting nearly 90 new staff members, creating three dedicated teams within Resident Services: Community Safety, Homes and Communities, and Income, and establishing a dedicated new Customer Centre. These teams took the lead in supporting customers, maintaining properties, and ensuring financial well-being. A key milestone in this transformation was handling rent payments directly, implementing advanced payment technologies and launching a new web portal functionality, which provides customers with real-time access to their account balances, direct debit management, and other self-service options, accessible across all devices. Additionally, the Company enhanced its CRM system to centralise data on key areas including antisocial behaviour, inspections, arrears management, and responsive repairs.

“Providing sustainable affordable housing solutions while prioritising customers and maintaining financial resilience.”

This transition reflected Sage Homes’ continued evolution from a start-up relying on external management to a mature organisation capable of independently delivering comprehensive services. Sage Homes continued to invest significantly in its information technology capabilities, with a particular focus on enhancing customer experience and improving operational efficiency. These investments strengthened digital platforms and streamlined processes, enhancing service delivery and day-to-day operations.

Over the course of the year, our committed Lettings teams worked diligently, securing more than 400 lettings in 2024. The Company sustained a strong occupancy rate, with 99.5% of homes let by year-end. This high level of occupancy provided the company with a stable financial footing throughout the year.

FUNDING SAGE AND CAPITAL MARKETS

The Company experienced a relatively quiet transactional year, with no additional capital required for new acquisitions. The broader UK capital markets continued to be influenced by elevated interest rates, which, although beginning to stabilise, remained significantly higher than in previous years. In response, the Company actively pursued measures to mitigate the financial effects of higher borrowing costs, with the renewal of interest rate caps playing a key role in managing interest rate exposure. As the first senior facility agreement approached its

final 12 months, work was initiated to procure the refinancing of the associated properties. This process culminated in May 2025 with a successful refinancing that not only refinanced the 1,609 homes under the original senior facility agreement but also added 514 properties within the bi-lateral loan. The refinancing allowed the Company to capitalise on more favourable interest rates and optimise its debt structure, securing lower-cost financing and a longer maturity date.

FUTURE

The Company remains committed to supporting its customers through ongoing economic challenges. With the May 2025 refinancing noted above complete, the Company remains in a solid position to manage costs and invest in improving services. We will continue to enhance digital platforms and customer service as we aim to create a positive and secure living experience for all our customers.

John Goodey
Chief Financial Officer

21 May 2025

Value for Money

INTRODUCTION

The Company continues to focus on achieving value for money (VFM) and delivering its services in an efficient and effective manner to make the most of the rental income it receives. As part of our compliance with the Value for Money Standard, we remain focused on achieving economy, efficiency, and effectiveness across all areas of activity. We are committed to increasing the supply of high-quality affordable homes in England and to providing a consistently high level of service to our residents. This commitment underpins our approach to value for money.

The Company became operational in October 2020 and, over the following two years, acquired a portfolio of 3,321 affordable rental homes from its sister Registered Provider, Sage Housing Limited (now known as Sparrow Shared Ownership Limited). In September 2023, the Company acquired a further 3,499 affordable rental homes from the same provider. In 2024, we entered a period of stabilisation, with no further transfers taking place. Our strategy remains unchanged: to grow the portfolio through the periodic transfer of completed affordable rental homes from other Registered Providers within the Sage Homes Group. This growth profile continues to influence performance metrics, particularly when compared to other providers with more stable and mature portfolios. As the pace of new acquisitions slows and the portfolio matures, we expect our performance to become increasingly comparable with sector peers.

With a year end portfolio of 6,820 affordable rental homes, the Board considers it appropriate to assess performance against a peer group of Registered Providers in England with portfolios of between 5,000 and 10,000 homes. The Board has set targets for 2025 covering both the Regulator of Social Housing's VFM metrics and the Company's own key performance indicators. These targets are based on the current owned and managed portfolio but may be revised in response to changing market conditions, operational needs, or financing requirements.

OVERVIEW

The Regulator of Social Housing defines the VFM metrics that Registered Providers are required to disclose.

Metrics 1 to 3 focus on investment and reflect our investment in new and improving existing affordable homes, while ensuring our borrowing is kept at prudent levels. These help to show our levels of efficiency and effectiveness. Metrics 4 to

7 focus on our operational efficiency in managing our portfolio as expressed through our financial performance, the return on the capital we utilise and our liquidity and investment capacity.

METRIC 1 – REINVESTMENT (%)

Captures investment in new and existing homes as a proportion of total housing assets, excluding transfers from other Registered Providers within the Sage Homes Group. As the Company does not undertake delivery of new homes and any costs incurred are merely incidental and relate to finalisation or post completion costs, this metric is not applicable for the Company.

METRIC 2 – NEW SUPPLY DELIVERED (%)

Considers the number of new homes developed in the year as a proportion of total units owned at year end and excludes transfers from other Registered Providers within the Sage Group.

Social housing units: As the Company does not undertake delivery of new homes, this metric is not applicable.

Non-social housing units: The Company focuses solely on affordable housing, has never held any non-social housing units, and does not intend to do so, making the metric not applicable.

METRIC 3 – GEARING (%)

Indicates the level of debt relative to the value of housing assets and provides insight into financial leverage and borrowing capacity.

Gearing is broadly in line with target, as the Company had anticipated a transfer of approximately 1,600 homes from a sister registered provider, Sage Homes RP Limited ('SHRPL') in the final quarter, which did not occur. This transfer would have increased debt levels and, in turn, housing assets maintaining a similar gearing ratio. The Company ensures that debt and gearing levels remain appropriate to safeguard financial viability while balancing the benefits of debt in reducing the overall cost of capital and supporting investment in affordable housing. We also manage interest costs and covenant compliance carefully to avoid exposing the business to undue financial risk. Gearing in 2025 is expected to reduce slightly but remain broadly in line with 2024.

METRIC 4 – EBITDA MRI – INTEREST COVER (%)

Assesses the organisation's ability to cover interest payments from operating earnings, offering a view of liquidity.

The Company was below its 2024 target, driven by the deferral of a planned transfer of completed homes from SHRPL, which resulted in lower rental income than originally forecast. The 2025 target reflects growth in net operating profits associated with portfolio expansion is expected to offset the increase in interest expense associated with managing a larger portfolio.

METRIC 5 – HEADLINE SOCIAL HOUSING COST PER UNIT (£)

Reflects the average cost of managing and maintaining social housing properties, as defined by the Regulator of Social Housing.

The cost per unit in 2024 was slightly above target, primarily due to the deferral of a planned transfer of approximately 1,600 rental homes from SHRP. This was compounded by increased costs related to investment in housing management systems and additional compliance expenditure, which impacted net operating income. The 2025 CPU is expected to remain broadly in line with the 2024 target and full-year expectations, and remains well below peer benchmarks, demonstrating the efficiency gains from bringing housing management services in-house.

METRIC 6A – OPERATING MARGIN – SOCIAL HOUSING LETTINGS (%) AND METRIC 6B – OPERATING MARGIN – OVERALL (%)

Assesses how effectively the organisation manages its costs relative to income, highlighting financial sustainability and value for money. Metric 6A focuses on social housing lettings, while Metric 6B reflects performance across all activities.

Operating margin for social housing lettings in 2024 was slightly below target, primarily due to additional compliance expenditure. The overall operating margin underperformed against target, driven by the delayed transfer of homes from SHRP, which reduced the Company's expected rental income and operating scale for the year. Targets for 2025 anticipate improvements, supported by an enlarged portfolio and the continued benefits of directly managing homes in-house. Each measure compares favourably to sector benchmarks and reinforce the Company's focus on operational efficiency.

METRIC 7 – RETURN ON CAPITAL EMPLOYED (%)

Compares the operating surplus to total assets less current liabilities and is a common measure used in the commercial sector to assess the efficient investment of capital resources.

The Company's returns were above target in 2024, primarily due to the delayed transfer of homes from SHRPL, which impacted the scale of income generating assets. The improved target for 2025 reflects a larger portfolio and the ongoing benefits of internalised management, alongside greater operational efficiency through economies of scale.

Core value for money metrics	2025 Target	2024 Actual	2024 Target	2024 Peers	2023 Actual
1 Reinvestment %	Nil	0.4%	Nil	9.0%	Nil
2A New supply delivered % (social housing)	Nil	Nil	Nil	1.5%	Nil
2B New supply delivered % (non-social housing)	n/a	n/a	n/a	n/a	n/a
3 Gearing %	90%	95%	93%	49%	94%
4 EBITDA MRI – interest cover %	67%	55%	58%	124%	31%
5 Headline social housing cost per unit	£3,447	£3,862	£3,293	£5,112	£2,324
6A Operating margin (social housing lettings only)	58%	41%	42%	22%	37%
6B Operating margin (overall)	53%	32%	40%	22%	18%
7 Return on capital employed (ROCE)	4.8%	2.7%	2.3%	2.9%	0.6%

ADDITIONAL KEY PERFORMANCE INDICATORS

In addition to the core Value for Money metrics, the Sage Homes Board has set key performance indicators to measure specific areas of strategic and operational performance to give a more rounded view of the Company's performance. These metrics are the key drivers of our business which is solely the management of affordable rental homes.

CUSTOMER EXPERIENCE

Customer satisfaction with our service measures the number of customers who have stated they are fairly or very satisfied with their interaction with the company. In 2024, the Company completed the insourcing of management for all its homes, which led to a significant improvement in the speed of complaints handling. However, tenant satisfaction dipped slightly compared to previous years, with many tenants expecting a higher level of service following the transition. Initiatives planned for 2025 include improved responsiveness, clearer communication, and greater on-site visibility. Enhanced digital platforms and a more responsive repairs contractor framework are also expected to contribute to better outcomes. We are continuously working across teams to deliver the standard of service our customers expect, and we believe that applying lessons learned throughout 2024 will lead to improved satisfaction in the year ahead. Our 2025 targets reflect our determination to continue working in this area.

OPERATIONAL EFFICIENCY

In 2024, the Company achieved a rent collection rate of 98%, slightly below target. Performance improved steadily over the year as the organisation continued to embed a patch-based team structure and leverage our CRM system, enhancing local accountability and customer tracking. The dip in rental collection contributed to an increase in tenant arrears and delays in resolving legacy cases, resulting in current arrears of 4.7% at year end.

Despite these challenges, the Company maintained strong operational resilience through cost controls, responsive customer engagement, and the continued support of Sage Homes' Financial Wellbeing team, which provided tenants with budgeting tools and access to benefits and hardship support. The team's interventions helped many residents sustain their tenancies amidst ongoing cost-of-living pressures.

As the portfolio has matured and the large fluctuations caused by asset transfers across entities have stabilised, the 'headline cost per unit – adjusted' metric used in prior years has been retired. This metric was previously introduced to give readers an indicative view of expected costs under a stabilised, internally managed model. Given the greater consistency in the portfolio structure, the headline metric is now considered sufficient.

Looking ahead to 2025, the Company aims to hold arrears at or below 4.7%, acknowledging the ongoing financial pressures facing households. As all our lettings are made via Local Authority nominations, the organisation houses a higher proportion of vulnerable residents, many of whom rely on government support. This reinforces the

need for a tailored, compassionate, yet robust arrears management strategy in 2025. To support this, we have introduced a more proactive and supportive approach to arrears management, underpinned by improvements to our internal systems that will help us better understand individual tenant circumstances and respond more quickly to their needs.

SAGE HOMES' PEOPLE

At Sage Homes, we continue to place our people at the heart of the organisation. We've maintained a strong focus on creating an inclusive, supportive culture where colleagues feel valued and heard. Feedback gathered through

employee engagement activities has helped shape improvements in how we communicate, collaborate, and support wellbeing across the business.

Looking ahead, we are prioritising stronger leadership visibility, clearer communication, and continued investment in our people. These areas will be key to ensuring our teams remain connected, motivated, and equipped to support the business as it grows.

	2025 Target	2024 Actual	2024 Target	2024 Peers	2023 Actual
Customer experience					
Customer satisfaction with the service	78%*	67%	78%	78%	71%
Complaints responded to within target time	93%	91%	90%	90%	67%
Operational efficiency					
Headline cost per unit – adjusted (per annum)	n/a	n/a	£3,182	n/a	£2,261
Rent collected as % of rent due	100%	98%	99%	100%	100%
Current tenant arrears as % of annual rent due	<4.7%	4.7%	4.8%	2.9%	4.2%
Our people					
Employee satisfaction	72%	72%	80%	83%	79%

CONCLUSION

The Board is satisfied that, having considered all the requirements, Sage Rented Limited is compliant with the VFM Standard.

*Sage Homes is not setting a numerical target for customer satisfaction in 2025. The target is to be in the top quartile of the sector for overall customer satisfaction. Based on data from the Regulator of Social Housing in 2024, the top quartile for the sector starts at 78%, therefore this is stated here. However, the Tenant Satisfaction Measures for 2024/25 will be released in November 2025 and will set a revised top quartile target figure and this will become the year-end target.

Risk management

The effective management of principal and emerging risk is fundamental to the achievement of Sage Homes' strategic objectives.

The effective management of risk is fundamental to the achievement of Sage's strategic objectives. Responsibility for risk rests with the Sage Board. Oversight of the risk management processes is provided by the Risk Management Group and Sage's Audit and Risk Committee.

Risks to the achievement of Sage's strategic objectives are recorded in the strategic risk register which is maintained by the Head of Internal Audit and Risk. The register is reviewed and updated by the Sage Risk Management Group before the key risks are reported to, and reviewed by, the Audit and Risk Committee and Board.

2024 was the first year that housing management services were provided fully by Sage, rather than depending on outsourced arrangement with a housing association. This completes the journey that started in 2023 when Sage brought a small number of customers under direct management. The 2024 year has therefore seen a significant change in Sage's relationship with its customers and a reduction in risk as its housing management services have matured.

The economic environment stabilised further in 2024 with CPI rate of inflation falling from 4% at the start of 2024 to 2.5% at the end of year, further reducing cost of living pressures on Sage's customers. Although CPI inflation did significantly reduce during 2024, the rent increase in April was based on the previous September's CPI, which was 6.7%. Sage customers were therefore subject to a 7.7% increase in their rents in April and this led to a short-term increase in rent arrears. However, the year-end position had stabilised to a level similar to the start of the year.

The lack of suitable rental properties has resulted in continued demand for Sage properties. Market rents have continued to increase and this may affect the long term affordability of properties for Sage customers.

The regulatory environment in which Sage operates has continued to tighten with the introduction of the consumer grading system for registered providers in April 2024. The Housing Ombudsman also significantly increased the number of determinations that it issued during 2024. This included maladministration / severe maladministration orders for Sage that required it to take urgent action to improve its service delivery.

Sage's risk management system continued to evolve and mature throughout 2024. Actions undertaken to further develop the framework for managing risk included the following:

- A refresh of the strategic risks to reflect the challenges posed by the changing regulatory landscape, including the approach to consumer regulation
- A Board risk focus day considering the impact of the geopolitical risk on Sage's future operations
- Review and update of Sage's risk appetite to ensure that it meets the changing economic and regulatory environment.

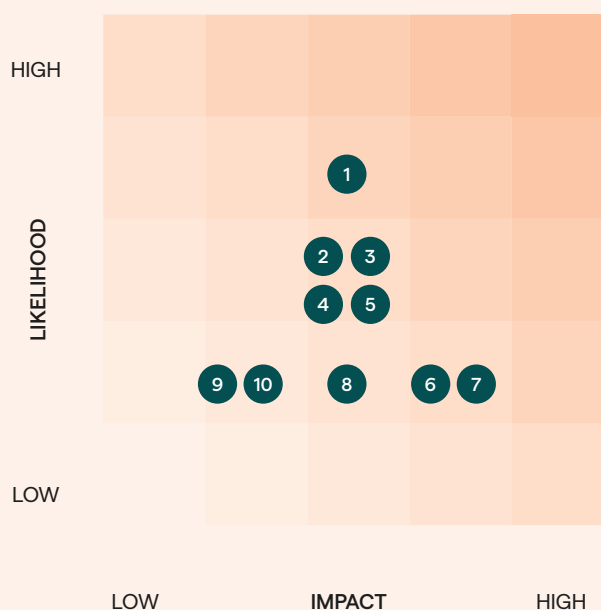
During 2024 the housing management systems and processes were being developed, including the systems for managing risks.

The maturity of these systems will continue to develop in 2025.

KEY RISKS "HEAT MAP"

Sage Homes utilises a programmatic scoring of risks to map its mitigated risks. A "heat map" showing some of Sage Homes' key risks is shown below. This is reported to the Risk Management Group and Audit and Risk Committee on a quarterly basis. It is also considered at Board meetings at least twice a year, and at the Board's strategy day which has a focus on risk

RESIDUAL RISK



LIKELIHOOD

Measured on a scale of low, which is unlikely to happen or recur within a five-year period, to high, which is very likely/almost certain to happen or recur within a year.

IMPACT

Ranges from low, which would result in a financial impact of less than half a million pounds, to high, which includes a financial impact of more than £20m or an event that results in the need for regulatory intervention.

Schedule of the key risks and mitigations

Sage Homes' Directors can confirm that they have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency, or liquidity.

Emerging risks are identified within the business and their impact is discussed at the quarterly Risk Management Group meetings. The emerging risks are then either added to the Strategic Risk Register or included in the Emerging Risks section of the Risk Management report considered at each Audit and Risk Committee. The principal risks facing the Company have been identified as follows:

RISK	MITIGATING ACTIONS
1 Data quality and integrity The data used for key management decisions is incorrect, inconsistent or out of date.	<ul style="list-style-type: none"> Sage's controls are benchmarked against the ISO27001 information security standard and quarterly audits take place to check that there is continued compliance with controls. The Information Security Forum manages the controls over information security on behalf of the Board. The forum meets on a quarterly basis and is made up of representatives from across the business. Departments across the business have responsibility for data quality. A Data Quality Forum is tasked with improving the quality of data within the business. It handles the challenges the business has with data quality on a day-to-day basis. CRM is used as a standard system across Sage, and this has moved the business away from the use of spreadsheets and ad-hoc systems to a centralised system that draws on one source of data. Further development of the CRM system continues to drive improvements in data quality.
2 Customer satisfaction Customer dissatisfaction which drives complaints, Ombudsman referrals and negative publicity, including press reporting of the Ombudsman determinations to reviews on social media.	<ul style="list-style-type: none"> High standard of customer care, quick response to complaints. Customer surveys and mystery shopping with robust action to address issues identified. Customer service training developed and delivered to staff. Customer journey mapping exercise undertaken and results used to support improvements to the customer experience. Highly developed press monitoring and response capability. Chief Customer Officer whose remit is to further improve customer satisfaction and provide Board level oversight.
3 Availability and cost of financing Cost of debt increases to a level where Sage Rented Limited is unable to fund its operations.	<ul style="list-style-type: none"> Up-to-date funding support letters are received at regular intervals by Sage Rented Limited from its investors. There is a strong relationship with investors that is maintained through regular information flows. Strong treasury management function and hedging of variable portion of interest rates on the loan and bonds.
4 Reduction in income Cost of living crisis caused by higher inflation results in lower income for Sage Rented Limited as a result of rent caps imposed by government and increased bad debts/arrears.	<ul style="list-style-type: none"> Monitoring of rent arrears levels and early intervention. Payment plans agreed for customers with rent, or rent and service charge, arrears. Customers are assessed for affordability before renting. Phased implementation of the service charge sinking funds to reduce its impact. Financial support and signposting for customers by Sage Homes' Financial Wellbeing team. Business plan is stress tested for the impact of increased levels of arrears.
5 Data security A cyber-attack results in Sage Rented Limited being unable to use its IT systems, or access its data, or customer data is changed or released without authorisation.	<ul style="list-style-type: none"> Sage's controls are benchmarked against the ISO27001 information security standard and quarterly audits take place to check that there is continued compliance with controls. The Information Security Forum manages cyber essentials and accreditation on behalf of the Board. The forum meets on a quarterly basis and is made up of representatives from across the business. Sage Homes has a disaster recovery plan in place to mitigate the impact of a major incident. An internal audit in 2023 confirmed that appropriate IT resilience and disaster recovery processes are in place.

SCHEDULE OF THE KEY RISKS AND MITIGATIONS (CONTINUED)

RISK	MITIGATING ACTIONS
<p>6 Contractor performance</p> <p>Poor performance of key partners/contractors/suppliers resulting in a poor service to Sage Rented Limited and its customers, negatively impacting on Sage Homes' reputation in the market.</p> <p>Changes in the market, such as take overs and mergers, may reduce the number of available contractors / counterparties in areas such as repairs and maintenance.</p>	<ul style="list-style-type: none"> • Ongoing monitoring of provider's service to Sage Rented Limited customers. Regular communication with the provider team is maintained to identify and track issues. • Sage Rented Limited can appoint alternative providers if the service is not of a sufficient standard. • Regular audit assurance on contractor performance.
<p>7 People</p> <p>Lack of access to skilled workers to effectively deliver services to customers whilst maintaining compliance with increasing regulations and new employment legislation, during major business change programmes, as Sage Rented Limited transitions to a national operating model (London, Northampton and Field). Failure to instil desired culture, management style and capabilities required to reflect the strategic direction changes during the continuation of the evolution into a customer centric business.</p>	<ul style="list-style-type: none"> • Leadership Team ensure team structures are fit for purpose and amend as demands change, following employee consultation processes. • HR team in place with established hiring practices, including an applicant tracking system and EVP, that support the business to hire in the right skills, experience and calibre. • HR policies and practices in place, supporting Sage values, employee wellbeing, high performance, development and aid retention. • Pay and benefits structures/strategies in place to reflect the external labour market, attract high calibre candidates, reward performance and aid retention. • Biannual engagement survey and regular employee listening approach in place to monitor and respond to employee levels of engagement including the intention to leave the business within 12 months.
<p>8 Asset management</p> <p>Sage stock condition is of poor quality or Sage cannot evidence that homes meet the Decent Homes Standard.</p>	<ul style="list-style-type: none"> • There is an asset management strategy in place that was agreed, and is reviewed, by the Board every two years. • All stock is no more than seven years old and should meet Decent Homes and energy performance standards. • Programme of planned maintenance and stock condition surveys in place.
<p>9 Regulation</p> <p>Non-compliance results in measures of intervention, loss of status and ultimately may prohibit Sage Rented Limited from operating within the area of affordable housing.</p>	<ul style="list-style-type: none"> • Effective Board and governance structure in place and reviewed. Ongoing compliance monitoring and self-assessment. • Independent advice and assurance provided by external consultants in areas such as risk management, cyber security and governance. • G1 governance rating following latest In-Depth Assessment (IDA).
<p>10 Health and safety</p> <p>The risk of harm to customers is increased due to a failure to meet statutory requirements for Sage properties, including those related to Fire Safety, Water Safety, Fuel Safety, Lift Safety and Electrical Safety, or a failure to appropriately manage the properties.</p>	<ul style="list-style-type: none"> • Oversight through reporting of property compliance metrics to each Board. Annual review of property compliance by Internal Audit to provide assurance. • External consultants advise on best practice. Rigorous property compliance policies and procedures in place. Compliance with legislative and regulatory requirements monitored through a dedicated compliance system. • Regular reports received from service providers on conformity with property compliance requirements. External independent physical audits of some compliance events such as Electric, Gas and Fire to provide further assurances to Leadership and Board.

Our engagement with our stakeholders

This section explains how Sage Rented Limited's Directors have considered the interests of key stakeholders and broader matters set out in Section 172(1) (A) to (F) of the Companies Act 2006 when performing their duty to promote the success of the company under that section of the Act.

(A) THE LIKELY CONSEQUENCES OF ANY DECISION IN THE LONG TERM

In addition to preparing a five-year corporate plan and related budget, we also prepare a 30-year long-term strategy which is stress-tested against severe-but-plausible scenarios to ensure that it is robust. Underlying that is the work of the Board in ensuring strong, long-term personal relationships with our customers and other stakeholders, based on the quality of our properties and to ensure they are highly satisfied with the service we provide.

(B) THE INTERESTS OF EMPLOYEES

We value the contribution of our people and have a fundamental belief in them and their desire and capacity to do a good job. We know their individual actions and behaviours help build a successful business to provide customer satisfaction, which is crucial to the success of Sage Homes. Colleagues are encouraged and supported to develop their careers, which further strengthens Sage Homes' culture and effectiveness. The Workforce Advisory Panel "Sage Together", discusses the way Sage Homes colleagues interact with the business and ensures staff feel heard. "Sage Together" also helps make sure the workforce's viewpoint is understood and considered by the Board in its decision-making process. Further details of the work of the "Sage Together" advisory panel can be found on page 11. Sage Homes conducts an annual employee engagement survey and in addition, a pulse survey was carried out in 2024 to help understand the views of staff on junior grades. The surveys help gather evidence on the employee experience against a number of categories, providing themes and areas of focus for the business. The Board is briefed on the results of the surveys and an action plan is agreed to address the key findings. The results provide an opportunity to consider the overall employee experience and culture at Sage Homes. There is a system through which whistleblowing concerns can be anonymously reported which supports colleagues by making sure they can raise concerns in a confidential and safe way.

OUR ENGAGEMENT WITH OUR STAKEHOLDERS (CONTINUED)

(C) THE NEED TO FOSTER BUSINESS RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND OTHERS

Sage Rented Limited puts its customers at the heart of its business and the customer experience is central to Sage Homes' values. Long-term success is only possible with a customer-centric business model and therefore the customer outcome forms a core part of Board deliberations. The customer transactional surveys and perception survey results, which includes the questions for the Tenant Satisfaction Measures and gathers feedback about the customer's overall experience with Sage Homes, are reviewed every 6 months. Findings across the two types of surveys are analysed and used to form Sage Homes' customer service strategy, which is designed to improve the customer experience. This includes reviewing complaints statistics and customer satisfaction trends which help develop and improve the customer experience and meet their evolving expectations. The Customer Scrutiny Panel comprises of Sage Homes customers and gathers the lived experiences of Sage Homes' customers and is designed to provide Sage Homes with details of successes and areas requiring improvement. Further information about the work of the panel may be found on page 9.

Sage Rented Limited liaises on a range of issues with our suppliers to minimise any risks to the company and also to embed best practice in a number of areas throughout our supply chain. Supporting and engaging with our suppliers makes sure we are in a position to receive the best possible outcomes for customers. It also gives our suppliers an opportunity to demonstrate that, in addition to providing the service, they also meet our expectations in terms of corporate, social and environmental areas. Sage Rented Limited maintains a strong business relationship with housebuilders, local authorities and other key stakeholders such as Homes England. We are open and honest in our dealings, and keep our promises. We work to be a trusted partner of choice for all our stakeholders, and their views are taken into account by the Board. With a dedicated procurement team, Sage engages with suppliers as part of the onboarding process. As part of the ongoing monitoring of key suppliers, this department undertakes general due diligence regarding the financial soundness of suppliers. Our suppliers have been able to continue to provide us and our customers with the contracted services throughout the year, and we continue our regular discussions with them. As stated in Sage Rented Limited's Modern Slavery Act statement we have processes in place to make sure that modern slavery or human trafficking do not occur in our supply chain or operations. This is supported by our supplier code of conduct, our code of ethics, which sets out Sage's commitment to conducting itself fairly, honestly and lawfully. We also have a procurement policy and mandatory annual training completed by all employees. The Board has a zero-tolerance attitude towards modern slavery in our supply chain and reviews and approves the Modern Slavery Statement which is published on the Sage Homes' website.

(D) THE IMPACT OF THE COMPANY'S OPERATIONS ON THE COMMUNITY AND ENVIRONMENT

Our Environmental, Social and Governance commitment was a key focus in 2024. Sage Homes' credentials mean that the Group has been able to raise funds through Europe's first ever social bond. The Board considers ESG matters in all its decision-making and further details of our ESG activities and initiatives may be found on pages 14 and 15.

(E) THE DESIRABILITY OF THE COMPANY MAINTAINING A REPUTATION FOR HIGH STANDARDS OF BUSINESS CONDUCT

The Board periodically reviews and approves policies, such as the Sage Rented Limited Code of Conduct, anti-fraud and anti-money laundering policies, and Sage Homes' Modern Slavery Statement, to make sure that its high standards are maintained both within the organisation and in our business relationships. We make sure workforce training on these matters is kept up to date. The Board monitors Sage Homes' culture to make sure our values are fully embedded into organisational behaviours.

(F) THE NEED TO ACT FAIRLY AS BETWEEN MEMBERS OF THE COMPANY

Sage Rented Limited is a single-member company and our investors have appointed Directors who participate in Board meetings. Each Sage Homes Group Registered Provider has a separate Board with common Directors.

Governance



A sound corporate governance framework provides the structure to enable the Board and the company to operate in an effective and entrepreneurial way for the benefit of its customers, workforce, investors and other stakeholders.

The company has adopted, wherever practical for a private company, the UK Corporate Governance Code 2018 (the Code) as the applicable Code for this accounting period. The Board has taken note of the updated Code published in January 2024 for periods beginning 1 January 2025, and has been working

towards compliance with the updated Code. In addition, Sage Rented Limited is a Registered Provider and must comply with the governance provisions overseen by the Regulator of Social Housing. We aim for the highest standards of governance and compliance.

THE BOARD

Directors

COMMITTEE KEY

- AR Audit and risk
- RN Remuneration and Nomination
- CP Customer and People
- AA Acquisitions Approval
- CS Customer Scrutiny Panel
- Committee Chair



Alison Thain OBE
Chair



John Brace
Independent Non-Executive Director (Senior Independent Director)



Cedi Frederick
Independent Non-Executive Director



David Godden
Independent Non-Executive Director



Gemma Katakya
Non-Executive Director



Julia Porter
Independent Non-Executive Director



Cindy Rampersaud
Independent Non-Executive Director



Sydney Taylor
Non-Executive Director



Mark Sater
Chief Executive Officer,
Executive Director

Biographies of the Board of directors can be found online at: sagehomes.co.uk/about-us/meet-the-team/

Leadership team



James Castle
Underwriting Director



Alex Dawkins
Director of Acquisitions



Bridget Frisby
Chief Legal Officer



John Goodey
Chief Financial Officer



Teresa Hickman
HR Director



David Mullin
Managing Director,
Commercial Operations



Lucian Smithers
Chief Customer Officer



Roger Wilshaw
Managing Director,
Housing Operations

During the year, Ben Aspinall was Managing Director of National Acquisitions. In May 2025, Ben Aspinall left Sage Homes and was replaced by Alex Dawkins, Director of Acquisitions.

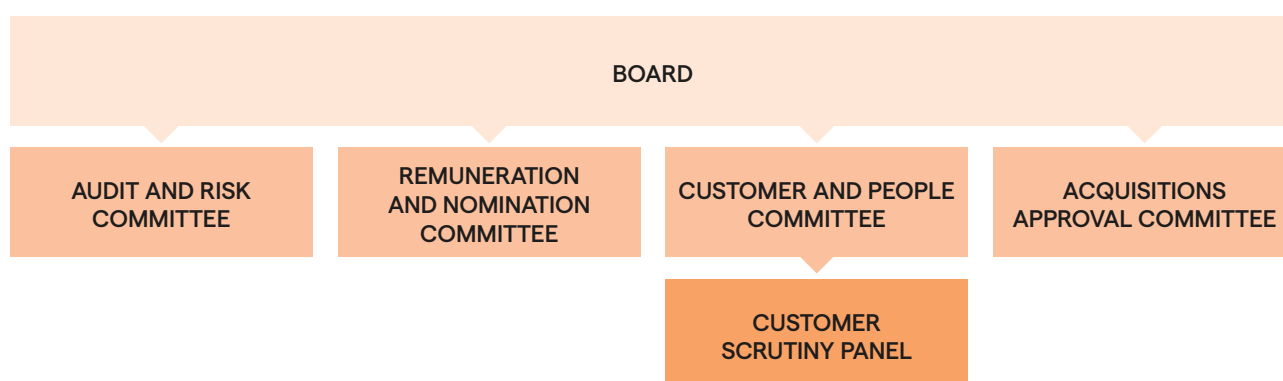
Biographies of the leadership team can be found online at: sagehomes.co.uk/about-us/sage-leadership-team/

Corporate Governance Report

GOVERNANCE FRAMEWORK

The Board of Sage Rented Limited understands that good governance is of fundamental importance in achieving Sage Homes' corporate purpose. A sound corporate governance framework provides the structure to enable the Board and Sage Homes to operate in an effective and entrepreneurial way for the benefit of its investors, customers and other stakeholders.

Sage Rented Limited operates through the main Board and a small number of committees. The Board has established the Audit and Risk, Remuneration and Nominations, Customer and People and Acquisitions Approval Committees and details of their main responsibilities and activities in 2024 are set out on pages 35 to 44. The below illustrates the Board and Committee structure as at 31 December 2024:



COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE 2018 (THE CODE)

Sage Rented Limited has adopted the Code which operates on a 'comply or explain' basis. Certain provisions of the Code are designed to apply to companies with a listed shareholder base and during 2024 the Company did not comply with the following provisions:

Provision 4: Actions to be taken regarding votes cast against AGM resolutions

This provision is not applicable as the Company is a private company with one shareholder and has decided not to hold an AGM. As such, there are no shareholder votes cast against resolutions that would require follow-up actions. This approach is considered sufficient given the Company's ownership structure, and no governance risk has been identified as a result.

Provision 15: Additional external appointments should not be undertaken without the prior knowledge of the Board

As appropriate for the Directors of a private company, new external appointments are undertaken with the approval of the Chair and ratified at the next meeting of the Board. This reflects the operational reality of a private company environment, where flexibility is needed and conflicts of interest are low risk. All such appointments are monitored to ensure they do not interfere with the Directors' duties to the company.

Provision 18: All Directors should be subject to annual re-election

This is not appropriate for a single-member private company. Directors are appointed for terms of office of up to three years, and may serve further terms of office up to a maximum total of nine years. This arrangement supports continuity and long-term oversight, while the sole shareholder retains the ability to appoint or remove Directors at any time.

The Chair and the Chief Executive Officer maintain a close working relationship to ensure the integrity of the Board's decision-making process and the successful delivery of Sage Homes' strategy. The Board evaluates the membership of its individual Board committees on an annual basis and the Board committees are governed by terms of reference which detail the matters delegated to each committee and for which they have authority to make decisions. The terms of reference for the Board and the Committees can be found on Sage Homes' website.

Provision 36: Director share schemes

This is not applicable to the Company as a single member private company. Remuneration structures are reviewed by the parent company to ensure they remain appropriate and aligned with the company's objectives.

Subject to the above explanations, the Company was compliant with the Code during 2024.

RSH STANDARDS

During 2023, Sage Homes underwent an In-Depth Assessment (IDA) by the Regulator of Social Housing ("RSH") and was judged as reaching the highest G1* standard for governance and the second highest V2* standard for viability. This means that Sage Rented Limited meets the RSH's governance requirements. It also met the viability requirements, and had the financial capacity to deal with a reasonable range of adverse scenarios, but needed to manage material risks to ensure continued compliance. The Board has reviewed its compliance, and can confirm that Sage complies with the Governance and Viability Standard and all other relevant economic and consumer standards as set out by the RSH.

AN EFFECTIVE BOARD

Sage Rented Limited's Board consists of six independent Non-Executive Directors, two investor Directors, and the Chief Executive Officer, and is responsible for overseeing Sage Homes' activities. In particular, the Board is responsible for establishing Sage Homes' purpose, values and strategy, and satisfying itself that these and its culture are aligned. The Board is required to ensure that the necessary resources are in place for Sage Homes to meet its objectives and measure performance against them. All Directors must act with integrity, lead by example and promote Sage Homes' culture. Non-Executive Directors are required to allow sufficient time to meet their Board responsibilities and provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.

The Board is the governing body of the organisation and is collectively responsible for the success of the business. It provides leadership to the organisation and has established a framework of prudent and effective controls that enable risk to be assessed and managed. In 2024 the Board comprised:

- Alison Thain OBE, Chair;
- John Brace, Senior Independent Non-Executive Director;
- Cedi Frederick, Independent Non-Executive Director;
- David Godden, Independent Non-Executive Director;
- Gemma Katakya, Non-Executive Director;
- Gareth Llewellyn, Independent Non-Executive Director; (To 3 July 2024)
- Julia Porter, Independent Non-Executive Director (From 1 September 2024)
- Cindy Rampersaud, Independent Non-Executive Director;
- Sydney Taylor, Non-Executive Director
- Mark Sater, Chief Executive Officer.

At least half the Board are Non-Executive Directors whom the Board considers independent. During the year, Gareth Llewellyn stood down from the Board, having served 3 years. Julia Porter was appointed to the Board, bringing experience in data analytics, customer insight and remuneration. She succeeds Gareth as Chair of the Remuneration and Nominations Committee.

Alison Thain OBE is Chair of the Board and was independent upon appointment. She is responsible for leading the Board and ensuring its effectiveness in a culture of openness and accountability. Her role includes setting relevant agendas and making sure timely, accurate, high-quality and clear information has been provided to the Board. She ensures that there has been rigorous debate at meetings, with contributions from all directors, followed by effective decision making.

DECISION MAKING

A clear division of responsibilities is in place at the head of the organisation. The Chair is responsible for the smooth running of the Board and the Chief Executive Officer is responsible for the day-to-day management of the business and the building of an effective executive management team to deliver the objectives of the organisation. The specifications of the roles and responsibilities of the Chair, Chief Executive Officer and Senior Independent Director are available on Sage Homes' website.

The Board operates within a schedule of matters reserved for its decision. The Board has delegated certain activities to formal committees which operate within defined terms of reference. The Board and its committees have a timetable of work to ensure all these matters are considered as well as additional issues that arise during the year. The Board is provided with good quality papers as a base for sound decision making and undertakes a robust discussion and challenge of matters brought to it for decision. Detailed minutes summarise the debate and record the decisions made at each meeting.

The Board has established procedures to ensure that the disclosure and management of any actual or potential conflicts of interest are carried out correctly.

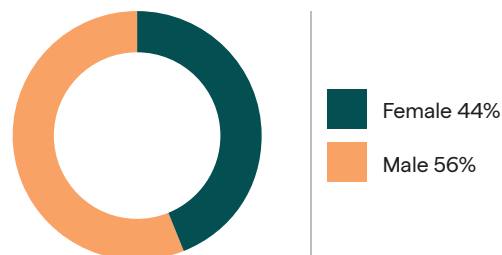
The biographical details of the Directors of Sage Rented Limited are shown on pages 28 and 29.

DIVERSITY AND INCLUSION

At Sage Homes, we firmly believe that having an inclusive and diverse workplace will support us in our ambitions to outperform the markets in our chosen areas of business. The Remuneration and Nomination Committee continually reviews our approach to diversity and our aim is to promote diversity in the hiring of new employees and in creating opportunities for individuals to progress their career within Sage Homes. Further details are included in the report from the committee on pages 38 to 41.

The gender diversity of the Board reflects Sage Homes' continuous focus on and commitment to gender equality. The Board members bring a broad base of professional experience. The Remuneration and Nomination Committee is responsible for reviewing the composition and balance of skills of the Board, to ensure they remain appropriate and diverse. The Remuneration and Nomination Committee oversees a comprehensive and tailored induction programme offered when a new director joins the Board. The gender and ethnic balance of the Board at the end of 2024 was 44% women, 57% men and 33% from a minority ethnic background. Of the senior management and their direct reports (total of 145 people), 47% (68 people) are women and 53% (77 people) are men.

BOARD GENDER DIVERSITY



DIVISION OF RESPONSIBILITIES

The Board's primary role is to provide leadership and to ensure that Sage Rented Limited is appropriately managed within a framework of prudent and effective controls and core values, while delivering long-term shareholder value. The Board is responsible for Sage Rented Limited's strategy, corporate culture, governance framework, risk management and internal controls, risk tolerances and its compliance obligations under the regulatory system.

The Board is committed to ensuring good governance throughout Sage Rented Limited and for instilling its culture, customer focus, sustainable decision making, and social responsibility. These values are reflected in the policies and directions from the Board, as well as in its support, review and challenge of Sage Rented Limited's affairs when engaging with executive management and other stakeholders.

EXECUTIVE MANAGEMENT TEAM

Day-to-day execution of the strategic plan through their operation of Sage Rented Limited's business is the responsibility of the executive management team whose authorities are delegated from the Board and set out in the Standing Orders and Financial Regulations.

BOARD AND COMMITTEE ATTENDANCE AT SCHEDULED MEETINGS IN 2024

In 2024, the Board and Committees held a number of scheduled meetings at which senior executives, external advisors and independent advisors were invited, as required, to attend and present on business developments and governance matters. The meetings either took place by Microsoft Teams, or in person. There is a comprehensive Board pack and agenda which is circulated beforehand so that Directors have the opportunity to consider the issues to be discussed. The Company Secretary or her delegate attended all Board meetings and is responsible for documenting discussions and actions arising at meetings.

At its meetings, the Board scrutinises the performance of Sage Rented Limited and its management. The Board has set clear agreed goals and objectives and through strategic and operational reporting effectively monitors the performance and

the delivery of these goals as well as risks, uncertainties and future prospects.

The Board has delegated certain activities to standing committees. These committees operate within defined terms of reference which are reviewed annually. During 2023 the committees were:

- Audit and Risk Committee (pages 35 to 37).
- Remuneration and Nominations Committee (pages 38 to 41).
- Customer and People Committee (pages 42 and 43).
- Acquisitions Approval Committee (page 44).

The table below sets out the attendance by Board and Committee members at formally scheduled meetings in 2024. In addition to the five regular Board meetings, there were also six additional Board meetings, a focus day on risk, a strategy day and a meeting to review the budget and business plan.

	Board meeting	Remuneration & Nomination Committee	Audit & Risk Committee	Customer & People Committee
John Brace	8/8		4/4	
Cedi Frederick	8/8			5/5
David Godden	8/8	6/6		5/5
Gemma Katakya	8/8			5/5
Gareth Llewellyn	4/4	4/4	2/2	
Julia Porter	4/4	2/2		
Cindy Rampersaud	8/8		4/4	4/5
Sydney Taylor	8/8			
Alison Thain	8/8	5/6		
Mark Sater	8/8			

Because of the intermittent nature of items going to the Acquisitions Approval Committee, during the year, decisions were taken in writing in accordance with the Committee's terms of reference.

Sydney Taylor and Gemma Katakya attended meetings of the Remuneration and Nomination Committee as representatives of the parent company. Where Directors are unable to attend meetings, they are encouraged either to share comments with the other Directors via the electronic Board pack or feed back their views to the Chair.

ACTIVITIES AND CONSIDERATIONS DURING 2024 INCLUDED

The Board received regular reports from the Chief Executive, Chief Financial Officer, Chief Customer Officer, Chief Operating Officer, and other senior managers. In addition, it received regular updates from the Board Committees in addition to the minutes of their meetings.

COMPOSITION

The Board, through the Remuneration and Nomination Committee, has remained aware that as a number of non-executive directors were appointed in the same year their terms of office would end at around the same time. Conscious of this, the Remuneration and Nomination Committee reviews succession plans for both executive and non-executive directors

STRATEGY

The Board also considered Sage Homes' business plan and oversaw updates to its strategy, ensuring alignment of strategic objectives with those of the shareholder as appropriate. In 2024, the Board held a Strategy Day to discuss investor perspectives, including market conditions, the residential housing landscape, operational challenges, capital markets, macroeconomic and political trends, investor interest in affordable housing, and sector risks. The Board discussed progress against its corporate strategic five- and thirty-year plans.

FINANCIAL PERFORMANCE

The Board received regular updates from the Chief Executive Officer and Chief Financial Officer on Sage Rented Limited's performance, including the Value for Money review, the 18-month funding and liquidity report and budget review. The Board ensured that Sage Rented Limited had access to sufficient funds to meet its needs.

GOVERNANCE & RISK MANAGEMENT

During the year the Board reviewed and approved updates to policies and the Standing Orders of Sage Rented Limited. In addition, the Board reviewed and challenged the strategic risk register, the company's risk appetite, holding a meeting dedicated to risk management in March. The Board also discussed the fraud and anti-bribery process and whistleblowing process.

CULTURE

Sage Homes' culture is integral to the way Sage Homes is run and helps ensure customers get the best possible service and outcomes and that it supports staff. The Board receives regular updates from the staff committee, 'Sage Together'. In addition, there was a regular ESG project update.

Board evaluation, training and support

REGULATORY SELF-ASSESSMENT

The Head of Regulation and Compliance conducted a regulatory self-assessment in line with the RSH's requirements. The results were as follows:

- Over the course of the year 2024, Sage Homes has worked to strengthen its compliance with the Regulatory Standards. In particular:
 - > It has instituted new IT systems, to reduce the use of spreadsheets and the risk of human error in rent setting.
 - > It has also put in place processes that ensure that new rents are thoroughly checked before being finalised and applied.
 - > It integrated tracking and reporting of the Regulator's new Tenant Satisfaction Measures.

INTERNAL BOARD AND COMMITTEE EVALUATION

Following an external review in 2023, an internal review was carried out in 2024, led by the Company Secretary. This focused on assurance that the actions identified and agreed in 2023 had been adequately addressed. In response to the Regulator of Social Housing's new Consumer Standards, a significant change implemented at the end of 2024 was to amend the terms of reference of the Customer and People Committee to become the Customer and Assets Committee. This now focuses on the needs of customers and on maintaining the quality of the homes we provide.

TRAINING

Training in matters relevant to their role on the Board is available to all Directors. When appointed, new Directors are provided with a full and tailored induction to introduce them to the business and management of Sage Homes. The Chair and Company Secretary agree what Board-wide training or development may be appropriate. This is generally delivered either before Board meetings or at away days. In 2024 sessions covered the risk environment; capital markets; housebuilding and planning constraints; the general election and the likely direction of social housing; and consumer regulations and the future expectations of the Regulator of Social Housing.

SUPPORT

The Board is supported by the Company Secretary who is available to give ongoing advice to all Directors on Board procedures and corporate governance. Directors are also entitled to seek independent advice in relation to the performance of their duties at Sage Homes' expense, subject to having first notified the Chair and Company Secretary.

RELATIONS WITH STAKEHOLDERS

It is important that the engagement mechanisms with Sage Rented Limited's stakeholders remain sufficient.

The Directors have a duty under s172 of the Companies Act to have regard to the interests of key stakeholders and the stakeholder engagement statement is on pages 25 and 26. A focus on ESG matters commenced in 2022, and was continued through 2023 and 2024. Details can be found on pages 14 and 15.

SHAREHOLDER AND INVESTORS

Sage Rented Limited is committed to engaging and communicating with its parent shareholder and investors in respect of strategy, key decisions and business and operational performance. To this end the investors have nominated Directors appointed to the Board. There is regular dialogue with the parent and the investors which enables the Board to have a clear understanding of their views. Representatives of the investors participated in the Board Strategy Day and Focus Day. By mutual

consent, the Board and parent have decided to waive the need to hold an Annual General Meeting.

CUSTOMERS

Sage Rented Limited aims to put customers at the heart of its business and Lucian Smithers, Chief Customer Officer continues in his role in enhancing the customer experience. As an attendee of the Customer and People Committee his role is to participate in increasing its capacity to oversee and address the strategic and operational customer-facing elements of the business.

As a Registered Provider, Sage Rented Limited has a duty to engage with its customers and is satisfied that engagement processes are in place so that the views and concerns of customers receive sufficient attention and action from the Board and the executive management team. The Board particularly values the work of the Customer Scrutiny Panel (CSP), which is chaired by a Director, Cedi Frederick, with leaseholder and tenant members drawn from across Sage's homes.

The CSP has been instrumental in helping Sage meet the Consumer Standard in Transparency, Influence and Accountability. During the year, the CSP has been most impactful in the following areas:

- Community safety – helping us shape our community safety services and handling of antisocial behaviour.
- My Sage Home customer portal and Live Chat service – testing and providing feedback on the updated portal and how we streamline the customer experience.
- Policy shaping – making key recommendations to improve the Vulnerable Customers Policy and five further customer-related policies.
- Customer communications – improving how we communicate with customers
- Building safety regulation requirements – helping us develop a consistent strong customer voice around the safety and management of their homes.

In addition, the Board and its Committees have taken into account feedback from Customer Insight Groups, which have covered areas such as Empowering Communities, Complaints and Damp, Mould and Condensation. Comments in customer transactional and perception surveys have also led directly to improvements in areas such as improved accessibility and the introduction of a dedicated point of contact for more complex issues.

WORKFORCE

The Board is responsible for ensuring that workforce policies and practices are in line with Sage Homes' purpose and values. The Customer and People Committee supports the Board in this work, and the Remuneration and Nomination Committee oversees workforce remuneration matters, seeking the advice of remuneration consultants when appropriate. A whistleblowing policy is in place setting out how members of the workforce may raise concerns, anonymously if they wish.

GATHERING THE VIEWS OF THE WORKFORCE

The 'Sage Together' workforce engagement panel is formed of 23 members of staff from across the business with a wide scope of representation including department, ethnicity and gender. 'Sage Together' has two sub-panels which focus on topics important to Sage Homes - wellbeing and diversity and inclusion. 'Sage Together' is helping to provide a platform for ongoing Board and workforce engagement and plays a key role in helping the Board understand and shape Sage Homes' culture. The views of the workforce are also being gathered through workforce engagement surveys.

Internal control

MONITORING CULTURE

Sage Homes' values are intended to guide and motivate attitudes and behaviours across the organisation. It is essential that those values are embedded into the organisation's culture to drive Sage Homes towards its purpose. Sage Homes understands the essential link between the organisation's culture and its impact on its customers and that link was recognised by the formation of the Customer and People Committee.

Culture is measured and monitored through a structured approach based on surveys, and by monitoring the culture of Sage Homes directly with the workforce. In 2024 the workforce were regularly surveyed to obtain both quantitative and qualitative data on the organisation's culture and the engagement of its employees. This has helped the Board identify areas that require focus and development. As the result of workforce surveys, during the year there was a focus on the development needs of frontline staff and greater support for senior managers, particularly those new to the role.

Sage Homes' workforce advisory panel, 'Sage Together', is an essential element of Sage Homes' commitment to creating a collaborative and inclusive culture. The areas of focus for Sage Together are wellbeing, and diversity and inclusion, and related initiatives were launched during the year. The Sage Together panel reports to the Remuneration & Nominations Committee and its Chair regularly presents reports directly to the Board.

INTERNAL CONTROL

The Board has overall responsibility for establishing and maintaining the system of internal control for Sage Rented Limited and for reviewing its effectiveness. The Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to identify and manage key risks and to provide reasonable assurance that planned business objectives and outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of Sage Homes' assets and interests.

In meeting its responsibilities, the Board has utilised a risk-based approach to internal controls that is embedded within the normal management and governance process.

This approach includes the regular evaluation of the nature and extent of risks to which Sage Rented Limited is exposed and is consistent with principles set out in the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting 2014. The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework, includes the items listed below.

IDENTIFICATION AND EVALUATION OF KEY RISKS

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of Sage Homes' activities. The executive management team regularly considers and receives reports on significant risks facing Sage Rented Limited and is responsible for reporting to the Board any significant changes affecting key risks.

EFFECTIVENESS OF CONTROLS

Sage Homes has a comprehensive internal audit programme that is driven by the key risks facing the organisation. A report on the effectiveness of the controls is provided for each internal audit and these are reviewed by the Audit and Risk Committee. Reports with limited or weak levels of assurance are also considered by the board.

An annual report summarising the overall opinion on the effectiveness of controls reviewed by Internal Audit during the year is provided to the Audit and Risk Committee and the results are reported to the Board.

The Board also receive assurance over the effectiveness of controls from other independent sources, such as through the external audit and ad hoc reviews requested by management and the Board.

MONITORING AND CORRECTIVE ACTION

A process of control, self-assessment and regular management reporting on control issues provides assurance to management and to the Board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and delivery of Sage Rented Limited's services. Sage Homes has its own internal audit team who is supported by PWC, which carries out additional internal audit reviews on Sage Homes' behalf.

CONTROL ENVIRONMENT AND CONTROL PROCEDURES

The Board retains responsibility for a defined range of matters covering strategic, operational, financial and compliance issues, including treasury strategy and large new investment projects. This is supported by a framework of policies and procedures with which employees must comply.

Sage Rented Limited has clear administrative, management and supervisory systems of control, agreed and set out by the Board in its Standing Orders and Financial Regulations. These Standing Orders set out the governance structure of Sage Rented Limited and the delegated authorities given by the Board to govern the operation of Sage Rented Limited. They are reviewed and updated by the Board at least once a year.

INFORMATION AND FINANCIAL REPORTING SYSTEMS

Financial reporting procedures include detailed budgets for the year and management accounts produced monthly.

These are reviewed in various levels of detail by the executive management team and are reported to each Board meeting. The Board also regularly reviews progress towards the achievement of key business objectives, targets and outcomes.

FRAUD

The Board has a policy on fraud covering prevention, detection and reporting of fraud. A register is maintained of any fraud or potential fraud. The Audit and Risk Committee regularly reviews the fraud register.

ANTI-BRIBERY POLICY STATEMENT

Sage Rented Limited seeks to maintain the highest standards of ethics and integrity in the way it conducts its business with relevant policies adopted by the Board and implemented at Sage Homes.

John Brace

Chair of the Audit and Risk Committee

21 May 2025

Audit and Risk committee report



Please note that for the RP accounts in some places we may replace “Sage Homes” with the name of the RP.

During the year the Committee comprised:

- John Brace (Chair)
- Cindy Rampersaud
- Gareth Llewellyn (to 03/07/2024)

The members of the Committee are both Chartered Accountants with extensive relevant experience.

During the year, the Committee maintained its focus on the integrity of Sage Homes’ reporting by maintaining its strong oversight over the adequacy and effectiveness of its internal control and risk management mechanisms.

The Head of Internal Audit and Risk reports on internal audit matters at each meeting of the Committee. The Committee monitors the work of the internal audit function to ensure that issues are detected by applying necessary investigatory rigour and then are properly addressed by improving internal controls, with lessons learned for the future.

The Committee spearheads our focus on risk and during 2024 it recommended changes to the Board to the risk appetite statement, and to the risk management strategy and assurance framework, to ensure they remained fit for purpose. The Committee works to ensure that effective procedures exist to identify emerging risks and include them in the risk management process and that all risks are appropriately mitigated in accordance with Sage Homes’ risk appetite.

The Committee oversees the work of the external auditor, Deloitte LLP, and is responsible for assessing the effectiveness of the external audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor’s response to questions from the Committee.

The Committee regularly considers matters in areas that could create risk, such as reviewing the whistleblowing process, anti-bribery and anti-money laundering measures and anti-fraud protection activity as well as other areas of financial compliance. The Committee has instituted a programme of business area risk reviews whereby, at each of its meetings, it will meet the manager of a selected business area to review it in-depth to enable the Committee to understand better the risks and potential risks in that area.

Details of meeting attendance can be found in the Corporate Governance Report on page 32.

KEY RESPONSIBILITIES OF THE COMMITTEE

Full details of the Committee’s Terms of Reference can be found on the Sage Homes website. The Terms of Reference are reviewed annually, taking into account any relevant legal and regulatory changes and developing best practice.

The Committee reviews audit and risk management activities within the Group and makes an annual assessment of the quality of the internal control environment and the effectiveness of risk and audit systems to the Sage Homes board. The Committee provides assurance on all matters covered by its terms of reference, including:

- providing advice to the Board on the annual report and financial statements;
- reviewing Sage Homes’ internal financial controls and internal control and risk management systems;
- reviewing and monitoring the effectiveness of the external audit process;
- advising the Board on Sage Home’s overall risk appetite, tolerance and strategy;
- keeping under review Sage Home’s risk assessment processes that inform the Board’s decision making;
- reviewing Sage Home’s capability to identify and manage risks;
- reporting to the Board on how it has discharged its responsibilities.

ACTIVITIES AND CONSIDERATIONS DURING 2024

During the year, in addition to fulfilling the responsibilities set out above, the Committee, among other matters:

AUDIT AND RISK COMMITTEE REPORT CONTINUED

- reviewed and agreed the Committee report to feature in Sage Homes's 2023 annual report;
- received updates from the external auditor on changes and expected changes to Sage Homes's legal and regulatory financial environment;
- recommended amendments to the risk appetite statement that was adopted by the Board;
- considered and confirmed the effectiveness of the internal audit function;
- considered the internal audit reports, looked at the findings from each and reviewed and discussed with the Head of Internal Audit and Risk how and when issues were addressed and closed;
- undertook a number of business area risk reviews;
- received and considered risk management reports and reviewed the strategic risk register;
- reviewed formal reports from the Compliance Officer regarding Sage Homes' compliance with data protection and anti-money laundering legislation, and with any instances of whistleblowing and fraud.

INTERNAL AUDIT

The Committee is responsible for overseeing the internal audit function and for monitoring the effectiveness of its work. The Head of Internal Audit and Risk has a dual reporting line to the Chief Executive Officer and to the Audit and Risk Committee. The importance of the internal audit function in maintaining an effective control environment, particularly in light of the increasing size and complexity of the organisation, is well understood by Sage Homes. The work of Internal Audit is focused on Sage Homes' most material risks as determined by a risk assessment process. The outcome of the risk assessment is summarised in an internal audit plan that is approved by the Committee annually. The Committee monitors progress against the audit plan during the year and approves any updates or changes.

In support of Sage Homes' in-house internal audit function, external consultants, PwC, undertook a number of independent audit reviews during the year of areas of Sage Homes' business. The results of internal audit reviews, including the independent reviews by PwC, were presented to the Committee with the recommended actions followed up and closed.

PwC has been delivering internal audit services to Sage Homes since January 2022. Chris Monk,

director at PwC, has been responsible for the service since this date.

The Committee has reviewed the effectiveness of the internal audit provision by considering the range of audits carried out, the number and significance of audit findings, the quality and timeliness of reports and feedback from management. The Committee continues to be satisfied that the internal audit service is effective.

RISK

Sage Homes has in place a risk management and internal control system. At each meeting the Committee reviews the strategic risk register. The Board has determined the extent of its appetite for risks it is willing to take in achieving its strategic objectives.

During the year the Committee monitored existing and potential risks faced by Sage Homes and maintained sound risk management and internal control systems in line with the risk appetite set by the Board.

The Risk Management Group, which is a management risk forum, meets regularly to consider existing and potential risks to the organisation. Departmental risk registers further embed a risk focus through the business.

The principal risks and uncertainties facing the business are detailed on pages 22 to 24.

EXTERNAL AUDIT**Effectiveness**

The Committee addressed the effectiveness of the external audit process by measures including:

- assessing the external auditor to ensure it has the necessary expertise, experience and understanding of the business, as well as having the time and resources to carry out its audit effectively;
- discussing with the external auditor the key controls it relies on to address identified risks to audit quality;
- reviewing, and feeding back to the external auditor, an assessment of its performance.

AUDIT AND RISK COMMITTEE REPORT CONTINUED

External audit independence and objectivity

The effectiveness of the external audit process is contingent on maintaining an independent and objective relationship with the external auditor. The Committee is responsible for monitoring and annually assessing these aspects of the external auditor relationship taking into account relevant UK law, regulation, other professional requirements, ethical standards and the guidance on rotation of audit partner and staff.

Deloitte LLP has provided other services to Sage Homes during the year in addition to its audit work. The Committee discussed this with the external auditor, and was satisfied that this did not impact the independence and objectivity of the audit.

APPOINTMENT

Deloitte LLP has been Sage Rented's external auditor since 2019 when the Company first reached sufficient size to be audited. There are no contractual obligations restricting Sage Homes' choice of auditor. The Committee considers that the relationship with the external auditor continues to work well, remains satisfied with its effectiveness and has no current intention of re-tendering the external audit services contract. The Committee has recommended to the Board that Deloitte LLP be reappointed as Sage Homes' auditor.

WHISTLEBLOWING

The Committee reviews the adequacy and security of Sage Homes' arrangements for anyone with a serious concern, including its customers, employees and contractors to raise concerns in confidence about possible wrongdoing, ensuring that arrangements allow proportionate and independent investigation of such matters and appropriate follow up action. A representative from the Compliance function attends all Committee meetings and presents the status of outstanding whistleblowing reports for the period to the Committee. In respect of the financial year ending 31 December 2024 the Committee has assessed the arrangements in relation to whistleblowing to be working satisfactorily.

GOVERNANCE

The Committee reviews its Terms of Reference annually, taking into account any legislative and regulatory changes and developments in best practice, to ensure it is operating at maximum effectiveness.

After every Committee meeting, the Committee Chair provides an update to the next Board meeting, and the Board receives copies of the Committee's minutes. During the year, the Committee had unrestricted access to management, external advisors and training. The Committee is satisfied it had received appropriate, timely and reliable information in order to discharge its responsibilities effectively.

John Brace**Chair of the Audit and Risk Committee**

21 May 2025

Remuneration and Nomination committee report



During the year the Committee comprised:

- Julia Porter (Chair from 1 September 2024)
- Gareth Llewelyn (Chair to 3 July 2024)
- David Godden
- Alison Thain

All members are independent Non-Executive Directors and appointed by the Board on the recommendation of the Remuneration and Nomination Committee. The appointment is for a period of three years, which can be extended provided the Director still meets the criteria for membership of the Committee. During the year, Gareth Llewelyn stepped down from the Committee on leaving the Board and Julia Porter was appointed Chair of the Committee.

In addition to the Committee members, the investor Directors, the Human Resources Director, the Chief Executive Officer, Chief Legal Officer, Finance Director, and Sage Homes' remuneration consultant (FIT Remuneration Consultants), are invited to attend meetings of the Committee on a regular basis. When appropriate, advice or information may also be sought directly from other employees where the Committee feels that such additional contributions will assist the decision-making process. No person is present at a meeting when their own remuneration or performance is discussed.

PURPOSE OF THE COMMITTEE

Full details of the Committee's Terms of Reference can be found on the Sage Homes' website. Details of meeting attendance can be found in the Corporate Governance Report on page 32.

The Committee's purpose is broadly:

- to oversee workforce and director remuneration, making recommendations to the Board;
- to approve the design of and targets for performance-related pay schemes;
- to set the remuneration of the Chair;
- to review the size and structure of the Board and consider succession planning;
- to oversee the recruitment of new non-executive directors and the Chair, when applicable;
- to review the succession plan for the executive team;
- to advise the Board on pay gap reporting; and
- to oversee the annual evaluation of the Board and Committees.

Recognising the importance of maintaining a balanced Board, the skills and experience of individual Board members are reviewed on an annual basis, which includes use of a Board skills matrix against which directors assess their competency against a broad set of criteria. This is then overlaid with observations and feedback from the Board and key management stakeholders to determine areas of strength and weakness and whether any changes or training are required.

The Executive Directors, senior executives and other employees are employed by Sage Housing Group Limited which provides services to Sage Homes under a service agreement. As required by the UK Corporate Governance Code, the Committee has delegated responsibility from the Board for setting and reviewing the employee remuneration principles for the Chair of the Board, the Chief Executive Officer and other designated senior executives as well as recommending the overall level of the pay award to employees.

The Committee recognises that the quality of Sage Homes' leadership and workforce is a key element in the achievement of Sage Homes' strategy and understands the need to attract, retain and motivate individuals who will drive growth, financial performance and customer focus in line with Sage Homes' purpose and its values. Value for money is at the heart of our decision making and that means investing in the right pay and benefits, for the right people with the right skills.

REMUNERATION AND NOMINATION COMMITTEE REPORT CONTINUED

ACTIVITIES AND CONSIDERATIONS DURING 2024 INCLUDED:

- Reviewing the bonus outcomes for 2023 and the corporate targets for 2024, making recommendations to the Board on these
- Reviewing the annual pay award for 2024 and making a recommendation on this to the Board
- Establishing a Pension Governance Committee to monitor and review the performance of the Sage pension scheme
- A review of succession planning for both the Board and the Executive, including recommending the recruitment of a new Director and Chair of the Remuneration & Nominations Committee, and the reappointment of Directors reaching the end of their term of office
- Consideration of the Gender Pay Gap report for 2024, and actions being taken to address the gap
- A review of pay-related elements of the staff engagement survey
- A review of the Leadership Team Development Framework, the Board Skills Matrix and the Board training schedule
- Ensuring that remuneration arrangements were adequate to recruit and retain key staff to meet Sage's strategic aims.

RECRUITMENT ACTIVITIES

During the year, Julia Porter was recruited to the Board and has joined the Customer & Assets Committee as well as chairing the Remuneration and Nominations Committee.

RECRUITMENT PROCESS

The recruitment process adopted, for Board and Committee appointments, requires the Committee to agree description of roles, capabilities and time commitments. A recruitment consultant is engaged to seek appropriate candidates based on merit against the objective criteria set out in the role description. A shortlist is drawn up by the recruitment consultants for each role and suitable candidates are considered in detail and interviewed by members of the Committee and a final selection is recommended by the Committee for approval by the Board, Parent and investors.

DIVERSITY AND INCLUSION

Based on the objective criteria set out in a role description and, in accordance with Sage Homes' Diversity and Inclusion Policy, all Board appointments pay particular attention to the merits of diversity on the Board. The Board takes the issues of diversity and inclusion seriously

and follows the Policy to build the strong team it requires to deliver the strategy for the business.

The Committee has agreed that at least 50% of senior appointment recruitment long-lists for all recruitments to the business should be from a diverse background.

The gender and ethnic balance of the Board is set out on page 31.

% Women	2024	2023
Leadership team	25%	17%
Senior management	37%	29%
Employees	54%	51%

SUCCESSION PLANNING

The Committee monitors and evaluates the balance of skills, experience, independence, and knowledge required on the Board and oversees recruitment for Board and senior executive appointments on a proactive basis as well as in response to vacancies.

ALL-EMPLOYEE REMUNERATION

Sage Homes recruits employees at competitive market levels of remuneration, to attract, motivate and retain employees. When considering salary increases for senior executives, the Committee will take into account salary increases and pay and employment conditions across the wider workforce. Details of the key management personnel's remuneration can be found on pages 65 and 66. All employees (including the Chief Executive Officer and Leadership Team) receive the same benefits, comprising statutory minimum employer pension contributions of 5%, and life insurance cover. To support the organisation's strategy, a discretionary, annual bonus is provided for all employees which is awarded for the achievement of performance targets. All bonuses are capped at levels determined by an individual's role within the organisation.

REMUNERATION POLICY

The Committee is responsible for determining remuneration policies and practices which support the strategy and promote the long-term sustainable success of Sage Homes. When developing the remuneration policy, the Committee was mindful of the provisions of the UK Corporate Governance Code and the Regulator of Social Housing. The main aim of Sage Homes' remuneration policy is to ensure that management and staff are remunerated fairly and so as to facilitate the recruitment, retention and motivation of suitably qualified staff. The Committee considers that the policy supports Sage Homes' strategy and

REMUNERATION AND NOMINATION COMMITTEE REPORT CONTINUED

promotes the long-term success of Sage Homes.

REMUNERATION CONSULTANT

The Committee is authorised to take such internal and external advice as it considers appropriate in carrying out its duties, including the appointment of external remuneration advisers. During the year, the Committee was assisted in its work by FIT Remuneration Consultants LLP ("FIT"). FIT provided independent advice on remuneration matters to the Committee and has no other connection with Sage Homes or its directors.

The Parent is kept updated with the deliberations of the Committee and its views are taken into account on proposals put to the Board. The investor Directors are usually invited to attend Remuneration Committee meetings.

SENIOR EXECUTIVE REMUNERATION FRAMEWORK – KEY PRINCIPLES

- Sage Homes' pay arrangements are designed to take account of its commercial and customer focused culture and to attract and retain executives with the right sense of purpose and the skills for delivering against stretching targets which contribute to Sage Homes as a force for good.
- Sage Homes' seeks to pay effectively and fairly. We recognise the unique position of Sage Homes as a high-growth, entrepreneurial, commercial provider of social housing and we see value in the consideration of a range of external benchmarks. However, none of those benchmarks fully reflects Sage Homes and, therefore, benchmarking should be used primarily as a means of informing debate by the Committee rather than used to provide an 'answer'.
- As a starting point, the Committee will consider market data for the most appropriate benchmarks where available.
- Other considerations and factors will include internal relativities; differentials (such as the relationship between the Chief Executive Officer's pay and average or the lowest pay in Sage Homes); the complexity and impact of roles; the skills, experience, performance and franchise value of incumbents; and equal opportunities and diversity and inclusion.
- Internal comparability and external competitiveness are both equally important and each need to be considered as inputs for a rounded decision applying judgment. In applying such judgment, we strive for the support of all our stakeholders for the approach to pay that we take.

- Sustainability and affordability are key to both Sage Homes' business model and its approach to pay.
- Sage Homes' approach to pay is aligned with its values.
- Sage Homes takes account of the views of its investors and other major stakeholders.
- Sage Homes takes account of the guidance of the UK Corporate Governance Code on a "comply or explain" basis and considers the alignment of executive pay and all-employee pay.

PAY ELEMENTS

- Base salary assumes an acceptable level of performance and is set at a level which rewards fairly the individual's responsibility and performance. It is reviewed annually, and consideration is given to remuneration in comparable organisations.
- Annual bonus is determined by a defined bonus framework. Bonuses are payable on individual performance measured against pre-determined personal KPIs and the achievement of relevant business goals. The purpose of bonuses is to reward achievement against stretching target levels and they require over-achievement for the delivery of maximum amounts. All bonuses are capped at a level depending on the role of the individual and no individual is able to receive more than 100% of their basic salary as a bonus.
- Modest benefits are provided, e.g. employer pension contributions at the minimum statutory level for all employees, health cash plan, electric car scheme, holiday buy-back (up to 5 days), holiday sale (up to 5 days), Benefex discount provider.
- Terms and conditions are determined by reference to comparable companies and entitle staff to fixed pay only on severance for the balance of any notice period (plus redundancy if relevant).

KEY FACTORS

In developing the senior executive remuneration framework, which was established in 2022, and its implementation, the Code has been an important touchstone and the Committee has been careful to take full account of the remuneration-related provisions in its considerations. Sage Homes has considered the six factors outlined in Provision 40 of the Code as follows:

REMUNERATION AND NOMINATION COMMITTEE REPORT CONTINUED

- **Clarity:** the remuneration framework is structured to support financial delivery and the achievement of strategic objectives, aligning the interests of senior executives with those of the parent and other key stakeholders. Sage Homes ensures that the remuneration framework is clear, and that it is well-communicated to senior executives and all members of the workforce.
- **Simplicity:** the remuneration framework is straightforward to communicate and operate. It avoids complexity and focuses on specific pay elements, with any performance measures and targets clearly defined.
- **Risk:** when setting executive pay the Committee seeks to balance a range of risks: reputational, behavioural, operational, talent, strategic and governance. The remuneration framework has been structured to ensure that it is aligned with the Board's system of risk management and risk appetite. Inappropriate risk taking is mitigated through, for example, the operation of arrangements that provide an appropriate balance of fixed pay to variable pay and through the use of multiple annual bonus performance measures based on a blend of financial, non-financial and strategic targets.
- **Predictability:** The annual bonus is subject to individual caps and the Committee has full discretion to alter the pay-out level to ensure payments are appropriately aligned with the underlying performance of Sage Homes. Personal targets and business goals for bonus awards are clearly set out and agreed with each individual.
- **Proportionality:** executives are able to see how their performance influences their remuneration. The supply of affordable housing and improving Sage Homes' financial position will lead to performance-related pay awards. Executives are aware that rewards are based on achievement rather than effort. Formulaic bonus outcomes are reviewed by the Committee and may be adjusted having consideration to overall Group performance.
- **Alignment with culture:** Sage Homes is a rapidly growing, entrepreneurial company with significant ambitions which operates in a socially responsible, regulated sector of the economy. Sage Homes' culture reflects all those elements. The personal targets and business goals that underline Sage Homes' remuneration strategy work to maintain that culture as the organisation matures, while ensuring that the behaviour of individuals supports Sage Homes' purpose, values and strategy.

NOTICE PERIODS

No Independent Non-Executive Director (iNED), Non-Executive Director (NED) or Executive Director has contractual rights for compensation beyond payment of the contractual notice period which for the executives is no more than six months' salary. The Chief Executive Officer's contract provides for notice of three months by either party. The iNEDs and NEDs, including the Chair, have letters of engagement and are appointed for a period of three years, renewable up to a maximum of nine years..

Julia Porter

Chair of the Remuneration and Nominations Committee

21 May 2025

Customer and People committee report



During the year the Committee comprised:

- David Godden (Chair)
- Cedi Frederick
- Gemma Katakay
- Cindy Rampersaud

The members of the Customer and People Committee and its Chair were appointed by the Board, on the recommendation of the Remuneration and Nominations Committee.

In addition to the members, the Chief Executive Officer, the Chief Customer Officer, the former Chief Operating Officer, the Director of Human Resources and other senior staff attended meetings.

PURPOSE AND COMMITMENT

The Committee supported Sage Homes' purpose and strategic direction by helping drive ever-improving outcomes for our customers and workforce. The Committee provided greater Board capacity to allow focus on the detail underlying Customer and People issues. During the year, the Committee provided assurance, recommendations and advice for the Board on these areas, which are key pillars of Sage Homes' strategy. It ensured that our customers and staff were involved in the decision-making process, through a variety of activities, including customer surveys, workforce engagement surveys and formal customer and people representation through the Customer Scrutiny Panel and 'Sage Together' panel, respectively. This enabled the Committee to listen directly to the 'voice' of our customers and of our people and ensure those voices were fully considered by the Board in its strategic decision-making.

The Committee oversaw the communication and application of the Sage Homes' values throughout

the business and ensured that the 'voice' and views of Sage Homes' people were clearly captured and fully considered by the Board in its strategic decision-making.

Details of the meeting attendance can be found in the Corporate Governance report on page 32.

Full details of the Committee's Terms of Reference can be found on the Sage Homes website.

ACTIVITIES AND CONSIDERATIONS DURING 2024 INCLUDED:

- The Committee works to ensure that the 'voice' of Sage Homes' customers is heard by the Board, and that customer priorities are recognised and understood by the Board and carefully considered. During the year, the Committee particularly focused on property compliance and areas that have the greatest impact on customer satisfaction, including repairs, defects in new buildings, damp and mould, antisocial behaviour, and the handling of complaints.
- As reported elsewhere, the move to bring housing management and repairs in-house was a major focus of the Committee during the year, and Sage's preparations for the transfer, and performance and feedback from customers were monitored closely.
- The Committee oversaw the approach and application of customer engagement. The Customer Scrutiny Panel comprises Sage Homes customers and is chaired by Cedi Frederick who passes the views of the Panel back to the Committee. The aim of the panel is to gather the lived experiences of Sage Homes' customers and hear candidly about successes and areas requiring improvement. Further information about the work of the panel may be found on page 9.
- Results from the customer transaction surveys (feedback about recent interactions with Sage Homes) are reviewed quarterly, while perception survey results (including Tenant Satisfaction Measures and overall customer experience feedback) are reviewed annually. Findings from both surveys are analysed and used to shape the Customer Service Strategy, identifying actions Sage Homes needs to take to improve the customer experience.

CUSTOMER AND PEOPLE COMMITTEE REPORT CONTINUED

A key objective for the committee in 2024 was shaping the Customer Service Strategy and KPIs which set the target for Sage Homes to be in the top quartile for customer satisfaction in 2025.

- The Committee approved the 2024 customer satisfaction survey metrics and discussed the leadership accountability and operational metrics.
- Staff engagement surveys and ad hoc pulse surveys were conducted throughout 2024 and the action plans to address feedback were discussed. The results of the November 2024 staff engagement survey were discussed in detail by the Board as a whole.

GOVERNANCE

The Committee reviews its Terms of Reference annually to ensure it is operating with maximum effectiveness. The Chair reported on matters dealt with at each Committee meeting at the subsequent Board meeting. During the year the Committee had unrestricted access to management, external advisors and training. The Committee is satisfied it received appropriate, timely and reliable information in order to discharge its responsibilities effectively.

At a Board meeting held on 4 December 2024, the Board approved new terms of reference for the Committee to give greater focus on assets and renamed the committee as the “Customer and Assets Committee”. Employee-related issues previously dealt with by this committee are now dealt with by either the Board or the Remuneration and Nominations Committee. At the same time, Julia Porter was appointed as a member of the new Customer and Assets Committee.

David Godden

Chair of the Customer and People Committee

21 May 2025

Acquisition approval committee report



During the year the Committee comprised:

- Cindy Rampersaud (Chair)
- Mark Sater (CEO)

The Committee was established in June 2023 as part of a revised committee restructure, replacing the previous Acquisitions and Development Committee with this Committee and an executive Acquisitions Committee. Its terms of reference are available on the Sage Homes website. It consists of at least two members, appointed by the Board, one of whom must be an independent non-executive director, who is the Committee Chair, and the Chief Executive Officer.

PURPOSE

The purpose of the Committee is to act on behalf of the Boards in scrutinising acquisition deals approved by the executive Acquisitions Committee. In doing this, it considers whether:

- Due process has taken place;
- The deals approved fall within the terms of the Boards' agreed 'buy box';
- Taking into account Sage's mission, values and corporate objectives, as well as its current portfolio, the proposed acquisition deals form desirable additions to the portfolio.

The Committee may ask the executive Acquisitions Committee to review its decisions or any part of them, discuss the proposed acquisition with the executive Acquisitions Committee, or refer the proposed acquisition to the Board for further consideration.

The number and timing of meetings depends on the number of acquisitions being considered.

The Committee works to make sure the organisation has homes that are appealing to our customers and make good business sense for Sage Homes and its investors.

We offer speed and certainty to housebuilders. We enable Sage Homes' offers to be fully approved on behalf of the Board with no further approvals required unless there is a change to the agreement.

We use a defined set of underwriting criteria to decide upon an acquisition. Those criteria comprise all factors that might influence whether a proposed acquisition represents a worthwhile investment for Sage Homes including, for affordable rented homes, whether the home could be economically let given its size and location and time to let and, for shared ownership homes, their marketability and selling costs.

Underlying those factors is the economic and housing market environment and its effect on our investment returns, as well as the quality and suitability of the homes for Sage Homes' customers.

The metrics underlying the underwriting criteria are kept up to date and actualised based on transactions that have occurred and economic data so that we have available the most up to date information upon which to base our decisions.

When deciding upon an acquisition, the Committee uses a defined set of underwriting criteria to ensure that a proposed acquisition represents a worthwhile investment for Sage Homes.

GOVERNANCE

The Committee reviews its Terms of Reference annually to ensure it is operating at maximum effectiveness.

The Chair and National Acquisitions Director report on matters dealt with by the Committee at the subsequent Board meeting. The Committee during the year had unrestricted access to management, external advisors and training. The Committee is satisfied it had received appropriate, timely and reliable information in order to discharge its responsibilities effectively.

Cindy Rampersaud

Chair of the Acquisition Approval Committee

21 May 2025



Directors' Report

The Directors present their report and audited financial statements for Sage Rented Limited for the year ended 31 December 2024.

It is the Directors' responsibility to prepare the annual report and financial statements and they consider that the annual report and financial statements 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy during 2024.

The Chair's statement and the strategic report, including the Chief Executive Officer's review, financial review, disclosures of the key performance indicators used to manage the business, and likely future development, together with this section fulfil section 414C of the Companies Act 2006.

PROPOSED DIVIDEND

The Directors do not recommend the payment of a dividend for the current year (2023: £nil).

CORPORATE GOVERNANCE

The Corporate Governance Report is set out on pages 30 to 34.

THE DIRECTORS OF THE BOARD

The Directors who held office during the period, and up to the date of signing the financial statements were:

John Brace
Cedi Frederick
David Godden
Gemma Katakya
Gareth Llewellyn (to 3 July 2024)
Julia Porter (from 1 September 2024)
Cindy Rampersaud
Sydney Taylor
Alison Thain OBE (Chair)

The Company Secretary is Bridget Frisby.

The Articles give the Directors the power to appoint additional or replacement Directors within the limits set out. The Directors may exercise all the powers of the company subject to statute, relevant regulation, the Articles and Standing Orders and Financial Regulations. Directors are not subject to annual re-election. However, the company's parent retains the ability to appoint or remove any Director from time to time.

DIRECTORS' INTERESTS

Apart from service contracts or Non-Executive Directors' letters of engagement, no contract subsisted during or at the end of the financial year in which a Director is or was materially interested and which is or was significant in relation to the company's business during the period under review. No Director has any beneficial interest in the company.

DIRECTORS' AND OFFICERS' LIABILITY

The company has maintained, throughout the year and to the date of this report, directors' and officers' liability insurance cover in respect of the acts or omissions of its directors and executives and continues to do so. Details of the policy are provided to new Directors on appointment. In common with other companies, Sage Homes has made qualifying third-party indemnity provisions for the benefit of its directors against liabilities incurred in the execution of their duties.

ANNUAL GENERAL MEETING

By mutual consent, the Board and parent have decided to waive the need to hold an Annual General Meeting and to approve the annual report, financial statements and the appointment of the auditor by written resolution.

INDEPENDENT AUDITOR

Sage Homes's auditor for the year ended 31 December 2024 was Deloitte LLP. At the time of signing the accounts Deloitte LLP had not been reappointed auditor for 2025.

POLITICAL AND CHARITABLE DONATIONS

There were no political donations made or political expenditure incurred in the current or prior year.

During the year, Sage Homes made charitable donations of almost £60,000 (2023: £83,000) through Heart of Sage to help support charities, community groups and those customers most in need.

OFFICES

Sage Homes operates from two locations within the UK, there are no offices outside of the UK.

EMPLOYEES

Sage Homes communicates and consults with its workforce on a wide range of subjects, including those that directly affect them, using email, websites, intranet, and meetings. The employees of Sage Homes are instrumental in its success and the organisation works hard to maintain good relationships with its employees through continual communications. Sage Homes sees each recruitment as a significant and long-term investment in the success of the business. Employees with diverse backgrounds and experience make vital contributions to Sage Homes, supporting the attainment of corporate goals and fulfilling our strategy. To retain employees, personal and career development must exist and development and learning resources are available to all employees through Sage Homes' learning and development portal.

Every year Sage Homes conducts an annual employee engagement survey. The Customer & People Committee and the Board are briefed on the results of the survey and the action plan to address any findings.

EQUALITY AND DIVERSITY

Sage Homes is committed to providing equal opportunities in employment for all employees and does not discriminate against job applicants or employees of Sage Homes in relation to any protected characteristic.

Sage Homes takes the issues of equality and diversity seriously. By using the talent and skills available it is able to build the strong team it requires to deliver the strategy for its business. Sage Homes uses job-related objective criteria both in the selection of candidates and when considering development opportunities. Sage Homes aims:

- to create an inclusive environment in which individual differences and the contribution of everyone are recognised and valued;
- to provide a working environment that promotes safety, dignity and respect for all;

DIRECTORS' REPORT (CONTINUED)

- not to tolerate any form of intimidation, bullying or harassment;
- to ensure that all training and development is inclusive and accessible to enable the same progression opportunities to all;
- to promote equality in the workplace as a good management practice that makes sound business sense; and
- not to discriminate unlawfully against customers, suppliers or others using or seeking to use Sage Homes' services

'Sage Together' - the workforce advisory panel - discusses the way Sage Homes colleagues interact with the business and ensures they feel heard. Wellbeing and diversity and inclusion are a key focus. Further details of the work of the 'Sage Together' advisory panel can be found on page 11.

EMPLOYMENT OF PEOPLE WITH A DISABILITY

Sage Homes strongly believes in providing equal opportunities for all employees, including those with a disability. The recruitment, training, career development and promotion of people with a disability are based on the aptitude and abilities of the individual. Where a person with a disability faces a substantial disadvantage in comparison with someone who is not disabled, we will embrace the opportunity to make reasonable adjustments to avoid the disadvantage.

Some examples of reasonable adjustments include:

- adaption of the working environment, for example seating, desk height, ramps and lifts.
- altering the lighting for someone with restricted vision
- allowing a person with a disability to work flexible hours to accommodate their needs.
- providing extra support for someone whose disability leads to uncertain or a lack of confidence.
- allowing a person with a disability to take time off for medical check-ups and treatment related to their condition.

If an employee becomes disabled while employed by Sage, every effort is made to enable them to continue working, either in their original job or in a suitable alternative role. This may include providing appropriate training or other reasonable adjustments.

STAKEHOLDER RELATIONSHIPS

To see how Sage Homes engages with its stakeholders refer to the Section 172 statement on pages 25 and 26.

RESEARCH AND DEVELOPMENT

Sage Homes undertakes research and development on projects that will improve its technological and operational infrastructure and create efficiencies. The aim is to improve the service provided to its customers, to increase operational efficiency and to improve compliance with regulatory and economic requirements. Examples of these investments include areas that drive efficiencies and automate manual processes.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the business are detailed on pages 22 to 24.

FINANCIAL INSTRUMENTS

Key risks mitigated by the use of financial instruments are included on page 23. Details of the use and materiality of financial instruments are provided in notes 1 and 13 to the financial statements.

SECURITIES AND SHARES

Sage Homes has no listed securities and there were no shares purchased or acquired under Section 659 of the Companies Act 2006. All transactions relating to share capital are disclosed in note 18 to the financial statements.

During the year, as part of a wider group exercise, a share capital reduction was undertaken to increase distributable reserves. As

a result, £245.4m was transferred from share capital to a share capital reduction reserve.

REGULATION

Sage Rented Limited is regulated under the Registered Social Housing Legislation and its Registration Number is 5083. It is incorporated in England and Wales with Company Number 11217855.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The Company is required to report under the SECR framework, under the Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon report) Regulations 2018.

Sage Homes has begun to quantify its environmental impact and define medium and long-term carbon emissions targets, to place us on a course for reaching a zero-carbon future. All emissions reported are from activities over which Sage Homes has financial and operational control and are classified as follows:

Scope 1: Direct emissions. This includes gas used in void properties, offices and CHP plant. In 2024 this now includes emissions from company-owned vehicles.

Scope 2: Indirect emissions (i.e. electricity use): This includes electricity used in void properties, offices and Sage Homes-owned communal areas.

Scope 3: Other indirect: This includes emissions from business travel by means not owned by the Company.

In addition to Sage Homes's own corporate activities which are generally administrative in nature, Sage Homes now directly manages services and continues to significantly invest and deliver a high number of new affordable homes through our construction partnerships. We have begun to engage with our supply chain to encourage them to report on their key environmental impacts to allow the Company to make informed procurement decisions.

In line with SECR requirements, the quantity of emissions in tonnes of carbon dioxide equivalent (tCO₂e) resulting from UK energy use relating to gas, electricity and transport fuel within the company has been calculated. There has been a slight increase of total emissions (including Scope 1-3) between 2023 and 2024. This is primarily due to emissions related to business travel of employee-owned vehicles (scope 3) have increased due to the availability of data of employee mileage now that housing management services are in house.

Energy Use and Carbon Emissions for 2024 (all Sage Homes entities and those under Sage Homes management):

Total energy consumption	2024 kWh	2023 kWh
Mains gas	3,150,021	3,242,780
Mains electricity ¹	679,419	624,077
Transport fuel - business travel in employee-owned vehicles	476,453	287,250
	4,305,894	4,154,107

Total gross emissions	2024 tCO ₂ e	2023 tCO ₂ e
Combustion of gas (scope 1)	577	587
Purchased electricity (scope 2)	156	129
Combustion of fuel for transport (scope 3)	115	69
	848	785

1. The electricity supplied in our head office and the majority of our communal spaces is on a renewable energy tariff, this results in 91,109kWh in 2024 (2023: 147,427kWh) of our mains electricity being from a renewable green energy source.

DIRECTORS' REPORT (CONTINUED)

INTENSITY RATIOS

Our intensity ratios are based on three different drivers, average number of employees across the year, completed homes at year end and homes in development at year end.

	2024	2023
Carbon emissions intensity (tCO ₂ e per employee)	2.10	2.19
Carbon emissions intensity (tCO ₂ e per completed home)	0.04	0.05
Carbon emissions intensity (tCO ₂ e per home in development)	0.24	0.10

ENTITY ONLY EMISSIONS

The below table provides a breakdown of emissions associated with the Company only and consists of proportional voids and communal energy. The proportion of energy associated was estimated based on the proportion of units within each entity at the end of the respective year.

	2024 kWh	2023 kWh
Total energy consumption		
Mains gas	707,037	95,655
Mains electricity ¹	211,770	80,118
Transport fuel - business travel in employee-owned vehicles	-	-
Total	918,808	175,772

	2024 tCO ₂ e	2023 tCO ₂ e
Total gross emissions		
Combustion of gas (scope 1)	129	17
Purchased electricity (scope 2)	44	17
Combustion of fuel for transport (scope 3)	-	-
Total	173	34

EXCLUSIONS

All mandatory fuels have been included with no exclusions. The consumption used by our partnerships which include most of our supply chain, our house builders, residents and property management services, fall out of the scope of our financial and operational control boundaries and for this reason have been excluded from the above calculations.

METHODOLOGY

Sage Homes occupied office space in two different buildings during the year. We have used actual meter readings and our proportioned square footage to determine consumption figures where the data was not available.

For temporary gas and electricity supplies to our void homes in our affordable housing portfolio we have calculated this based on actual meter readings for the majority of our properties. For any missing/incorrect data average consumption values based on the year are utilised.

Communal areas have been calculated using actual meter readings and carbon figures from invoice data where available. For meters where this information is missing, we have used an average figure for communal spaces to ensure these meters are accounted for.

The amount of transport fuel used by employees for business purposes through grey fleet has been calculated using consolidated mileage claims data and the GHG Conversion Factors for average passenger vehicles. Note we have fleet vehicles in 2024 which have been accounted for in scope 1 emissions, these were not applicable in 2023.

Please note that to ensure we are providing an accurate view of our energy usage and carbon emissions we have included all properties and companies within the Group to prepare the above data. This will allow us to do a fair comparison each year of all our energy consumption. We have used the Government's Greenhouse gas reporting conversion factors for 2024 in all calculations.

DISCLOSURE OF INFORMATION TO THE AUDITOR

Having made enquiries of fellow Directors and of the auditor, each of these Directors confirm that:

- So far as each of the directors is aware, there is no relevant audit information of which the 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 auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

POST-BALANCE SHEET EVENTS

In May 2025, the £220m facility from Sage AR Funding No. 1 PLC was refinanced, fully settling all related liabilities. As part of this refinancing, £43.4m of the £308m Morgan Stanley facility was repaid, reducing the outstanding balance to £252.7m. A new entity, Sage Borrower AR4 Limited, was established to manage the replacement financing of £270.0m.

On 17 April 2025, Sage Rented Limited exchanged contracts with Vico, a leading not-for-profit registered provider based in and around Wakefield, West Yorkshire pertaining to the potential sale of 183 affordable and social rental homes in the North East of England. These homes are in non-core locations for Sage Rented Limited, whereas Vico has operational depth in these areas. The transaction is expected to close in June 2025. Given the disposition relative to the size of Sage Rented Limited's portfolio, it will not have a material impact upon the operations or financials of the Company.

GOING CONCERN

The Directors have considered it appropriate to adopt the going concern basis of accounting in preparing the annual financial statements. The Directors can report that there are no material uncertainties to Sage Homes's ability to continue over a period of at least twelve months from the date of approval of the financial statements. This conclusion has been reached following a full review and scrutiny of the financial position of Sage Homes, review and assessment of the risks facing Sage Homes, and discussions with Sage Homes's shareholder and investors who have confirmed their intentions to continue to support Sage Homes in line with the current business plan.

To support this process the Board has put in place a risk management and internal control system. The Board has determined the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board and the management of Sage Homes have maintained sound risk management and internal control systems.

The Directors can report that Sage Homes has a considered and well-developed business model to preserve and increase the value of Sage Homes's assets and to deliver the objectives of Sage Homes in the short and long term.

The Board keeps liquidity under constant review, a process that

involves assessing short and long-term cash flow projections, as well as review of Sage Homes' business plan. In doing so the Board can identify possible funding requirements and plan for these with Sage Homes's management, its shareholder and investors. Key assumptions underpinning the projections are regularly reviewed and updated and are subject to stress testing and sensitivity analysis including a review of the impact of reductions in income from shared ownership sales, future letting occupancy and constraints to future increases in debt funding availability.

As referenced in the Viability statement and their assessment of the impact of the current uncertainty caused by the economic downturn and funding requirements, the Directors have assessed Sage Homes' access to additional shareholder funding as well as debt financing and have a reasonable expectation that Sage Homes has adequate resources to continue in operational existence for at least 12 months from the approval date of these financial statements.

VIABILITY STATEMENT

The Directors have assessed the ongoing viability of Sage Homes. Each year, on a rolling basis, the Directors draw up a strategic plan for the business. The Directors have determined five years to be appropriate as these fit well with the growth cycle that Sage Homes is currently in and ensures the plan is aligned with Sage Homes' 30-year financial forecasts. The assumptions of the financial forecasts are regularly reviewed.

While the strategic plan reflects the Directors' best estimate of the future prospects of the business, they have tested the assumptions and sensitivities identified, and stress tested the financial forecasts in the context of solvency or liquidity by considering severe but plausible changes, singular and compounding, to the plan's assumptions.

Areas of investigations have included, but were not limited to how Sage Homes works with its partners to ensure tenants receive appropriate services, how to sell and let affordable homes in a socially distanced environment, how to work with developers to continue to deliver completed affordable homes to Sage Homes, and how to continue to acquire new affordable homes in alignment with Sage Homes' growth strategy.

Directors have also assessed Sage Homes' ability to modify its plans and capital needs in response to the economic downturn. In alignment to these reviews, the Directors have assessed Sage Homes' existing credit facility. Facility covenants only relate to future drawdowns, with no maintenance covenants, and the Directors noted a reasonable level of headroom to these. Finally, the Directors have discussed with Sage Homes' shareholder and investors their capital availability to fund Sage Homes' business plan and have affirmed with them their intention to do so.

Following their assessment of the above, and discussions with Sage Homes' shareholder and investors who have confirmed their intentions to continue to support Sage Homes in line with the current business plan, the Directors have a reasonable expectation that Sage Homes has access to adequate liquidity to continue in operational existence for the foreseeable future.

The Directors' Report was approved by the Board on 21 May 2025.

By order of the Board.

Bridget Frisby

Company Secretary, Sage Rented Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. The Companies Act 2006 and Registered Social Housing Legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the private Registered Provider and of the profit or loss for that period. The Board has elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Registered Provider will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the transactions and which disclose with reasonable accuracy at any time the financial position of the Registered Provider and to enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing Providers from January 2022.

The Board has general responsibility for taking reasonable steps to safeguard the assets of the Registered Provider and to prevent and detect fraud and other irregularities.

The Board is responsible for ensuring that the Strategic report includes a fair review of the development and performance of the business and the position of Sage Homes, together with the disclosure of the principal risks and uncertainties it faces.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on Sage Homes website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATIONS

The Directors consider that the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for the shareholder to assess Sage Homes' position, performance, business model and strategy. Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken as a Director in order to make himself/ herself aware of any relevant audit information and to establish that Sage Homes' auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

The Statement of Directors' responsibilities was approved by the Board on 21 May 2025.

By order of the Board.

Bridget Frisby

Company Secretary, Sage Rented Limited



Financial statements



Delivering sector-leading numbers of high-quality,
energy-efficient affordable homes.

Report on the audit of the financial statements

1. OPINION

In our opinion the financial statements of Sage Rented Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Housing Statement of Recommended Practice 2018 for registered social housing providers ("Housing SORP 2018"); 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.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cashflows; and
- the related notes 1 to 26.

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).

2. 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. SUMMARY OF OUR AUDIT APPROACH

Key audit matters	The key audit matter that we identified in the current year was: <ul style="list-style-type: none"> • Impairment of completed AR (affordable rent) housing units.
Materiality	The materiality that we used was £10.1m which was determined on the basis of 1.0% of total assets. The lower-level materiality that we used for class of transactions, account balances and disclosures which are not related to housing assets was £1.0m which was determined on the basis of 1.5% of revenue.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

4. 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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- assessing the cash flow forecasts, sensitivity analysis performed by the Board, and supporting 18-month funding requirements, five-year and 30-year business plans;
- assessing accuracy of forecasts by comparing actual performance against budget in the current and previous financial year;
- evaluating the financing facilities and borrowings, including obtaining funding guarantee letters from Blackstone Inc. and Regis plc, the ultimate parent of the company;
- considering the current regulatory requirements published by the Regulator of Social Housing and current macroeconomic conditions including geopolitical and tariff uncertainty in the US; and
- assessing the appropriateness of the entity's going concern disclosures in the financial statements.

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 12 months from when the financial statements are authorised for issue.

In relation to the reporting on how the company has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

5. 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.

5.1. Impairment of completed AR housing units

Key audit matter description	<p>The company holds a significant quantum of completed housing units. As per note 10 of the financial statements the net book value of completed housing units as at 31 December 2024 was £843.8m (2023: £859.2m).</p> <p>As per note 1 of the financial statements, at each reporting date, the company assesses completed housing units for indicators of impairment in line with the Statement of Recommended Practice for social housing providers ('Housing SORP') and FRS 102. Where indicators are identified, a detailed assessment is undertaken to determine the cash-generating unit's recoverable amount.</p> <p>We have identified a key audit matter in relation to carrying value of completed housing units due to the significant judgements required and assumptions used to estimate the recoverable amount. The key assumptions used are discount rate, estimating management and operating costs and expected yields which is subjective in nature.</p> <p>Details of the accounting policies applied are set out in Notes 1 and 10 of the financial statements.</p>
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How the scope of our audit responded to the key audit matter	<p>We obtained an understanding of relevant controls relating to the identification and assessment of impairment indicators of completed housing units.</p> <p>We evaluated the methodology used by the company to identify impairments and assessed the reasonableness of this approach in line with the Statement of Recommended Practice for social housing providers ('Housing SORP') and FRS102. We evaluated management's assessment of potential impairment triggers using our knowledge of the company and wider social housing sector along with the current economic environment.</p> <p>With the involvement of our property valuation specialists we assessed the assumptions used, such as management costs, operating costs, discount rate, rental yields and any mitigants outlined in management's assessment.</p> <p>We tested the arithmetic accuracy of the calculation performed by management and performed testing over data utilised within management's assessment. This included agreeing external valuations and agreeing any inputs used in internal valuations.</p>
Key observations	<p>Based on our work performed, we concluded that the carrying value of completed AR housing units is fairly stated.</p>

6. OUR APPLICATION OF MATERIALITY

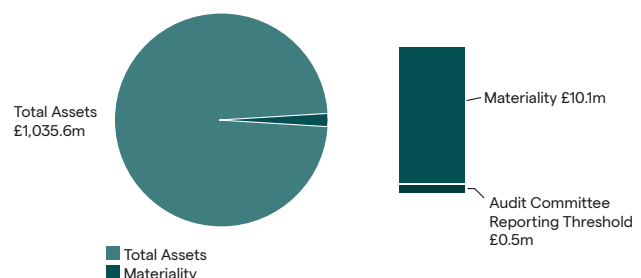
6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£10.1m (2023: £10.8m)
Basis for determining materiality	1.0% of total assets (PY: 1.0% of total assets)
Rationale for the benchmark applied	Total assets is a key performance indicator for users of the financial statements. The company is a growing entity and therefore the value of property owned and rented is a key focus.

Based on our professional judgement, we used a lower level of materiality of £1.0m (2023: £0.8m) determined on the basis of 1.5% (2023: 2.0%) of revenue to apply to account balances, class of transactions and disclosures that are not linked to housing property.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 80% of materiality for the 2024 audit (2023: 80%).

In determining performance materiality, we considered the following factors:

- Our risk assessment, including our assessment of the company's control environment; and
- The low number of corrected and uncorrected misstatements identified in the previous year's audit.

6.3. Error Reporting Threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £0.5m (2023: £0.5m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. AN OVERVIEW OF THE SCOPE OF OUR AUDIT**7.1. Scoping**

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2. Our consideration of the control environment

We have obtained the understanding of relevant control in areas including: valuation of housing units, journal entry review, financial reporting process, revenue and payroll. We have also held discussions with IT specialists around the IT control environment and related general IT controls. We have not taken controls reliance approach.

7.3. Our consideration of climate-related risks

Management has considered climate change risks as part of their risk assessment process when considering the principal risks and uncertainties facing the group as explained in their Environmental, Social and Governance section of their Strategic Report on page 14. We have:

- completed risk assessment procedures, including assessing whether the risks identified by

management are complete and consistent with our understanding of the group; and

- read the climate risk disclosures in the Environmental, Social and Governance section of the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

8. 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.

9. RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

10. 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management, internal audit, the directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - > identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - > detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - > the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

- the matters discussed among the audit engagement team and relevant internal specialists, including property valuation specialists, financial instrument specialists and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: Impairment of AR completed housing units. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Accounting Direction for Private Registered Provider of Social Housing 2022 and the Housing and Regeneration Act 2008.

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 may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's compliance with regulatory standards set by the Regulator of Social Housing.

11.2. Audit response to risks identified

As a result of performing the above, we identified impairment of AR completed housing units as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant regulatory authorities including HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

12. OPINIONS 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.

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 any material misstatements in the strategic report or the directors' report.

13. CORPORATE GOVERNANCE STATEMENT

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 49;
- the directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 49;
- the directors' statement on fair, balanced and understandable set out on page 49;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 23;

- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 34; and
- the section describing the work of the audit committee set out on page 35.

14. MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

14.2. Director's remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

15. 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.



James Wright
Senior Statutory Auditor

For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

21 May 2025

Statement of Comprehensive Income

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Turnover	3	65,007	37,221
Operating costs	3	(44,119)	(30,590)
Operating profit	7	20,888	6,631
Interest receivable and similar income	8	5,593	3,301
Interest expense and similar charges	8	(60,699)	(46,939)
Loss before tax		(34,218)	(37,007)
Tax charge on loss	9	(8,347)	(2,498)
Loss for the year		(42,565)	(39,505)

The results for the current year and prior year derive from continuing operations.

The notes on pages 61 to 78 form part of these financial statements.

Statement of Financial Position

as at 31 December 2024

	Note	2024 £'000	2023 £'000
Tangible fixed assets			
Housing properties	10	908,939	917,460
Total fixed assets		908,939	917,460
Non-current assets			
Financial instruments	13	9,830	-
Investment in subsidiary undertakings	11	15,895	15,895
Debtors: amounts falling due after more than one year	12	55,919	89,486
Total non-current assets		81,644	105,381
Current assets			
Financial instruments	13	6,583	23,545
Debtors: amounts falling due within one year	14	23,987	14,430
Cash at bank and in hand	15	15,698	6,753
		46,268	44,728
Creditors: amounts falling due within one year	16	(262,406)	(26,128)
Net current liabilities		(216,138)	18,600
Total assets less current liabilities		774,445	1,041,441
Creditors: amounts falling due after more than one year	17	(624,166)	(848,597)
Net assets		150,279	192,844
Capital and reserves			
Share capital	18	25	245,463
Share capital reduction reserve	18	245,438	-
Profit and loss account		(95,184)	(52,619)
Total shareholders' funds		150,279	192,844

The financial statements of the Company (registered number: 11217855) were approved by the Board of Directors and authorised for issue on 21 May 2025.

They were signed on its behalf by

Alison Thain OBE
Director

The notes on pages 61 to 78 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2024

	Share capital	Share capital reduction reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000
At 1 January 2023	20,830	-	(13,114)	7,716
Issue of ordinary share capital	224,633	-	-	224,633
Total comprehensive loss for the financial year	-	-	(39,505)	(39,505)
At 31 December 2023	245,463	-	(52,619)	192,844
Issue of ordinary share capital	-	-	-	-
Transfer from share capital to share capital reduction reserve	(245,438)	245,438	-	-
Total comprehensive loss for the financial year	-	-	(42,565)	(42,565)
At 31 December 2024	25	245,438	(95,184)	150,279

The notes on pages 61 to 78 form part of these financial statements.

Statement of Cashflows

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Cash flow from operating activities	19	39,087	27,099
Cash flow from investing activities			
Purchase of housing properties		(3,730)	(511,975)
Grants received		350	10,041
Investment in subsidiaries		-	-
Interest received		5,349	2,309
Net cash inflow/(outflow) from investing activities		1,969	(499,625)
Cash flow from financing activities			
New share issues		-	224,633
Loans received		18,939	314,240
Loans advanced		-	(2,285)
Purchase of financial instrument		(7,071)	(30,846)
Interest paid		(43,979)	(35,208)
Net cash (outflow)/inflow from financing activities		(32,111)	470,534
Net increase/(decrease) in cash and cash equivalents		8,945	(1,992)
Cash and cash equivalents at the beginning of the year		6,753	8,745
Cash and cash equivalents at the end of the year		15,698	6,753
Cash and cash equivalents consist of:			
Cash at bank and in hand		15,698	6,753
Total cash at bank and in hand		15,698	6,753

The notes on pages 61 to 78 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2024

1. ACCOUNTING POLICIES

Sage Rented Limited (the “Company”) is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006, and is registered in England and Wales. The Company is a Registered Housing Provider, under the Housing and Regeneration Act 2008. The address of the Company is provided on the “Professional Advisers” section, on the IBC.

Basis of accounting

The financial statements are prepared in accordance with FRS 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (“FRS 102”), and the Housing Statement of Recommended Practice 2018 for registered social housing providers (“Housing SORP 2018”) and comply with the Accounting Direction for Private Registered Providers of social housing from January 2022 (the “Accounting Direction 2022”).

The Company does not meet the definition of a qualifying entity set out in FRS 102 and has not taken advantage of the disclosure exemptions available to such entities.

The functional currency of the Company is Pounds Sterling (£) because that is the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pounds Sterling and are rounded to the nearest thousand pounds (£'000).

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value.

Going Concern

The Directors have considered it appropriate to adopt the going concern basis of accounting in preparing the annual financial statements. The Directors can report that there are no material uncertainties to Sage Rented’s ability to continue over a period of at least 12 months from the date of approval of the financial statements. This conclusion has been reached following a full review and scrutiny of the financial position of Sage Rented, review and assessment of the risks facing Sage Rented and potential mitigants, and discussions with Sage Rented’s shareholder and investors who have confirmed their intentions to continue to support Sage Rented in line with the current business plan and have provided funding guarantee letters the Directors believe appropriate for Sage Rented’s requirements.

To support this process, the Board has put in place a risk management and internal control system. The Board has determined the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board and the management of Sage Rented have maintained sound risk management and internal control systems.

The Directors can report that Sage Rented has a considered and well-developed business model to preserve and increase the value of Sage Rented’s assets and to deliver the objectives of Sage Rented in the short and long term.

The Board keeps liquidity under constant review, a process that involves assessing short and long-term cash flow projections, as well as review of Sage Rented’s business plan. In doing so, the Board can identify possible funding requirements and plan for these with Sage Rented’s management, its shareholder and investors. Key assumptions underpinning the projections are regularly reviewed and updated and are subject to stress testing and sensitivity analysis including a review of the impact of reductions in income from shared ownership sales, future letting occupancy and constraints to future increases in debt funding availability.

As referenced in the Viability statement and their assessment of the impact of the current uncertainty caused by the economic downturn and funding requirements, the Directors have assessed Sage Rented’s access to additional shareholder funding as well as debt financing and have a reasonable expectation that Sage Homes has adequate resources to continue in operational existence for at least 12 months from the approval date of these financial statements.

Post the American government’s April 2025 trade tariff impositions and subsequent escalation, modifications and the counter tariffs impositions of other countries, Sage Rented Limited’s management provided a list of potential impacts, and their severity. In addition, these potential impacts were cross-referenced to Sage Rented Limited’s existing stress-testing and mitigation plans and analysis. The Directors have undertaken a review of Sage Rented Limited’s current and projected operating and financial positions with reference to this analysis. Having reviewed Sage Rented Limited’s limited exposure to these potential impacts and its resilience, the Directors have concluded that there be no need to qualify their opinion of the going concern nature of the Company pertaining to these matters.

Turnover

Turnover represents rental and service charge income receivable (net of void losses) and amortisation of social housings grants in accordance with Housing SORP 2018.

Rent and service charge income is recognised on an “accruals” basis from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Social housing property grant income is recognised under the accrual model and is amortised over 100 years, starting from when the property is completed, in line with the Company’s depreciation policy for the structure of rental-only social housing properties, and as required by Housing SORP 2018.

Value Added Tax

Value added tax (“VAT”) is charged on income, which forms a taxable supply for VAT purposes and therefore the VAT incurred on related expenditure is recoverable. VAT is not recoverable on exempt supplies. Turnover is shown net of any VAT charged. The financial statements include VAT on expenditure, alongside the cost to which the VAT relates, to the extent that it is not recoverable from HMRC.

Leased assets

The total rental payable under operating leases is recognised on a straight-line basis over the lease term. The Company has not entered into any finance leases.

Housing properties and depreciation

All housing properties are classified as “rented” and are disaggregated into land, structure and a specific set of major components that require periodic replacement. Each component is recognised on the basis of materiality and if the useful economic life is substantially different from the rest of the structure. Depreciation of housing property components is charged so as to write down the cost of the components to their estimated residual value (the assumption is they are of no residual value), on a straight-line basis, over their estimated useful economic lives.

Component	Years
Housing Structure	100
Roof	50
Windows and Doors	25
Electrical and Heating	25
Bathrooms	25
Kitchens	20
Boilers	10

Freehold land is not depreciated.

Impairment of tangible fixed assets

Tangible fixed assets (mainly housing properties) are assessed for indicators of impairment at each reporting date. Where indicators are identified, a detailed assessment is then undertaken to determine the asset’s or cash-generating unit’s (“CGU’s”) recoverable amount. The recoverable amount will be the higher of fair value less costs to sell, existing use valuation for Social Housing (“EUV-SH”), or value in use (in respect of assets held for their service potential) (“VIU-SP”). As allowed by Housing SORP 2018, the Company uses depreciated replacement cost (“DRC”) as a reasonable estimate of VIU-SP.

Where the carrying amount of an asset or CGU is deemed to exceed its recoverable amount, the resulting impairment loss is recognised in other comprehensive income.

The Company defines CGUs as schemes, except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger CGUs.

Financial assets

Basic financial assets, including tenant debtors, other receivables, cash and bank balances are initially recognised at the transaction price unless the arrangement constitutes a financing transaction, in which case then the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting year, basic financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost in the Company’s statement of financial position, less any provision for impairment in value.

Social Housing Property Grant

The grants which have been provided by central and local government to part-fund the construction of the Company’s social housing properties are recognised using the accrual model as required by Housing SORP 2018. These are treated as deferred income and amortised as detailed in the turnover policy. The amount due to be amortised in the following year is included in creditors due within one year. The original amount granted may become repayable if the conditions of the grant not complied with. Social housing property grants,

which the Company is entitled to and is reasonably certain of receiving, are included in debtors.

Recycled Capital Grant Fund ("RCGF")

The Company has the option to recycle social housing property grants which would otherwise be repayable to Homes England or the GLA to the RCGF. If the amounts set aside in this manner are not used to fund the development of new social housing within a three-year period, they again become repayable, with interest, unless a time extension or waiver is received.

The amounts held within the RCGF which are not anticipated to be recycled or become repayable within one year are included under "creditors due after more than one year". The remainder is included under "creditors due within one year".

Financial liabilities

Financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, in which case the instrument is measured at the present value of the future payments discounted at a market rate of interest. These instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis or to realise the asset and settle the

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate risk, principally interest rate caps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately irrelevant of whether the derivative is designated as effective hedging instrument.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Provisions

Provisions are recognised for liabilities of uncertain timing or amounts. Provisions are made for specific and quantifiable liabilities, measured at the best

estimate of expenditure required to settle a legal or constructive obligation at the year-end reporting date.

Interest payable and financing costs

Interest payable is recognised over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Interest payable on loans is recognised in the statement of comprehensive income and not capitalised to housing properties. Finance costs are amortised across the length of the loan.

Taxation

The tax charge represents the sum of current tax and deferred tax.

The current tax is based on taxable results for the year. Taxable results differs from net results as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable loss and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, which are described in note 1, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The preparation of financial statements in conformity with FRS 102 requires management to exercise its judgement in the process of applying the Company's accounting policies. Judgements and estimates 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.

The following are the significant management judgements and estimates made in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Determining whether an impairment review is required

Determining whether there are indicators of impairment of the Company's housing properties, including those held as tangible fixed assets and current assets, requires judgement. The following are considered to be indicators of impairment, but other events may indicate that an impairment review is required:

- Any issue that was not identified as part of a development's appraisal which results in a material increase in the cost of the development;
- A change in government policy, regulation or legislation;
- A reduction in demand for a property (either by type or location, possibly evidenced by increased voids);
- A reduction in the market value of shared ownership properties; and
- Obsolescence of a property, (i.e. it is planned to regenerate the property by demolishing it).

As a result of the impairment consideration conducted at the year end, no impairment has been identified and no provisions have been required. Refer to note 10 for details of the housing properties balance subject to impairment review.

3. TURNOVER, OPERATING COSTS AND OPERATING LOSS

	2024			2023		
	Turnover	Operating costs	Operating profit	Turnover	Operating costs	Operating profit
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing activities						
Social housing lettings	65,007	(38,581)	26,426	37,221	(23,614)	13,607
Other social housing activities						
Charges for support services	-	(5,538)	(5,538)	-	(6,976)	(6,976)
	65,007	(44,119)	20,888	37,221	(30,590)	6,631

Of the total revenue above, £nil (2023: £nil) was derived from outside the UK.

4. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	General needs	General needs
	2024	2023
	£'000	£'000
Turnover from Social Housing Lettings		
Rents receivable net of identifiable service charges	64,505	36,770
Service charge income	362	236
Amortised government grants	140	215
	65,007	37,221

	General needs 2024 £'000	General needs 2023 £'000
Expenditure on social housing lettings		
Management costs	(15,129)	(10,400)
Service charge costs	(264)	(230)
Maintenance and repairs	(10,354)	(5,117)
Bad debts	(538)	(61)
Depreciation on housing properties	(12,251)	(7,763)
Other costs	(45)	(43)
	(38,581)	(23,614)
Operating profit on social housing letting activities	26,426	13,607
Void losses	643	13

5. KEY MANAGEMENT PERSONNEL

The Company does not employ any staff and all personnel services required to support its operations are performed by Sage Housing Group Limited ("SHGL"), a related party within the Group. These services are provided under a service agreement between SHGL and the Company (and other Registered Providers within the Group), and the associated costs are recharged accordingly.

The amounts disclosed below represent the portion of total remuneration for individuals considered key management personnel that has been recharged to the Company. These amounts are determined based on the estimated time and services provided in support of the Company's activities. The total cost recharged is disclosed in note 4 and note 23. Key management personnel are defined as members of the Board and any other individuals who are members of the Executive Team.

The remuneration recharged to the Company is summarised below.

	2024 £'000	2023 £'000
Non-Executive Directors' remuneration		
Remuneration	83	50
Social security costs	8	5
Total Non-Executive Directors' remuneration	91	55
Average number of Non-Executive Directors for the Company in the year	8	8
Executive Team remuneration for the Company		
Remuneration	1,061	279
Social security cost	199	37
Defined contribution pension contributions	26	6
Total Executive Team remuneration	1,286	322
Average number of Executive Team members for the Company in the year	7	8

During the year, defined contribution pension contributions were made by SHGL and recharged to the Company for six (2023: five) key management personnel. The pension contributions recharged to the Company was for £26,000 (2023: £6,000). The Chief Executive participates in the SHGL defined contribution pension scheme under standard terms; no enhanced or individual pension arrangements apply. The Company does not make any further contribution to an individual pension arrangement.

The average number of full-time equivalent Directors during the year ended 31 December 2024 was nine (2023: nine).

	2024 £'000	2023 £'000
Remuneration of the highest-paid Director for the Company		
Remuneration (excluding pension contributions)	280	-
Pension contributions	3	-
	283	-

No Director of Sage Rented Limited is paid by the Company for their services to the Company.

The table below shows the remuneration including pension contributions paid to each Director by Sage Housing Limited and Sage Homes RP Limited for their services to Sage Rented Limited, Sage Homes RP Limited, the two Registered Providers of the Sage Group. Remuneration was also paid to each Director for their services to Sage Housing Limited (now Sparrow Shared Ownership). Shareholder representative Directors Gemma Katakya and Sydney Taylor are not paid for their services. Executive Director, Mark Sater, also receives no separate compensation for his Director role, and his remuneration relates to his role as Chief Executive Officer.

		2024 £'000	2023 £'000
Director remuneration (including pension)			
Director	Role		
Alison Thain OBE	Independent Non-Executive Director/Chair	21	17
Cedi Frederick	Independent Non-Executive Director	13	9
Cindy Rampersaud	Independent Non-Executive Director	13	9
David Godden	Independent Non-Executive Director	13	9
Gareth Llewellyn	Independent Non-Executive Director	7	9
Gemma Katakya	Non-Executive Director	-	-
John Brace	Independent Non-Executive Director	14	10
Julia Porter	Independent Non-Executive Director	4	-
Mark Sater	CEO, Executive Director	283	-
Sydney Taylor	Independent Non-Executive Director	-	-
		368	63

6. EMPLOYEES' INFORMATION

The average monthly number of employees (incl. Directors) expressed as headcount and not full-time equivalents during the year was:

	2024 £'000	2023 £'000
Non-Executive Directors	8	8
Senior managers and executives	1	1
	9	9

Other than Directors, the Company had no employees during the current year or the prior year.

No emoluments were paid to the Directors of the Company during the current or prior year by the Company. All personnel services related to the Company's operations are delivered by SHGL and are recharged under the existing service agreement between Group entities.

7. OPERATING PROFIT

	2024	2023
	£'000	£'000
Operating loss is stated after charging the following:		
Depreciation of housing properties	12,251	7,763
Auditor remuneration (exclusive of VAT)		
In its capacity as auditor of the company ¹	100	74

¹ No other services were provided by the auditor.

8. NET FINANCE EXPENSE AND SIMILAR CHARGES

	2024	2023
	£'000	£'000
Interest receivable and similar income		
Interest income on loan facility	4,588	2,286
Interest income on retention notes	990	992
Revaluation of interest rate cap	-	-
Bank interest receivable	15	23
	5,593	3,301
Interest payable and similar charges		
Interest expense on loans repayable	(45,650)	(31,862)
Interest expense on tax liability	(29)	-
Interest expense on amounts owed to group undertakings	(816)	(779)
Revaluation of interest rate caps	(14,204)	(14,298)
	(60,699)	(46,939)
Net finance expense	(55,106)	(43,638)

Sage Rented Limited utilises SONIA derivatives to cap its SONIA rate exposure related to the senior facility agreements with Sage Borrower AR1 Limited and Sage Borrower AR3 Limited, as detailed in note 17. Details relating to the interest rate cap derivatives are disclosed in note 13. At each reporting period these financial instruments are revalued and adjusted to their fair value.

9. TAX ON LOSS

The differences between the total tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	2024	2023
	£'000	£'000
Current tax		
UK corporation tax at 25% (2023: 23.5%)	7,994	2,942
Adjustments in respect of prior periods	(70)	-
Tax on loss on ordinary activities	7,924	2,942
Deferred tax		
Origination and reversal of temporary differences	394	(791)
Adjustments in respect of prior periods	36	347
Effect of changes in tax rates	(7)	-
	423	(444)
Total tax charge for the year	8,347	2,498

The above taxation charge is calculated on the basis that the Company will pay for or receive in full, any losses in respect of Group relief claimed or surrendered from Group undertakings.

	2024	2023
	£'000	£'000
Loss before tax	(34,218)	(37,007)
Tax on loss at standard UK corporation tax rate of 25% (2023: 23.5%)	(8,555)	(8,705)
Effects of:		
- Fixed asset differences	2,828	1,729
- Expenses not deductible for tax purposes	4	17
- Income not taxable for tax purposes	(34)	(51)
- Corporate interest restriction	14,145	9,208
- Adjustments to tax charge in respect of previous periods	(70)	-
- Adjustment to tax charge in respect of previous periods (deferred tax)	36	347
- Remeasurement of deferred tax for changes in tax rates	(7)	(47)
- Group relief claim	-	(1,524)
- Group relief payable	-	1,524
Total tax charge for the year	8,347	2,498

The above taxation charge is calculated on the basis that the Company will pay for or receive in full, any losses in respect of Group relief claimed or surrendered from Group undertakings.

An increase in the corporation tax rate to 25% effective 1st April 2023, was substantively enacted on 24th May 2021. The UK Corporation tax rate applied for the year was therefore 25% (2023: 23.5%). Deferred tax is calculated using the tax rate for the year in which the temporary differences are expected to reverse. The impact of the rate change is included above.

Gross timing differences:	At 1 January 2024	Movement in the year	At 31 December 2024
	£'000	£'000	£'000
Tangible fixed assets	(3,075)	10	(3,065)
Short-term timing differences – financial instrument	4,358	(1,699)	2,659
	1,283	(1,689)	(406)

Movement in deferred tax during the year:	At 1 January 2024	Recognised in income	Recognised in equity	At 31 December 2024
	£'000	£'000	£'000	£'000
Tangible fixed assets	(769)	3	-	(766)
Short-term timing differences – financial instrument	1,089	(425)	-	664
Deferred tax asset/(liability)	320	(422)	-	(102)

Movement in deferred tax during the prior year:	At 1 January 2023	Recognised in income	Recognised in equity	At 31 December 2023
	£'000	£'000	£'000	£'000
Tangible fixed assets	(18)	(751)	-	(769)
Short-term timing differences – financial instrument	(106)	1,195	-	1,089
Deferred tax (liability)/asset	(124)	444	-	320

Deferred tax is calculated using the tax rate for the year in which the temporary differences are expected to reverse. An increase in the corporation tax rate to 25% effective 1st April 2023, was substantively enacted on 24th May 2021. The impact of the rate change is included above.

10. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

The differences between the total tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	Housing properties for letting	
	£'000	
Cost:		
At 1 January 2024		934,303
Additions		3,730
At 31 December 2024		938,033
Depreciation:		
At 1 January 2024		(16,843)
Charge for the year		(12,251)
At 31 December 2024		(29,094)
Net book value:		
At 31 December 2024		908,939
At 31 December 2023		917,460
	2024	2023
	£'000	£'000
The net book value of completed housing properties which excludes work in progress and land banked comprises: Freeholds	843,823	859,216

11. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2024	2023
	£'000	£'000
At 1 January and 31 December	15,895	15,895

The total cost of investment in subsidiary undertakings is £15,895,000 (2023: £15,895,000). The total provision for impairment of investment in subsidiary undertakings is £nil (2023: £nil).

The Directors believe that the carrying value of the investment is supported by the fair value of the net assets of the subsidiary undertakings.

The subsidiary undertakings of the Company are:

Name of undertaking	Class of shares	Shares held	Registered in	Principal activity
Sage Borrower AR1 Limited	£1 Ordinary shares	100%	England	Financing company
Sage Borrower AR2 Limited	£1 Ordinary shares	100%	England	Financing company
Sage Borrower AR3 Limited	£1 Ordinary shares	100%	England	Financing company

All subsidiary undertakings are registered at 5th Floor Orion House, 5 Upper St Martin's Lane, London, WC2H 9EA, United Kingdom.

12. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024 £'000	2023 £'000
Retention notes	-	11,000
Loan facility	55,919	78,486
	55,919	89,486

Retention notes were purchased on 21 October 2020. These notes accrue interest at 9%. Sage Rented Limited is required to hold 5% of the bond notes (£11m) in regards to the senior facility agreement in note 17. The senior facility agreement is due to be repaid in full by the Company on 15 November 2025. The senior loan facility between Sage Borrower AR1 Limited and Sage Rented Limited expires at this repayment date to enable the Company to satisfy this repayment obligation. As the expiry date now falls within twelve months of the balance sheet date, the retention notes are now disclosed within note 14: Debtors: amounts falling due within one year.

The Company supplied a loan facility to Sparrow Shared Ownership Limited (previously Sage Housing Limited). During the year, as part of the wider group strategy, this loan was novated from Sparrow Shared Ownership Limited to Sage Homes RP Limited. The loan has a termination date of 9 October 2030 or is repayable on demand, provided that Sage Homes RP Limited has sufficient funds and is able to demonstrate ongoing compliance with the Regulatory Framework.

The facility remains at £100m (2023: £100m). The loan is unsecured and accrues interest at 3.0%. As at year-end, the balance drawn on this facility is £55.9m (2023: £78.5m).

13. FINANCIAL INSTRUMENTS

Financial instruments consist of interest rate cap derivatives are recognised initially at cost. At each reporting date the interest rate cap derivative is revalued and adjusted to its fair value. The interest rate cap derivatives are acquired by the Company to manage its exposure to SONIA-based interest rate risk on the senior facility agreement.

In accordance with the Company's policy to ensure the full balance is hedged using these derivatives, the Company acquired the interest rate cap derivatives following back-to-back agreements in December 2022 and August 2023 between Sage Rented Limited and Sage Borrower AR1 Limited and Sage Borrower AR3 Limited respectively. The agreements transfer all risks and rewards of the interest rate cap derivative from Sage Borrower AR1 Limited and Sage Borrower AR3 Limited to Sage Rented Limited on their respective dates. A similar cap is held by the Company's other subsidiary, Sage Borrower AR2 Limited in relation to the senior facility agreement held by that entity.

These financial instruments are revalued and adjusted to their fair value through profit and loss during each reporting period. Upon maturity, the cost and any subsequent fair value adjustments of each derivative will be recorded in full in the profit and loss statement. The mid-market valuations are performed by an external industry expert, credit risk is not taken into consideration as the valuation adjustment for credit risk is immaterial. Besides the initial cost of the derivative, no additional collateral is necessary, thereby eliminating any further risk for the Company.

The specific details and fair values of these derivatives are provided in the table below:

Interest rate cap derivatives	Maturity date	Rate capped	2024	2023
			£'000	£'000
£308m interest rate cap	15/11/2026	2.50%	9,830	15,157
£209m interest rate cap	17/11/2025	0.75%	6,583	-
£209m interest rate cap	17/11/2024	0.75%	-	8,388
			16,413	23,545

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£'000	£'000
Current tenant arrears	3,033	1,469
Amount owed from group undertakings (note 23)	4,576	5,945
Deferred tax asset (note 9)	-	320
Prepayments	5,000	5,833
Retention notes (note 12)	11,000	-
Other receivables	262	-
Other debtors	116	863
	23,987	14,430

Amounts owed from group undertakings are unsecured, interest free and repayable on demand.

15. CASH AT BANK AND IN HAND

	2024	2023
	£'000	£'000
Cash at bank and in hand	15,698	6,753

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£'000	£'000
Senior facility agreement (note 17 and 23)	220,837	-
Amounts due to Group undertakings (note 23)	29,822	16,642
Deferred government grant (note 21)	184	184
Deferred income	1,337	-
Deferred tax liability (note 9)	102	-
Corporation tax payable	4,861	2,662
Accruals	5,263	6,466
Provisions	-	174
	262,406	26,128

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£'000	£'000
Senior facility agreement (note 23)	568,925	801,205
Amounts due to group undertakings (note 23)	37,519	29,703
Deferred government grant (note 21)	17,722	17,689
	624,166	848,597
Between one and five years	579,251	812,940
After five years	44,915	35,657
	624,166	848,597

The Company holds three senior facility agreements. In 2020, it borrowed £220,000,000 of financing from its subsidiary, Sage Borrower AR1 Limited, following a Social Housing Rental Secured Notes (CMBS-style) offering by an external company. The senior facility agreement is secured against properties held by the Company. The secured notes carry interest at various classes of notes which range from 1.25% to 9.0% (blended rate is SONIA plus 2.7%). The senior facility agreement is due to be repaid in full by the Company on 15 November 2025. The senior loan facility between Sage Borrower AR1 Limited and Sage Rented Limited expires at this repayment date to enable the Company to satisfy this repayment obligation. As the expiry date now falls within 12 months of the balance sheet date, the senior facility is now disclosed within note 16: Creditors: amounts falling due within one year. Included within the balance is accrued interest of £2,026,000 (2023: £2,099,000). Unamortised loan transaction costs of £1,190,000 (2023: £1,899,000) have been netted off against the senior facility agreement.

The Company entered into a second senior facility agreement in 2021 and borrowed £270,300,000 of financing from its subsidiary, Sage Borrower AR2 Limited, following a Social Housing Rental Secured Notes (CMBS-style) offering by an external company. The senior facility agreement is secured against properties held by the Company. The secured notes carry interest at various classes of notes which range from 1.00% to 3.25% above SONIA (the blended rate is SONIA plus 1.46%). The agreement includes Retention Notes held by Sage Borrower AR2 Limited which are serviced through an intrinsic rate of 5.88%. The

senior facility agreement is due to be repaid in full by the Company on 10 November 2026. The senior loan facility between the Company and Sage Borrower AR2 Limited expires at this repayment date to enable the Company to satisfy this repayment obligation. Included within the balance is accrued interest of £1,867,000 (2023: £1,957,000). Unamortised loan transaction costs of £1,784,000 (2023: £2,740,000) have been netted off against the senior facility agreement.

The Company entered into a third facility agreement in 2023 and borrowed £308,000,000 of financing from its subsidiary Sage Borrower AR3 Limited, following the receipt of a bank loan. The senior facility agreement is secured against properties held by the Company. The bank loan carries interest of SONIA plus interest at 2.3%. The senior facility agreement is due to be repaid in full by the Company in September 2026, with the option to extend the repayment date to September 2028. Included within this balance is accrued interest of £2,661,000 (2023: £6,004,000). Unamortised loan transaction costs of £2,982,000 (2023: £4,324,000) have been netted off against the senior facility agreement.

The Company's weighted average interest rate for amounts owed to Group undertakings is 3% (2023: 3%). These intercompany loans are for a ten-year term. These loans are not secured on the assets of the Company.

18. SHARE CAPITAL

	2024	2023
	£'000	£'000
Shares of £0.0001 (2023: £1.00) each issued and fully paid		
At the beginning of the year	245,463	20,830
Issued during the year	-	224,633
Transfer to share capital reduction reserve	(245,438)	-
At the end of the year	25	245,463
Share capital reduction reserve		
At the beginning of the year	-	-
Transfer from share capital	245,438	-
At the end of the year	245,438	-
	245,463	245,463

The Company has one class of ordinary shares which carries no right to fixed income. On 18 March 2024, the Directors undertook a capital reduction by reducing the nominal value of each of its 245,463,391 issued fully paid shares from £1.00 to £0.0001 to create distributable reserves in accordance with the solvency procedure set out in section 642 of the Companies Act 2006.

19. NOTES TO THE STATEMENT OF CASHFLOWS

	2024	2023
	£'000	£'000
Total comprehensive loss for the year	(42,565)	(39,505)
Depreciation	12,251	7,763
Net interest payable and similar charges (note 8)	40,902	29,339
Fair value gains on financial instruments (note 8)	14,204	14,298
Taxation	8,347	2,498
Grant amortisation	(140)	(215)
Decrease / (increase) in debtors	(273)	(6,246)
(Decrease) / increase in creditors	12,086	19,447
Net cash inflow from operating activities	44,812	27,379
Tax paid	(5,725)	(280)
Total net cash inflow from operating activities	39,087	27,099

Net interest payable and similar charges reconciles to the net finance expense (note 8) excluding the revaluation of the interest rate cap.

20. HOUSING UNITS

	2024	2023
	Number	Number
Units owned and managed		
General needs rented housing - affordable	6,066	6,066
General needs rented housing - social	754	754
Total units owned and managed by the Company	6,820	6,820

21. CAPITAL GRANTS

	2024	2023
	£'000	£'000
At 1 January	17,872	6,528
New grant recognised	1,540	1,518
Grants reallocated in the year	(177)	-
Transfers (to)/from other sister-Registered Providers	(1,189)	10,041
Amortisation	(140)	(215)
At 31 December	17,906	17,872
Amounts falling due within one year (note 16)	184	184
Amounts falling due after more than one year (note 17)	17,722	17,688

22. CONTINGENT LIABILITIES

The original amount of social housing property grants may become repayable. In addition to the amounts disclosed in creditors in note 16 and 17, £514,000 (2023: £494,000) of grant has been credited to statement of comprehensive income to date through amortisation.

The timing of any future repayment is uncertain.

23. RELATED PARTY TRANSACTIONS AND BALANCES

Hedwig ASR Holdco Limited is the Company's immediate parent undertaking. Hedwig ASR Holdco Limited is a 100% subsidiary of the Company's parent undertaking, Sage Investments Sàrl.

Brockley Grove UK Limited has a 8.95% indirect shareholding in Sage Investments Sàrl, transferred from Regis Group Holdings Limited in August 2024.

Sage Investments Sàrl provided the Company with an unsecured loan, the maximum value of which at any time was £37,519,000 (2023: £29,703,000). The outstanding balance at the year-end was £37,519,000 (2023: £29,703,000). Interest is charged on an arm's length basis at 3%. This balance is classified as amounts due to Group undertakings in note 17.

Sage Housing Group Limited is a 100% owned subsidiary of the Company's parent undertaking, Sage Investments Sàrl.

The Company provided Sage Housing Limited (now known as Sparrow Shared Ownership Limited) with an interest-bearing loan facility. The facility had a maximum facility size of £100,000,000. The facility is unsecured and bears interest at 3%. On 12 August 2024, as part of the wider group strategy, this loan was novated from Sparrow Shared Ownership Limited to Sage Homes RP Limited. The maximum drawn value of the facility at any time was £76,200,000 and the outstanding balance at the year-end was £nil (2023:

£78,486,000). Upon novation to Sage Homes RP Limited, the terms of the loan remained the same. The maximum value of the loan at any time was £56,378,000. The outstanding balance at the year-end was £55,919,000. This balance is classified as amounts owed from group undertakings in note 14.

The Company also provided Sage Housing Limited (now known as Sparrow Shared Ownership Limited) with an additional interest-free loan which is redeemable on demand, the maximum value of which at any time was £11,626,000 (2023: £7,101,000). On 12 August 2024, as part of the wider group strategy mentioned above, this loan was novated to Sage Homes RP Limited. With respect to Sparrow Shared Ownership Limited, at the year-end, the outstanding balance was £nil (2023: £nil). This balance is included within the interest-free, unsecured loan balance provided by the Company to Sage Homes RP Limited to the Company, disclosed below. This balance is classified as amounts owed from Group undertakings in note 14.

Sage Housing Limited (now known as Sparrow Shared Ownership Limited) provided the Company with an interest-free unsecured loan, the maximum value of which at any time was £26,783,000 (2023: £23,861,000). On 12 August 2024, as part of the wider group strategy mentioned above, this loan was novated to Sage Homes RP Limited. The outstanding balance at the year-end was £nil (2023: £9,674,000). This balance is classified as amounts due to Group undertakings in note 16.

Sage Housing Group Limited is a 100% owned subsidiary of the Company's parent undertaking, Sage Investments Sàrl, and performs the function of the management company for the Group.

Sage Housing Group Limited provided the Company with an interest-free unsecured loan, the maximum value of which at any time was £14,817,000 (2023: £7,416,000). The outstanding balance at the year-end was £14,818,000 (2023: £6,968,000). This balance is classified as amounts due to Group undertakings in note 16.

The Company provided Sage Homes RP Limited with an interest free, unsecured loan, the maximum value of which at any time was £88,000 (2023: £87,000). The outstanding balance at the year-end was £nil (2023: £87,000). This balance is classified as amounts owed from Group undertakings in note 14.

Sage Homes RP Limited also provided the Company with an interest-free, unsecured loan, the maximum value of which at any time was £57,645,000 (2023: £nil). The outstanding balance at year-end was £15,005,000 (2023: £nil). This balance is classified as amounts due to Group undertakings in note 16.

Sage Borrower AR1 Limited is a 100% subsidiary of the Company. Sage Borrower AR1 Limited has provided the Company with a loan through a senior facility agreement, which is secured against the share capital of the Company. The maximum value of the loan at any time was £220,000,000 (2023: £220,000,000). The outstanding balance at the year-end was £220,000,000 (2023: £220,000,000). The Company has accrued interest of £2,026,000 (2023: £2,099,000) in relation to this debt on the balance sheet. Unamortised loan transaction costs of £1,190,000 (2023: £1,899,000) have been netted off against the senior facility agreement. This balance is classified as a senior facility agreement in note 16.

The Company provided Sage Borrower AR1 Limited with an interest-free loan, which is repayable on demand, the maximum value of which at any time was £1,347,000 (2023: £1,294,000). The outstanding balance at the year-end was £1,155,000 (2023: £1,294,000). This balance is classified as amounts owed from Group undertakings in note 14.

In December 2022, the Company signed an agreement with Sage Borrower AR1 Limited to allocate any and all benefits arising from the interest rate hedge acquired as per note 13.

Sage Borrower AR2 Limited is a 100% subsidiary of the Company. During the year Sage Borrower AR2 Limited provided the Company with a loan through a senior facility agreement, which is secured against the share capital of the Company. The maximum drawn value of which at any time was £273,033,000 (2023: £272,106,000). The outstanding balance at the year-end was £273,033,000 (2023: £272,106,000). The Company has accrued interest of £1,867,000 (2023: £1,957,000) in relation to this debt on the balance sheet. Unamortised loan transaction costs of £1,784,000 (2023: £2,740,000) have been netted off against the senior facility agreement. This balance is classified as a senior facility agreement in note 17.

The Company provided Sage Borrower AR2 Limited with an interest-free loan, which is repayable on demand, the maximum value of which at any time was £4,563,000 (2023: £4,563,000). The outstanding balance at the year-end was £3,420,000 (2023: £4,563,000). This balance is classified as amounts owed from Group undertakings in note 14.

Sage Borrower AR3 Limited is a 100% subsidiary of the Company. Sage Borrower AR3 Limited has provided the Company with a loan through a senior facility agreement, which is secured against the share capital of the Company. The maximum value of the loan at any time was £308,000,000 (2023: £308,000,000). The outstanding balance at the year-end was £296,129,000. The Company had accrued interest of £2,661,000 (2023: £6,004,000) in relation to this debt on the balance sheet. Unamortised loan transaction costs of

£2,982,000 (2023: £4,324,000) have been netted off against the senior facility agreement. This balance is classified as a senior facility agreement in note 17.

The Company provided Sage Borrower AR3 Limited with an interest-free loan, which is repayable on demand, the maximum value of the loan at any time was £49,000 (2023: £nil). The outstanding balance at the year-end was £1,000 (2023: £nil). This balance is classified as amounts owed from group undertakings in note 14.

24. ULTIMATE PARENT COMPANY AND CONTROL

The Company's parent undertaking is Hedwig ASR Holdco Limited, a company registered in the United Kingdom. This forms the smallest group and for which Group accounts are prepared. At 31 December 2024, the Company's ultimate parent undertaking and controlling party was The Blackstone Group International Inc, based in the US, which is the largest group for which Group accounts are prepared.

As at 31 December 2024, Regis Group Holdings Limited had a 8.95% indirect shareholding in Sage Investments Sàrl, with the remainder being owned by Rosemary Feeder Ltd (29.8%), BRE/Europe 11 Rosemary FeederCo Sàrl (29.8%) and BRE 14 Rosemary FeederCo Ltd (31.45%), all being subsidiaries of The Blackstone Group International Inc.

25. GROUP ENTITIES

Name of undertaking	Company number	RSH number	Principal activity
Hedwig ASR Holdco Limited	11215928	n/a	Intermediate holding company
Sage Investments 2 Limited	11215930	n/a	Intermediate holding company
Sage Homes RP Limited	11217910	5082	Ownership, development and management of housing for affordable lettings and shared ownership sales
Sage Housing Group Limited	11415740	n/a	Management company
Sage Borrower AR1 Limited	12851394	n/a	Financing company
Sage Borrower AR2 Limited	13667153	n/a	Financing company
Sage Borrower AR3 Limited	15059835	n/a	Financing company
Sage Borrower AR4 Limited	16218254	n/a	Financing company
Dormant/inactive			
Sage Housing Partnerships Limited	11519756	n/a	Inactive
Sage Green Homes Limited	15028573	5202	Dormant
Sage Investments 3 Limited	14400115	n/a	Dormant
Sage Investments 4 Limited	15023842	n/a	Dormant
Sage Investments 5 Limited	15024123	n/a	Dormant
Sage Investments 6 Limited	15024504	n/a	Dormant
Sage Places Limited	15028673	5200	Dormant
Sage Shared Ownership Limited	14400040	5199	Dormant

26. POST YEAR END EVENTS

In May 2025, the £220m facility from Sage AR Funding No. 1 PLC was refinanced, fully settling all related liabilities. As part of this refinancing, £43.4m of the £308m Morgan Stanley facility was repaid, reducing the outstanding balance to £252.7m. A new entity, Sage Borrower AR4 Limited, was established to manage the replacement financing of £270.0m.

On 17 April 2025, Sage Rented Limited exchanged contracts with Vico, a leading not-for-profit registered provider based in and around Wakefield, West Yorkshire pertaining to the potential sale of 183 affordable and social rental homes in the North East of England. These homes are in non-core locations for Sage Rented Limited, whereas Vico has operational depth in these areas. The transaction is expected to close in June 2025. Given the disposition relative to the size of Sage Rented Limited's portfolio, it will not have a material impact upon the operations or financials of the Company. No other significant events occurred after the reporting period, but before the financial statements were authorised for issue.

Professional advisers and registrations

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REGISTRATIONS

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Registered at Companies House
Company number: 11217855

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