Annual Report and Consolidated Financial Statements

For the year ended 31 March 2023



POPLAR HARCA

Creating Opportunities Together

Contents

Review of the year by the Chair of Poplar HARCA 3

Report of the Board including Strategic report 4

Statement of Board's responsibilities in respect of the Board's report and the financial statements 34

Independent auditor's report, MHA, to the members of Poplar Housing and Regeneration Community Association Limited 37

Statement of Comprehensive Income - Group and Association 42

Statement of Financial Position - Group and Association 43

Statement of Changes in Equity - Group and Association 44

Consolidated Cash Flow Statement 45

Notes to the Financial Statements 46

Poplar Housing and Regeneration Community Association Trading as "Poplar HARCA"

Regulator of Social Housing number: L4170 | Registered Society Number: 7726.



Chair's Review of the Year



I cannot remember a year that has been more turbulent in terms of a macro-economic environment over which we have no control. Nevertheless, as a new business year begins, Poplar HARCA's Board remains determined to continue to deliver high quality services for our residents and is confident that we will do so.

Poplar HARCA's resilience has been secured through a clear vision, a keen understanding of risk, and prudent financial planning. Our response to the impact of cost increases has been to consolidate.

Safety must always be a priority. I am comforted by our progress on fire and building safety. Ongoing Board oversight has ensured that, despite many challenges, most of the material remediation programmes have been completed by March 2023.

2022/23 has seen good progress with our regeneration programme. Chrisp Street is on-site, demolition at Stroudley Walk began, and we built; 22 new social homes. We sold 44 shared ownership properties and built 8 more. Our Teviot Resident Steering Group has been working through plans expected to go to planning in the coming months.

290 people have been supported into training and jobs. 170 people at risk have been supported. 710 homes have smart home devices monitoring energy efficiency, condensation, and air quality. We now have real-time performance data on our website so residents can scrutinise how we're doing. 50% of social housing lets were to overcrowded families.

We have always had a robust approach to dealing with damp and mould as a core part of our asset management strategy and have this year, in response to the tragic death of Awaab Ishak, strengthened both our resource in, and commitment to, eradicating damp and mould from homes.

85% of residents said they are satisfied with us as their landlord in our most recent survey. We were recognised by our peers and housing professionals an incredible 8 times, of which 6 were for regeneration on Aberfeldy. Our Community Panel came together to scrutinise engagement best practice. These residents' recommendations, all accepted by the Poplar Board, will set a challenging benchmark against which we will measure our commitment to ensuring that residents' voices are not only heard, but also acted on.

For all that we have achieved, we are not complacent. We are driven by the energy of our strong and diverse community. We rely on partners, volunteers, staff, and residents. I am forever grateful for the commitment of so many to making Poplar HARCA a very special organisation. Most especially, thank you to my fellow directors who challenge Poplar HARCA to always be its best.

Paul Brickell

Dr Paul Brickell
Chair

Report of the Board



© Marina Buraga



About Poplar HARCA

Since 1998 Poplar HARCA, a Public Benefit Entity (PBE) has been investing in its community, homes, and place.

Poplar HARCA is a registered provider of social housing formed by large scale voluntary stock transfer from the London Borough of Tower Hamlets. Working with statutory and third sector partners, it has leveraged significant investment into the area of East London in which its 10,273 homes are located, and community, commercial and retail spaces. As well as refurbishing existing homes, Poplar HARCA has built new homes, transformed estates and re-shaped the neighbourhood to connect it literally and figuratively to the potential of its location.

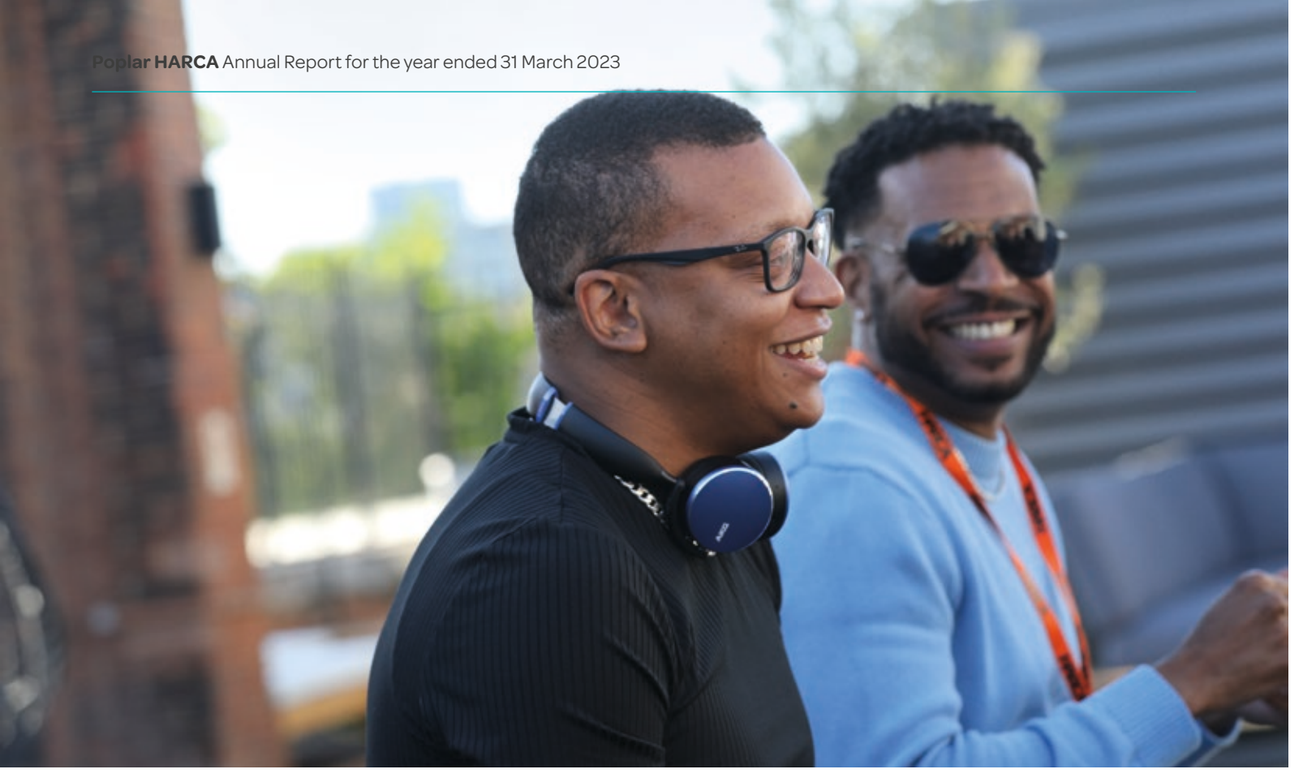
Poplar HARCA has an international reputation for innovation. Its award-winning services are delivered by award-winning people. Much more than this, Poplar HARCA is a catalyst and enabler – working with like-minded partners to realise the talent and ambition of our community.

Our Purpose and Behaviours

Inspired by our east end roots, we work hard to create opportunities for all.

Poplar HARCA's Board, staff, partners and volunteers share a common purpose – creating opportunities together that realise community potential through exceptional homes and thriving places, with social justice at our core.

Being inspirational, collaborative, considered, agile and equitable are the behaviors which will support us to deliver our purpose.



Our Workforce

Our staff are highly engaged. Their satisfaction drives delivery of great services.

Poplar HARCA employs 347 people, all committed to delivering its purpose.

To recap, staff told us in 2021-22:

96% understand what is expected from them

88% find their job challenging and stimulating

80% feel people treat each other with respect

86% believe Poplar HARCA values their health and well being

People indicators are reported annually to Poplar Board, which approved our Organisational Development Strategy and Equality, Diversity, and Inclusion Strategy this year. Both strategies are developed by staff and focus on creating a healthy and harmonious environment where everyone can be their best selves.

The Board has spent time this year considering staff succession and talent management; acknowledging that we want our senior roles to be more reflective of our community.

About our teams

Our staff are representative of the community we work for.

Age

16-24	4%
25-34	25%
35-44	39%
45-54	20%
55-64	7%
65+	5%
Not held	-

Ethnicity

Asian	26%
Black	15%
White	52%
Other	5%
Not held	2%

Gender

Female	47%
Male	53%
Not held	-

Disability

Yes	5%
No	95%

Community Driven - Involving and Involved

We rely on our community to ground and motivate us. Our community holding us to account, through an array of opportunities to inform, influence and scrutinise, is the most important driver of improvement.

Poplar HARCA has a strong community representation throughout its Board and Committee structure. The Vice Chair of the Board and Chair of the Services Committee is a proud Poplar HARCA tenant.

We talk with and listen to our community formally through Estate Boards, Gatherings, Joint Estate Panel, and the Youth Empowerment Board and less formally through Listening Campaigns, consultations and participation in projects and volunteering. This year we instigated a Community Panel. Applying the principles of a citizen jury, the Panel has recommended a new Resident Engagement Strategy to our Board aligned with new consumer standards.





Awards

Our projects, people and partners were recognised an incredible 8 times. We proudly share our awards for regeneration on Aberfeldy with our joint venture partners, EcoWorld London, architects Levitt Bernstein, Morris+Company, ACD Architects, LDA Design and, most importantly, our involved residents.

PLANNING AWARDS
The Aberfeldy New Masterplan was Highly Commended for commitment to stakeholder engagement and community-led design

HOUSING HEROES AWARDS
Our Rents Team was highly commended for outstanding support to residents and each other throughout the pandemic

HOUSING HEROES AWARDS
Former Poplar HARCA Chair, Christine Searle, was awarded the Lifetime Achievement in Housing

PINEAPPLE AWARDS
The Aberfeldy New Masterplan won the award for Community Engagement

EVENING STANDARD NEW HOMES AWARD
Aberfeldy Village was highly commended for Best Regeneration Project

INSIDE HOUSING DEVELOPMENT AWARD
Aberfeldy Village was awarded Best Partnership

BRITISH HOMES AWARDS
Aberfeldy Village won Best Housing Partnership

NEW LONDON AWARD
Our Aberfeldy regeneration won in the Public Spaces category

Creating Opportunities Together 2022/23

Poplar HARCA launched its 2021-26 Corporate Strategic Plan 'Creating Opportunities Together'.

The plan celebrates our purpose, and captures our aspirations and is available online. Visit **poplarharca.co.uk**.

The second year achievements compared to targets set by the Board as CEO KPIs for 2022/23 are:

Committed workforce

KPI	Achieved
Launch new OD Strategy	✓
Maintain staff satisfaction	✓

Successful Places

KPI	Achieved
Electrification of Estate Services operational fleet and equipment - Phase 1	✓
50 vulnerable jobseekers into employment	✓
Accents to deliver two projects that reduce carbon or have a positive impact on the local environment	✓
Contact the residents of fifteen tower blocks (part implementation of one of the likely requirements of the Building Safety Bill) to establish whether they require Personal Emergency Evacuation Plans.	✓
Deliver year 2 of the Carbon Management Strategy	✓
Encourage 20 local people to become Net Zero Carbon champions	✓
Ensure the Teviot LLP delivers Placemaking that satisfies the PH Board and Teviot Resident Group	✓
Start on Site – Aberfeldy West Phase A	✗
Start on Site – Stroudley Walk	✓
Submit Planning application – Teviot Estate	✓
Support 50 young people to take up and benefit from the Health Spot Service	✓

Service Satisfaction

KPI	Achieved
Maintain resident satisfaction	✓
2 additional MyHARCA functionalities	✗
Implement recommendations from Corporate Tone of Voice review	✓
Real-time performance reporting on our website (CEO KPI 21/22)	✓
Reduce average time taken to respond to contacts	✓
Review resident involvement strategy, and make recommendations to the Board	✓

Strong Foundations

KPI	Achieved
Deliver 2 projects that increase efficiency and reduce the cost of finance processing	✗
Deliver phase 2 of asset management system	✗
Install smart home devices in 10% of tenants' homes	✓
Maintain G1 V2 and BAA1 credit rating	✗
Operate within the financial control framework and budget reporting monthly to the CEO and FGP	✗



Achieving the Vision

The financial and operational strategy in place to deliver 'Creating Opportunities Together' is called 'Achieving the Vision'.

In response to rent reduction, the Group has implemented a number of strategic initiatives as part of Achieving the Vision. The initiatives have developed further since achieving the original targets set post rent reduction, with the targets now set to ensure sufficient financial capacity and resilience to deliver our corporate strategy.

MIXED INCOME TENURE STRATEGY (MITS)

The majority of MITS re-lets are done by way of a short term operating lease to Poplar HARCA Projects Ltd.

As at 31 March 2023 a total of 397 homes (2022: 353) were let at Local Housing Allowance or market rent against a target of 525 by 2026. The local housing allowance for a one bedroom flat in Tower Hamlets is approximately double the social rent.

RECYCLING ASSETS, CREATING OPPORTUNITY (RACO)

A total of 64 sales completed in the year to bring the total sales to 501. The Board has approved development schemes to be funded from RACO proceeds that will deliver 731 new affordable homes. To fund the net cost (after first tranche shared ownership proceeds) of the 731 new homes required 470 void sales. The target has now been achieved but the RACO programme will continue in the near-term.



Summary of Financial Performance

MAINTAINING FINANCIAL RESILIENCE

Group operating surplus for the year of £17.4m (2022: £37.3m) was driven by £3.7m gain on disposal of fixed assets (2022: £27.3m), gain on current assets sales of £12.2m (2022: £nil), surplus on shared ownership sales £2.3m (2022: £2.8m), a surplus on social housing lettings of £5.0m (2022: £5.7m).

Joint venture activity resulted in a surplus of £0.6m (2022: £1.1m) in the year as both the Balfron Tower Development LLP and Aberfeldy New Village LLP continue in the construction phase with relatively low volume of off plan sales.

Stripping out joint venture activity, loss and gain on fixed asset disposal and changes in value of investment property shows a 'core' operating surplus of £16.2m up 63.9% on 2023 (£9.9m). The higher core-operating surplus is principally due to a gain on current assets sales of £12.2m (2022: nil).

£000s	2023	2022
Turnover £k	88,516	71,825
Operating surplus £k	17,469	37,343
Operating margin %	20%	52%
Core operating surplus £k [1]	16,189	9,876
Core operating margin	18.3%	13.6%
Surplus on 1st tranche sales £k	2,258	2,809
Surplus on current assets sales	12,224	-
Debt per unit £k [2]	54.9	55.5
Net assets £k	192,726	179,507

[1] Excludes overage, joint venture activity and write down of investment, gain on sale of fixed assets and change in value of investment property

[2] Debt per unit calculated as bank, bond, bond premium and finance lease liabilities less cash and cash equivalents per social home owned

OTHER COSTS AND ACTIVITIES

Interest payments of £12.2m for the year (2022: £32.3m). In 2021/22 accounts included the loan breakage cost of £19.7m incurred after repaying bank fixed debt. Stripping that out leaves £12.6m of interest payable and similar charges.

GROUP STATEMENT OF FINANCIAL POSITION

The Group statement of financial position has strengthened as shown by the increase in net assets of £12.7m due to the £6.6m surplus after tax and a decrease in net pension liabilities of £6.1m. Liquidity strength remains the key focus in ensuring financial resilience and ability to fund our ambitious regeneration programme.

LOOKING FORWARD

The total committed and uncommitted capital expenditure programme in the June 2023 business plan results in 628 new affordable homes over the next 5 years . All homes are contractually committed.

- Including uncommitted capital expenditure, debt for the Group averages approximately £365m over the 5 years to 2028 peaking at £375m in 2025.
- Our plans and priorities are regularly reviewed and updated to reflect the opportunities and the risks in our operating environment, including:
  - The greater focus and effort applied to the safety of our residents in their homes, by ensuring that testing and safety measures for fire and other hazards are effective
  - The greater focus on the environmental impact of our homes and steps we can take to reduce the carbon footprint of Poplar HARCA





Environment Impact

A streamlined energy and carbon report (SECR) show the carbon impact and energy use for the year as:

1,010 tonnes
of carbon dioxide equivalent
(2022: 1,102 tonnes)

5.4 million kWh
of energy (2022: 5.7 million kWh)

Intensity ratio of
11.4
(2022: 15.4) based on tCO2e/£m

The group have developed a Carbon Management Plan with an external consultancy, which has generated a plan to cover physical energy efficiency improvements to sites, procurement decisions pushing towards renewable energy sources, and the potential to offset remaining carbon emissions.

The numbers shows the carbon emissions of the Group itself, which covers the head office, community centres and communal areas of residential blocks. Regarding the homes owned by the Group, the Board approved a £12m programme that will fund works to achieve an EPC of C and above for all homes owned by 2030.



Treasury Management

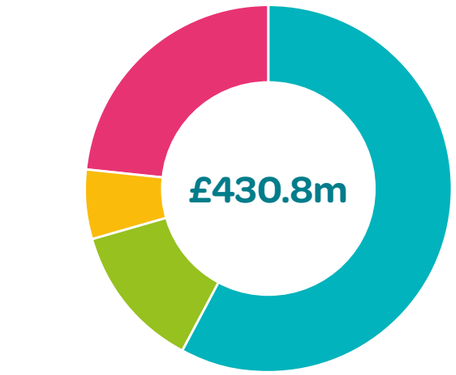
CAPITAL STRUCTURE

Poplar HARCA Ltd has a corporate bond by way of Poplar HARCA Capital Plc, an RPI linked finance lease with M&G Investments for a mixed block (private and affordable rent) and undrawn variable bank funding from Allied Irish Bank and Santander as short term Revolving Credit Facilities (RCF). Both RCFs are SONIA indexed linked.

TREASURY AND LIQUIDITY RISK

There has been no change to capital structure following the completion of the refinancing exercise which was completed in 2021/22.This included the selling of new bonds to capital markets, using premiums to pay back on previously held fixed debt. The group now has £250m of bond debt fully issued receiving premiums totalling £29.4m. Bonds receive coupon at 4.843%.

TOTAL DEBT FUNDING 31 MARCH 2023



- Bond **£250m**
- Bond premiums **£26.8m**
- Finance Lease **£54m**
- SONIA indexed RCF Undrawn **£100m**

All debt facilities are secured and charged to housing properties valued at a mix of EUV-SH and MV-STT.

The Group continues to be risk averse in its approach to interest rate management. As at 31 March 2023, the group is undrawn on variable debt exposed to the risk of rising SONIA. In addition, 16% of debt is RPI linked finance lease funding (£54.0m). The remaining 84% of debt is at fixed rates. Fixed debt is currently above Group policy to maintain between 50% and 80% of outstanding net debt on a fixed rate basis.

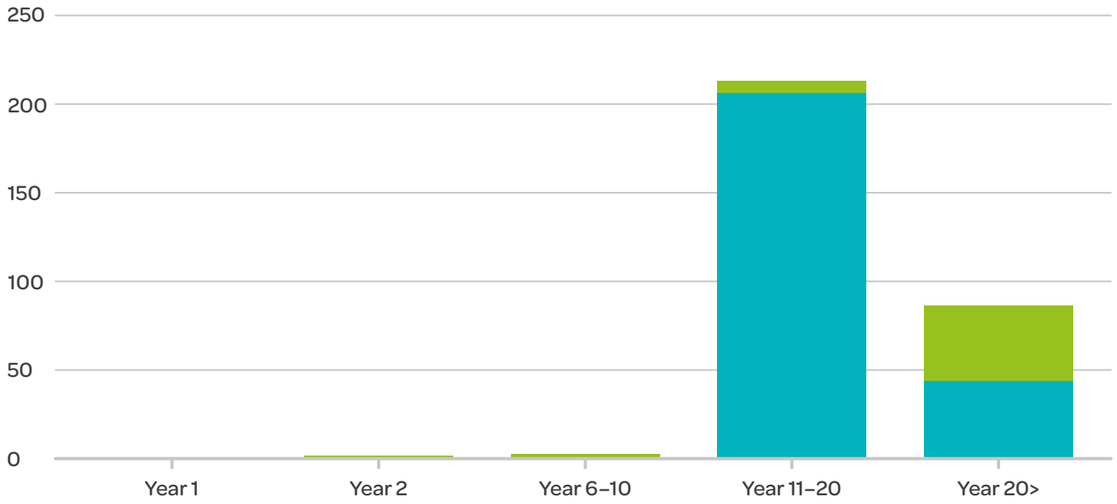
The Board is comfortable with the ratio of fixed rate given the current environment which has seen the base rate of interest rise significantly during the financial year.

Current forecasts show drawdowns will start in 2023/24. The Group does not currently have any interest rate hedging instrument.

The debt funding is relatively long dated and is sufficient to fund the capital commitments from the development and assets management programmes.



DEBT MATURITY PROFILE 31 MARCH 2023 (£M)



INFLATION AND OTHER ECONOMIC RISKS

Macro economic headwinds have affected the whole sector, and informed Poplar HARCA's downgrade to Baa2.

The Board's strategic response has been to consolidate, reviewing spend, programme, and value for money targets to secure financial resilience.

Consolidation over the past 2 years has enabled investment in a capital maintenance programme without interest cover restrictions, reducing the pressure on cash flow and reducing abortive cost risk.

The Group is exposed to shared ownership sales risk. Whilst these have progressed well in the year, the Board remains cautious. Cost control measures will therefore continue.

Through the use of Joint Ventures, there is limited risk to market sales now that Aberfeldy 3b completed with just 4 unsold units at year end. This meant the Group received back its equity in April 2023.

With the Group's investment in Aberfeldy and Teviot Joint Ventures in the planning phase, no market sale assumptions have been made in the regeneration business plan. The Group remains open to exploring alternative funding means for future regeneration phases, so reducing balance sheet risk.

To manage the risks to the business and in line with business continuity planning Poplar HARCA also:

- Undertook a multi scenario stress test of its long-term financial plan. All scenarios can be financed by existing funding arrangements having implemented the recovery plan.
- Exiting two development schemes which had not been contractually committed, recognising over £1m of abortive cost during the financial year, but reducing future development risk. The development pipeline now solely relates to contractually committed s106 schemes which have fixed price agreements in place.
- Enhanced its financial resilience in relation to liquidity by continuing with RACO, reducing peak debt projections whilst maintaining existing debt facilities.
- Reviewed its development pipeline with consideration of sales exposure and ability to delay future phases of regeneration schemes, if required.



LOAN COVENANTS

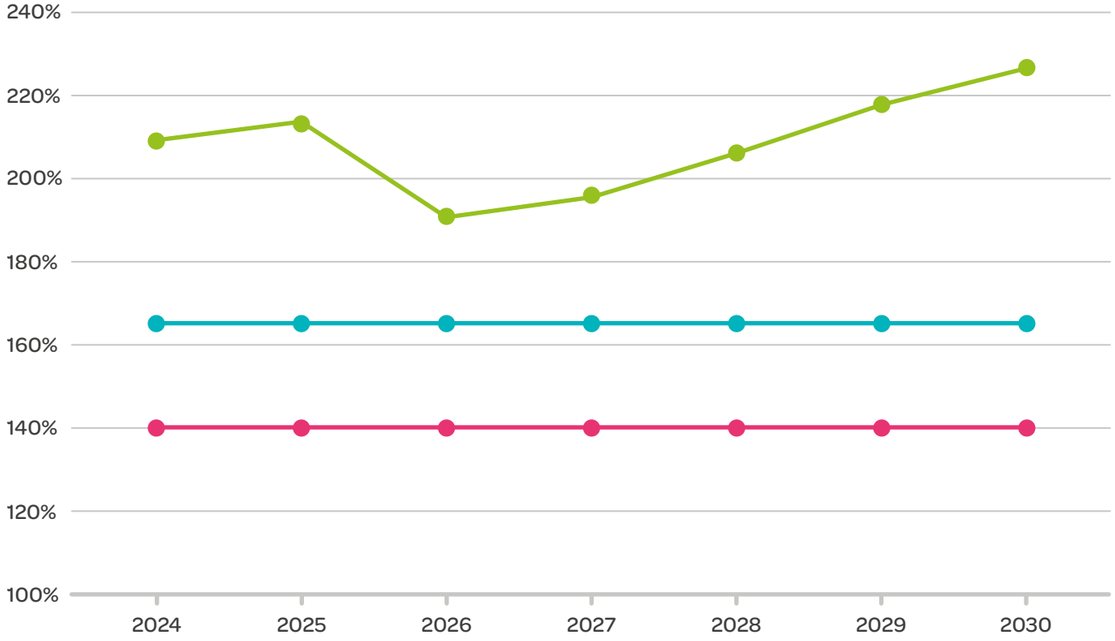
The covenant limit for interest cover stands at 140% which excludes capital repairs and therefore does not impede the Group's ability to invest in its stock. The Board has set the internal target for interest cover in the financial control framework at 165%. The result for 2022/23 was 168% (2021/22: 168%)

Our tenanted homes were valued at over £645 million on a security basis resulting in a gearing of 49% (2021/22: 48%). The covenant requirement is 80%. There has been no changes to the capital structure since last year and there has been no material movement in gearing. We remain cautious on future valuations and our assumption for the 2024/25 rent increase. However, gearing is no longer a loan covenant that presents material risk to the Group and our stress testing shows the significant resilience we have on this measure.

Focus in terms of stress testing and loan covenants continues to be on interest cover. The internal limit set by the Board of 165% gives sufficient headroom to mitigate the Board's stress test with partial use of a recovery plan. Although our stress test was enhanced in terms of volume of tests to account for emerging macro risks, the extent of the stress test has been reduced since achieving start-on-site on Stroudley Walk in March 2023. Our June 2023 stress testing results showed greater headroom than previous years and as a result, less reliance on our recovery plan.

The chart below shows our projections of interest cover are on the internal limit for years 2023/24 through to 2029/30.

INTEREST COVER FORECAST (BANK COVENANT DEFINITION)



Operational Performance and Satisfaction Levels

HOUSING MANAGEMENT

Local demand for affordable housing remains overwhelming, with over 23,000 applications on the Tower Hamlets Common Housing Register. There are over 1,100 Poplar HARCA tenants registered to move, 54% need to move due to overcrowding; and 15% are being rehoused due to largescale regeneration projects.

We let 97 homes to applicants from the Common Housing Register: 48 were overcrowded; 10 under-occupying and 13 with long-term limiting health conditions and disabilities. 52 Poplar HARCA tenants were transferred: 16 were overcrowded;10 under-occupying and 5 with long-term limiting health conditions and disabilities. (Note: applicants can have multiple needs e.g. overcrowding and disability). We also sustained 22 Housing First tenancies, providing homes direct to supported street sleepers.

34% of our tenants receive Universal Credit. With the cost-of-living crisis hitting tenants particularly hard, we have focussed on intervening sooner when residents start to accrue arrears, with a target to reduce the number of new cases referred to Court. It was therefore pleasing that just one new case was referred to Court this year for rent arrears, and that was only after significant efforts to engage.

An increasing number of transactions are carried out by residents online with 5,557 MyHARCA resident accounts, representing 58% of all residents, carrying out over 40,000 interactions and paying over £4.5m online.

We remain committed to ensuring residents genuinely influence what we do, and how we do it. This is reflected in the results of the most recent resident survey with 83% saying they would recommend Poplar HARCA to others; 84% saying we make a positive difference to the local area and 83% satisfied with our services.

In the same survey, residents told us that making the area safer should be our highest priority. We opened 200 anti-social behaviour cases this year, with 588 incidents reported resulting in 167 ASB warnings and 67 warning letters, 16 legal notices, and 1 injunction.



170 people at risk have been supported by Safeguarding. The internal audit of our Safeguarding Adults service gave substantial assurance, with no recommendations. Given the increasing scrutiny and importance of this work, it is comforting to note this validation of our processes.

TECHNICAL AND ESTATE SERVICES

Resident satisfaction with repairs remains top quartile, with transactional surveys reporting 94.42% satisfaction. In the financial year we completed 25,384 repairs (2022: 27,290) and carried out more than 12,000 safety checks. It takes on average 8.2 days (2022: 9.16 days) from the initial report to complete a repair, with 99% completed in target.

The estate teams visited in excess of 350 properties for the year as part of the 'Estate Ambassador' programme. Estate Ambassadors deliver useful information leaflets and booklets and will talk to residents face to face if they are in at the time of the visit.

Bulk refuse disposal costs will continue to rise going forward. New regulations require incineration of most soft furnishing items. There is now a cost (from April 2023) of £25 per item when we dispose of such items. We predict an increase in our annual disposal costs of around 40% or £100,000. Annual tonnage is still around 800 metric tonnes per year.

We have reduced our spends on shrub bed bark mulch by using shredded shrub and tree cuttings from our estates in its place. Costs associated with the disposal of such cuttings (tipping fees are currently at £185 per tonne) is saved.



DEVELOPMENT AND REGENERATION

It's been another busy and challenging year in Development.

Aberfeldy Phase 3 has completed, delivering 39 social homes, 4 shared ownership and 180 private sale. At Bromley High Street project, we completed 5 social homes, 8 shared ownership, delivering a total of 236 homes.

The new village centre at Aberfeldy including a new medical centre, café, pharmacy, retail and community centre fit out is nearing completion and all facilities are due to be operational by spring 2024.



This final part of the current phases will bring forward a lively new village centre benefiting the whole area. Despite a recommendation for approval, planning for the next phases of Aberfeldy was refused by committee and the Joint Venture are now considering options.

Pre-planning design continues at our Teviot Estate Regeneration project following the appointment of our Joint Venture partner, Hill Residential Limited, and Master Planner to deliver the ambitious project. The submission of planning has been delayed due to the recent requirements for second staircases in blocks over 30m and now will be submitted in the summer 2023 with start on site anticipated in the late 2024.

The Chrisp Street regeneration scheme enabling works has commenced and are nearing completion. The project is currently paused while we await the decision on the revised planning application which is due later in 2023/24. The project will deliver new shops, a cinema and a refurbished outdoor market and will also provide an additional 710 new homes of which 50% will be affordable.

Stroudley Walk development has now commenced on site with enabling works. Detailed design for the main scheme has been developed and we have now procured the main contractor for the main works. Works will commence in March with an overall programme of 2 ½ years. The project will deliver a total of 274 new homes of which 50% will be affordable.

Shared Ownership sales have continued to progress well in a challenging market, managed by our in-house sales team. Jolles House sales launched in April 2020 and we have sold all 57 homes. Landmark Pinnacle sales have also been relatively positively considering the volatile market conditions. We have sold 28 out of the 35 homes in total and interest in the reaming homes is steady.

Our two section 106 projects at Leven Road, now known as Poplar Riverside, and Marsh Wall are progressing well and are both on programme and will deliver a total of 219 affordable new homes when completed with first handovers in the summer of 2023.



Fire safety works for buildings with external wall systems and balconies have been a challenge for the industry and it has been another busy year for us on this front. We have made excellent progress in the period and the majority of works have completed at year end.

DEVELOPMENT AND REGENERATION (CONTINUED)

A total of 42 buildings require some level of remediation and we anticipate to have the vast majority of works complete before the end on 2023.

COMMUNITIES AND NEIGHBOURHOODS (CAN)

Our Communities and Neighbourhoods (CaN) programme is a key priority for us. In the year our total spend on Community Regeneration of £8.2m (2022: £7.4m) was partially offset by external funding of £2.9m (2022: £2.6m) resulting in a net investment by Poplar HARCA of £5.3m for the year (2022: £4.8m).

SPOTLIGHT

Between April 2022 to March 2023, Spotlight has engaged 3,082 young people in high quality youth provision at our centres, including our new space in the Isle of Dogs, through the delivery of music, drama, arts, and sports sessions. Young people also benefited from direct support especially those affected by the cost-of-living crisis through our cook and dine days, warm spaces, and provision of free hygiene products.



The newly revived Youth Empowerment Board (YEB) has led the provision of opportunities for young people to have a voice in matters that are important to them. They hold workshops and sessions that build their confidence to make positive contributions towards shaping a better future for themselves and their wider communities. Spotlight has recently appointed the YEB Co-ordinator.

We have extended the opening of Health Spot, our in-house GP service enabling young people to receive focused support from a GP. Throughout the year, 84 young people have used the service and have come back for follow-up appointments more than once. The service has received very positive feedback from the young people who have used it which has resulted in increased uptake by their peers. Spotlight partners have expressed interest in replicating the model.

On top of running the GP service at Spotlight, we have also worked with partners to provide counselling, therapy, family support and specialist advice on sex & relationships alongside drug & alcohol cessation for young people.

Our violence prevention service which aims to reduce young people involved in violence has benefited 231 young people across our estates who are at risk of committing or being victims of violent crimes. We have worked more intensively with 95 among this cohort who needed more focused and specialist support.

EMPLOYMENT & TRAINING

From April 2022 to date, E & T has supported 51 highly vulnerable people into jobs including a) a victim of domestic violence who had very little English language ability and very low self-esteem and b) a single parent suffering from illness due to stress brought about by long-term unemployment.

This year, the team has progressed 28 young Kick Starters into fulltime jobs within Poplar HARCA and other strategic partner employers in London such as Barts Health NHS Trust.

Our employment advisors as well as our partners have supported 290 people into jobs from April 2022 to March 2023. Many have successfully landed jobs in the NHS through our strong partnership with Barts NHS Trust for whom we train local people with guaranteed jobs at the end of their training.

Together with our external partners, we have enabled 1,215 learners to achieve 1,640 qualifications from April 2022– March 2023. Training continues to develop English and Maths skills and basic digital skills in local people. All these skills are essential everyday skills. At higher levels, Maths and English are important to learners who want to progress into higher education or into work.

Since the beginning of April 2022, we have held accredited and non-accredited training sessions across all our community centres enabling better access by residents from our 12 estates.

We have successfully embedded Digital Inclusion in all our E & T provision as well as the wider PH services and programmes.

CHARITABLE GRANTS AND OTHER COMMUNITY REGENERATION INCOME

Poplar HARCA has received grants and other income from a number of sources to support its community regeneration activity. Poplar HARCA would like to thank the organisations that have made contributions in cash and in kind to the Communities and Neighbourhood Directorate. Grant funding was committed from the organisations listed below during the period from 1 April 2022 to 31 March 2023:

Organisation	2023 £	2022 £
Access Sport	2,000	-
APASEN	1,000	-
Apple Music	-	82,327
Art Council England	2,620	-
Barts Health NHS Trust	48,000	9,800
Big Lottery Fund (Reaching Communities)	142,186	160,787
Brit Trust	5,000	-
Department for Work and Pensions (Kickstart)	85,562	85,843
East End Community Foundation	30,000	-
Garfield Weston Foundation	25,000	-
Good Things Foundation	-	33,857
The Greater London Authority	879,881	763,239
European Social Fund	121,808	375,184
Groundwork	26,000	-
Community Chest Fund/Teviot LLP	42,000	16,500
London Borough of Tower Hamlets	730,615	450,750
London Marathon Fund	49,136	-
London Sport	3,983	-
London VRU	108,427	-
Mayor's Fund for London	-	1,600
One Housing	1,000	-
Peabody Trust	-	500
Public Health	67,500	-
Rangoonwala Foundation	15,000	7,500
South Gloucestershire College	63,177	56,942
Sony	-	20,322
Sport England	10,000	-
	2,459,895	**2,065,151**

Our Value for Money Strategy

The Value for Money Standard is one of three economic standards that the Regulator of Social Housing expects registered providers to comply with. It looks at whether a provider is making the best use of the resources that it has to meet its objectives.



The VFM strategy was set in 2021 following the introduction of the 2021-26 Corporate Strategy, Creating Opportunities Together. Our five-year corporate strategy 2021-26 states our purpose is creating opportunities together that realise community potential through exceptional homes and thriving places with social justice at our core. Achieving excellent value for money in all that we do is vital to achieving this vision: we aim to make the best possible use of resources to improve housing, neighbourhoods and opportunities for our residents, with high quality outcomes and demonstrable social returns.

Our VFM Strategy sets how we target and monitor VFM at every level of the organisation. The Board sets and monitors our VFM action plan annually which includes 'Resourcing the Vision' targets. The Finance Committee monitors this on a quarterly basis. The top level targets are set as a Financial Control Framework to enable us to 'Resource the Vision' and to deliver the ambitious Corporate Strategic Plan.

The targets are in place to manage risk and ensure financial viability. They are:

- Achieve interest cover of 165% as we control risk and maintain 'financial resilience'
- Manage external debt within set parameters
- Manage on-lending to subsidiaries within set parameters
- Control exposure to market sales
- Manage liquidity

The VFM Strategy SMART targets for 2026 which were set in 2021 (as per RSH VFM Scorecard definitions):

- Social housing cost per unit of £5,200
- Management cost per unit of £1,600
- 150% EBITDA MRI
- 50% gearing
- 20% operating margin

The Resourcing the Vision Strategy which was incorporated into the 2021 business plan included the following targets:

- 1% cost saving efficiency on service costs per year
- Letting a further 56 homes at local housing allowance to homeless households or at market rent, bringing the total programme that started in 2016/17 to 425 by 2026
- Selling a further 208 homes based on asset management criteria where disposal adds significant value relative to cost and planned maintenance obligations, bringing the total programme that started in 2016/17 to 525 by 2026
- Using disposal proceeds to buy new affordable housing through S106 opportunities at a ratio of 1.5 new for every property sold

We have also been working towards achieving key milestones over the past 24 months and the result of the milestones achieved is that the Group has the flexibility to invest in a capital maintenance programme without interest cover restrictions, reducing the reliance on property sale related cash flows, and lowering the abortive cost risk to a minimal level.

The purpose of the VFM 2026 targets is ultimately maintaining financial resilience whilst delivering our corporate strategy within risk tolerance. The targets were set using the June 2021 business plan meaning the five-year targets enable the Board to hold itself to account against its financial projections. However, since then, inflation has been significantly higher than anticipated in June 2021. It's crucial that VFM targets are ambitious but also attainable and take into account wider changes to the macro environment.

The Board has therefore agreed to revise the targets for social housing cost per unit using the 2023 business plan. Note that the 2021 target considered not only the internal strategy, but also equivalent peers and stretch targets. The stretch targets were focused on achieving 1% savings each year, and subsequent budgets were based on achieving this 1% target thereon.

The current macro environment which has contributed towards PH's recent downgrade to Baa2 alongside rising debt levels and waning margins, has hastened the need to embed the impact of the 5-year stretch target into the 2023/24 budget to ensure PH remains resilient and can off-set the impact of uncontrollable sector-wide headwinds.

The 2023/24 plan has crystallised the front-line savings which were achieved in 2022/23, predominately by removing positions which were not required to maintain a high service standard.

The new plan therefore embeds both the impact of the inflationary impact, but also the 5-year savings which the organisation has aspired to achieve back in 2021.

We therefore use the business plan as the basis for the adjusted targets below:

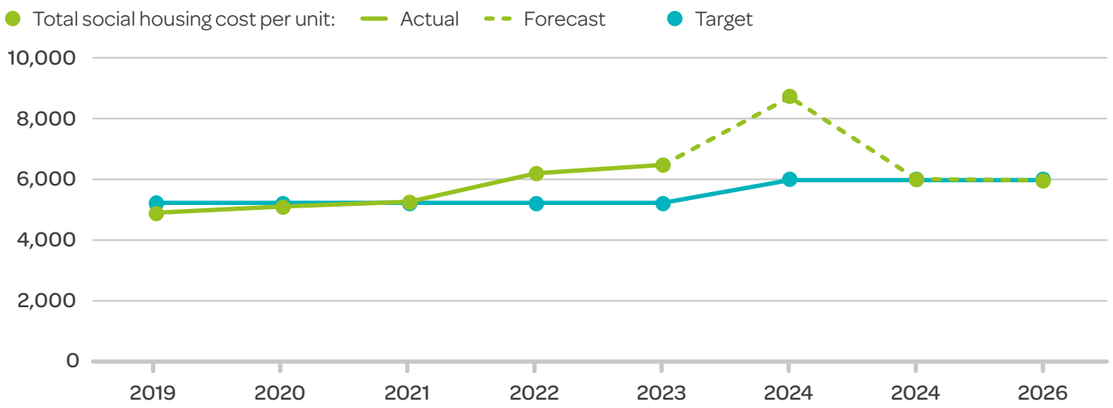
- Social housing cost per unit of £6,000
- Management cost per unit of £1,600
- 150% EBITDA MRI
- 55% gearing
- 25% operating margin

Total social housing cost per unit includes capitalised major works. A key feature of the new business plan is that the asset management programme provision across the life of the plan now meets the stock condition survey, and includes a £20m/15% buffer on top of the stock condition survey estimate. The majority of the £20m uplift has been assumed in the early years of the plan. It's important that the new CPU target reflects the higher level of investment in stock between now and 2026 which is in the updated plan.

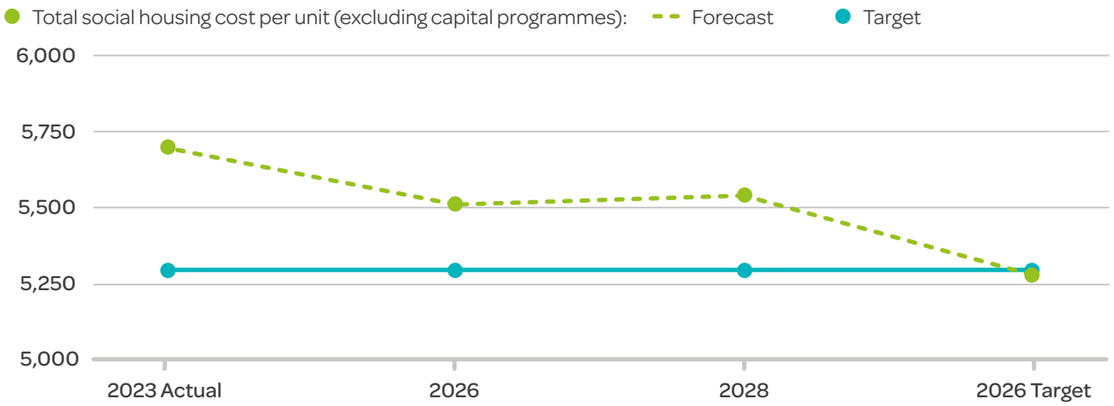
Due to the volume and magnitude of the asset management programme over the next 3 years, we have introduced a new target which excludes the impact of all capital works. This is to ensure underlying performance is not distorted. The target is based on the same source data as the total social housing CPU but excludes the impact of capital works.

The charts below and on the next pages show our latest projections from the June 2023 business plan.

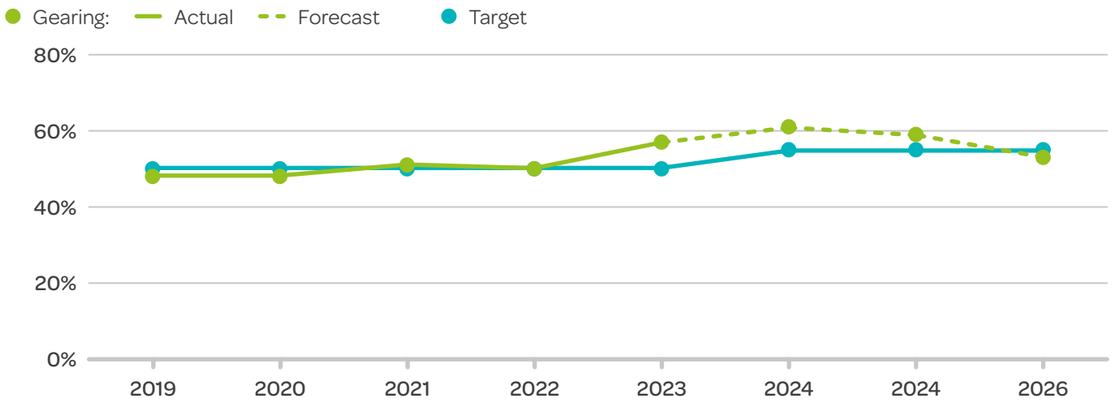
TOTAL SOCIAL HOUSING CPU



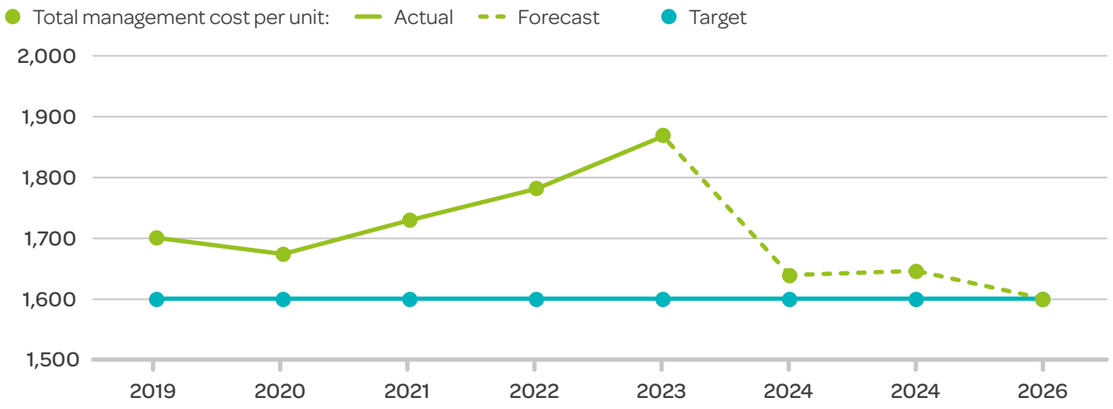
TOTAL SOCIAL HOUSING COST PER UNIT (EXCLUSIVE OF CAPITAL PROGRAMMES)



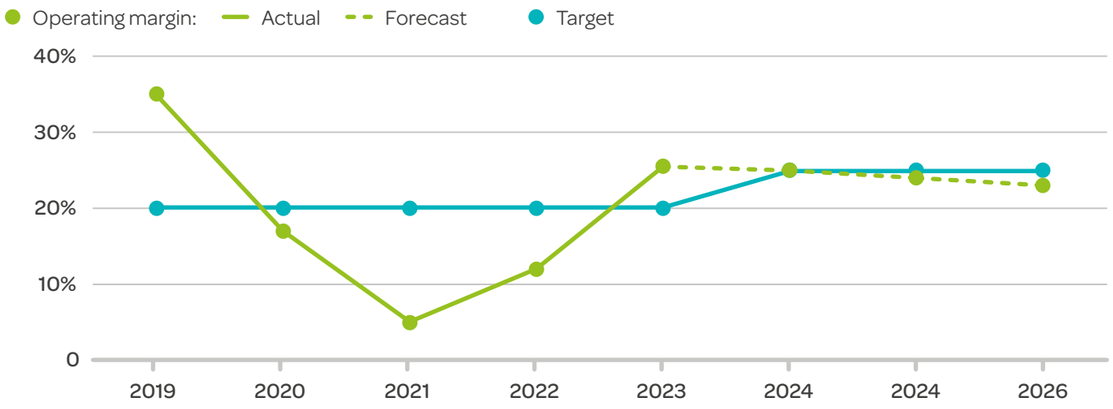
GEARING (RSH DEFINITION)



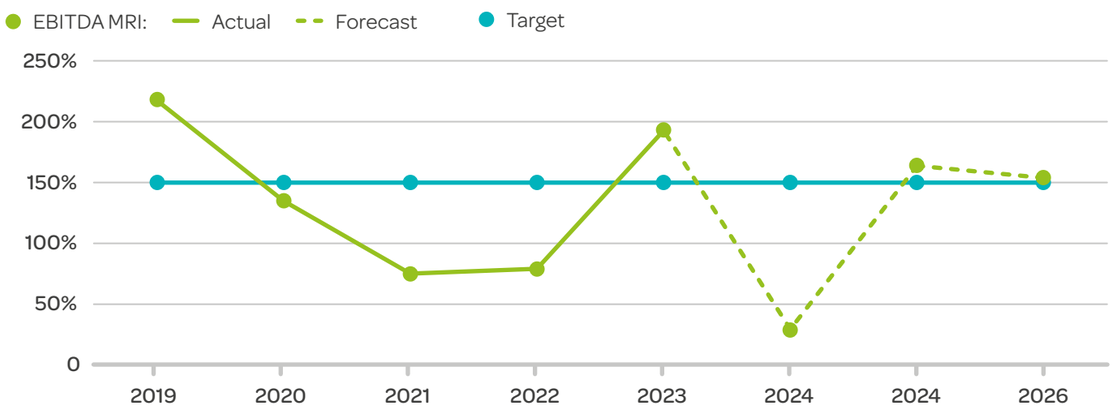
TOTAL MANAGEMENT CPU



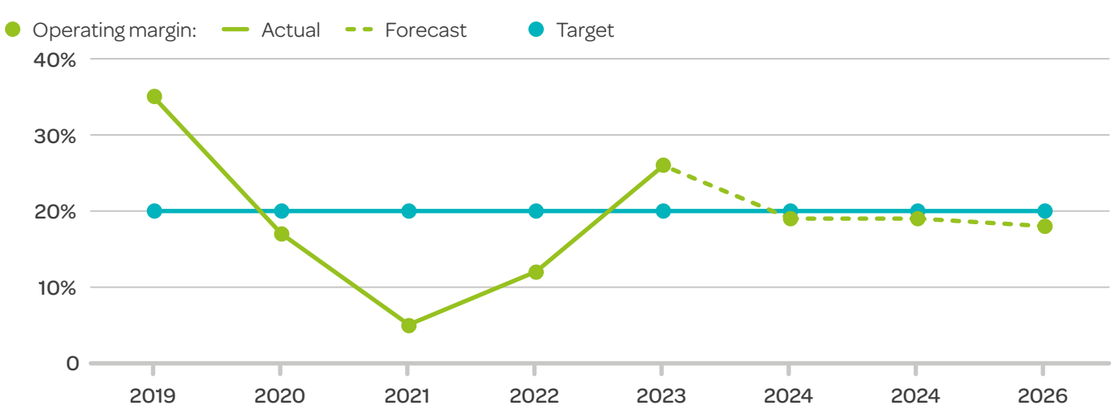
OPERATING MARGIN



EBITDA MRI



OPERATING MARGIN (RSH DEFINITION)





Value for Money Scorecard

The table on the following page is the Poplar HARCA Value for Money Scorecard that compares performance against a 2022 peer group average (the 2023 peer group average was unavailable when this report was written).

The performance measures are set by the Board and include seven that are specifically required to be published annually under the "Value for Money Standard 2018" issued by the Regulator.

The peer group comprises Poplar HARCA plus 10 similar housing associations with active development programmes and the majority of their properties in London.

Some of the performance measures for 2022 have been revised to remove costs incurred on non-social leasehold properties. This is to improve consistency between costs and property numbers, and with the treatment in 2023.

A number of the performance measures that clearly align with the Poplar HARCA Corporate Strategy are mentioned above. Regarding resident satisfaction, no survey took place in 2022/23 with the next one due in September 2023 as part of the Tenant Satisfaction Measures Standard.

The result from 2021/22 of 85% overall resident satisfaction was an improvement on the previous survey result of 81% in 2019. We continue to target an upper quartile satisfaction result compared to peers for the next survey.

At 13.75%, operating margin excluding surplus on disposals was 4% less than the peer group average in 2022 but has since recovered. EBITDA MRI % interest cover was particularly low in 2022/23 because of break costs incurred to improve future financing.

Reinvestment as a percentage of the historic value of our housing stock is high compared to that of our peers. This is due to the Group's regeneration strategy - we are slowly modernising our stock portfolio over time and mitigating asset management liabilities through this relatively intensive redevelopment strategy.

During 22/23, Poplar HARCA invested in communities 41p of every £1 generated from operations, up from 35p in 2021/22.

Poplar HARCA's headline social housing cost per unit was £1,525 more than the peer group average in 2022.

Achievement of the Board's target for 2026 for this measure would see the difference reduce to £705.

Sector scorecard	**PH Group 2023**	**PH Group 2022 (Revised)**	**PH Group 2022**	**Peer Group 2022**
Business health				
Operating margin excluding surplus on disposals	18.29%	13.75%	12.41%	18.03%
Operating margin - social housing lettings	9.61%	13.82%	19.40%	24.2%
EBITDA MRI % interest cover [1]	149.61%	32.24%	78.99%	97.45%
Development - capacity and supply				
New supply delivered (absolute)				
• Units developed social housing units	30	44	44	-
• Units developed non-social housing units	235	-	-	-
New supply delivered (as % of units owned)				
• Units developed social housing units	0.54%	0.78%	0.78%	1.42%
• Units developed non-social housing units	4.95%	0%	0%	0.20%
Gearing [2]	58.24%	61.39%	49.77%	45.35%
Outcomes delivered				
Resident satisfaction with services provided by landlord	85%	85%	85%	-
Reinvestment % [3]	5.45%	10.63%	8.40%	6.35%
Investment in Communities (spend in year)	£8.2m	£7.4m	£7.4m	-
£s invested in Communities for every £ generated from operations	0.41	0.35	0.35	-
Effective asset management				
Return on capital employed [4]	3.14%	6.02%	5.86%	2.71%
Occupancy	99.6%	95.5%	97.5%	-
Ratio of responsive repairs to planned maintenance	0.6	0.5	0.5	0.6
Operating efficiencies				
Headline social housing cost per unit	£6,499	£6,820	£6,184	£5,295
• Management cost per unit	£1,886	£1,782	£1,782	£1,177
• Service charge cost per unit	£1,514	£1,271	£1,271	£922
• Maintenance cost per unit	£1,534	£1,531	£1,184	£1,792
• Major repairs cost per unit	£755	£1,498	£1,209	£1,215
• Lease costs per unit	£301	£248	£248	£179
• Other social housing cost per unit	£509	£490	£490	£10
Rent collected	99.4%	100.1%	100.1%	99.9%

[1] EBITDA MRI % interest calculated as EBITDA MRI ÷ Gross interest payable x 100 as prescribed in the current sector scorecard pilot, where EBITDA MRI represents earnings before interest, tax, depreciation and amortisation adding back major repair capitalised costs

[2] Gearing calculated as net debt ÷ Housing properties a cost x 100 as prescribed in the current sector scorecard pilot, where net debt represents total loans (including finance lease) less cash and cash equivalents

[3] Investment in properties as a % of the value of total properties held at year end

[4] Return on capital employed calculated as operating surplus ÷ (total fixed assets + total current assets less total creditors due within one year)

Risk Management

Poplar HARCA has a well-developed and robust risk management process. The risk map identifies significant risks, assesses their likelihood and impact and sets out how the organisation mitigates, monitors and manages those risks.

Major risks are reviewed annually by the Board and this is supported by quarterly reviews by the Audit and Risk Committee.

Risks are assessed for likelihood and potential impact before and after any mitigation by the Corporate Management Team supported by operational managers. A risk map is prepared for any new ventures or activities and the Board considers risk when making decisions.

Among the risks facing Poplar HARCA are those arising from external economic factors and from government initiatives and regulatory changes. The most significant risks facing Poplar HARCA are described below:

- Exposure to market sales is key risk for the Group and a fall in prices of 20% and delay in sale completions has historically been modelled as part of stress testing. We have since enhanced the stress test further in response to current macro conditions by assuming that no shared ownership sales take place, and all units are converted to affordable tenancies. Working through joint ventures means cross default risk is mitigated, and whilst reductions in LLP profits or losses would have an impact on Group cash flow, the volatile accounting impact is excluded from loan covenants. Sales risk exposure through joint ventures is now limited as both Aberfeldy 3b and Balfron are complete, and the vast majority of units have been sold at year end.
- Abortive costs and financial penalties of exiting or not going ahead with development contracts is a significant risk for Poplar HARCA but exposure has greatly reduced since exiting two smaller schemes during the financial year, and achieving start-on-site for Stroudley Walk. Exposure to development contracts is carefully managed and monitored and the potential impact incorporated into stress testing. The abortive cost risk profile will continue to be assessed by the Audit and Risk Committee and Board during year.
- The business interruption impact of a cyber-security attack is now a top risk on the risk map and we include a £1.5m impact each year within our stress test. We have a Business Continuity Plan and Disaster Recovery Plan in place to mitigate the business interruption risk of a cyber-security attack.
- While our good performance on rent collection has continued, we remain cognisant to the cost-of-living crisis and the impact it can have on rental arrears and collection. We cannot be certain of the extent to which rental income collection will be affected. We include a doubling of bad debts as part of our multiple stress scenario testing.



Health, Safety and Fire

We have a comprehensive system in place to manage health and safety and fire safety.

There were no prosecutions or enforcement actions during the year. Quarterly reports on health and safety performance with an annual overall report are considered by our Health and Safety Committee which reports to our Main Poplar Board.

Fire safety across our residential stock is still a priority with work conducted to meet the requirements of the Fire Safety Act and preparation for the Building Safety Act. Fire risk assessments (FRAs) are carried out annually for all blocks with an additional check every six-months on blocks considered a higher risk due to height, layout etc. Work to manage out the risks in line with the recommendations of the fire risk assessment reports continues. Fire work figures are presented to Services Committee as part of the reporting on compliance. Following our programme of external wall assessment, remediation work has been conducted where required with only a few blocks remaining. We are currently preparing to register our high-rise buildings and working to prepare draft safety cases in line with the new regulations.

Estate Services operatives conduct daily visual assessments in line with our estate management procedure with a documented fire safety check each month. In addition, the hundreds of tonnes of dumped bulk rubbish removed significantly reduced the risk of arson.

Our Asset Management compliance monitoring which is reported through our Services Committee includes a number of items associated with fire safety including electrical installation testing and gas servicing.

INSURANCE

Poplar HARCA maintains insurance policies for all major risks including insurance for members of the Board and Corporate Management Team against liabilities in relation to Poplar HARCA.

Constitution and Governance

Poplar HARCA is a charitable Registered Society under the Co-operative and Community Benefit Societies Act 2014. Poplar HARCA is also registered with the Regulator of Social Housing (RSH) as a Registered Provider.

Poplar HARCA was incorporated on 13 September 1998. Poplar HARCA converted from a Company Limited by Guarantee to a Registered Society on 23 February 2018. Poplar HARCA has eleven directors during the year who are also shareholders.

CORPORATE GOVERANCE

The Board has adopted the National Housing Federation's (NHF) Code of Governance published in 2020. Poplar HARCA complies with the code in all areas except for requirements regarding tenure.

The Board has decided that the six year tenure requirement will not apply to any members appointed on or before March 2021. This is because the Board is of the opinion that it has a successful model of governance that has allowed an effective and diverse board to flourish. The nature of many of Poplar HARCA's projects means long lead and implementation times. Initial conception to final delivery can take more than six years and a collective understanding and memory of how projects have been considered and developed over time is important for the ongoing of vision of Poplar HARCA, especially in its role as a place maker. Poplar HARCA has achieved great success with involving people with lived experiences on the committees and Board. It has been able to achieve this by recognising that some local people will require support, development opportunities and time to get used to and gain confidence in a board room setting whilst others have the skills and experience of a professional board and are able to hit the ground running on appointment. The committees have also provided environments for members to develop their understanding of the organisation and build their skills before potentially moving on to the Board. The Board will keep its decision on tenure requirements under review and an external review of governance in November 2021 endorsed its current approach.

Currently four board members are serving their third term which means they will have served a total of nine years as Board members when they retire. The decision to extend the tenure for an additional term for each member was decided on individual merit and it was agreed that this was in the organisation's best interest. Three of the four will retire by September 2023 and the final member, the Chair, will retire in September 2024.

The Board is committed to integrity and accountability in its stewardship of Poplar HARCA and has adopted a Probity Policy against which it can measure and maintain standards.

Poplar HARCA strives for excellence in governance. An in depth assessment (IDA) by the Regulator took place in summer 2021 and this resulted in no change to the highest governance rating of G1 and no change to the compliant viability rating of V2. Poplar HARCA's governance structure is described below.

The Board confirms that the Group complies with the Governance and Financial Viability standard that includes adhering to all relevant law. The Board also confirms that the Strategic Report has been prepared in accordance with the principles set out in the Housing SORP 2018.



POPLAR HARCA BOARD

The Board is the main governance vehicle for the organisation and has a formal schedule of matters reserved for its decision. Responsibility for Poplar HARCA's day to day operations is delegated to the Corporate Management Team, which reports through the Chief Executive. The Board meets at least four times a year and members of the Corporate Management Team attend all meetings.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the period were as follows:

Paul Brickell (Chair)

Tanya Martin (Vice Chair)

Momtaz Ajid

Naz Hussain

Sade Koiki

John Norman (retired September 2022)

Matthew Rowe

Simon Turek

Alexandra Woolmore

Kyle Rosevear

Shabana Yousaf

The directors received no remuneration during the period.

Directors Appointments, Diversity & Inclusion, Succession Planning, Board Evaluation

Poplar HARCA operates a community focused Board model, which means when vacancies arise we first search for candidates who are Poplar HARCA residents, then search further across Poplar and Tower Hamlets, and finally to the wider community to fulfil particular skill requirements. Of our ten Board members, two are local residents and two are former residents. Three members are Poplar HARCA tenants or leaseholders.

We continue to promote diversity and inclusion on our Board and Committees and utilise a wide range of resources to find candidates; including referrals from our Resident Empowerment & Support Team and CaN teams, Youth Empowerment Board and Joint Estate Panel. We also use LinkedIn, social media, the Poplar HARCA website and email newsletters, Women on Boards and Volunteer Centre Tower Hamlets.

This year we have also used Altair to recruit to our committees. At 31 March 2023 the Board had a gender balance of 50% female, 50% male, and a broad distribution of members across age brackets (as below).

18-25	26-45	46-64	65+
0	7	2	1

We will continue to work on broadening the Board's ethnic diversity; currently the Board has five white British, one white Other, two British Asian-Bangladeshi, one British Asian-Pakistani member and one Black British.

The skills base of the Board and Committees remains strong, and a range of development and training opportunities have been delivered throughout the year providing members with vital skills that enhance our governance. Board and Committee members undergo an appraisal on a biennial basis with their Chair to evaluate performance and identify skills gaps, this was completed in February 2023. A full skills audit of all members was also completed in 2022.

The Remuneration & Nominations Committee meets annually and the Committee Chairs meet quarterly to monitor succession planning and evaluation of the Board and Committees. As required by the NHF Code of Governance, the Board considers their own performance annually, with an external formal review every three years



The following Committees meet four times a year minimum and provide assurance and recommendations to the Board, which will sign off final decisions when required. Attendance in the last twelve months has been good, with an average 95% Board attendance, and average 88% attendance across the following Committees.

DIRECTORS AND DIRECTORS' INTERESTS (CONTINUED)

- **Finance Committee**

  The Finance Committee oversees finance strategy and performance, the development programme and asset management. The Committee also provides assurance to the Board that Poplar HARCA meets all material respects of the regulatory requirements in respect of the RSH's Economic Standards for Financial Viability, Value for Money and Rent.

- **Audit and Risk Committee**

  The Audit and Risk Committee provides assurance to the Board that Poplar HARCA and its subsidiary companies operate an effective system of audit (external and internal) and risk management that is consistent with the corporate strategy, statutory and regulatory requirements and best practice.

- **Services Committee**

  The Services Committee is responsible for providing assurance to the Board that Poplar HARCA meets all regulatory requirements in respect of services to users of its services including the RSH Consumer Standards.

  We have appointed seven new committee members across our committees.

  In addition, the following groups provide input to Poplar HARCA's governance structure:

- **Remuneration and Nominations Committee**

  The Remuneration and Nominations Committee provides assurance to the Board on the effectiveness of Poplar HARCA's performance appraisal and remuneration of the Chief Executive, remuneration structure for the Corporate Management Team members, pension arrangements, and Board and Committee member development.

- **Health and Safety Committee**

  The purpose of the staff led Health and Safety Committee (H&S Committee) is to ensure policies, procedures and working practices regarding health and safety including fire safety, meet or exceed any legal obligations and reflect best practice. Its aim is to promote the fire safety of our business premises and housing stock and the wellbeing and safety of our employees, residents, contractors, service users and others, eliminating and reducing injury, illness and business losses by proactive systematic risk assessment and risk reduction.

  The role of H&S Committee is to support the Board in engendering a positive H&S culture supported by robust compliance. It has responsibility for scrutiny, monitoring and reporting, and making recommendations to improve.

- **Youth Empowerment Board (YEB)**

  The YEB is for 16 – 25 year olds living, studying, or working in Tower Hamlets. Members can get involved with projects, debates, campaigns and influencing what happens in their local area. The YEB was re-launched in 2021 as a formal programme including one-to-one mentoring.

- **Estate Boards and Joint Estate Panel**

  There are nine Estate Boards/ Gathering Groups consisting of tenant and leaseholder representatives. Estate Boards/ Gathering Groups work in partnership with Poplar HARCA to ensure that residents' voices are heard within the organisation in order to improve and shape the services provided. They have an advisory/consultative role on local service provision, housing, technical, community and physical regeneration, and meet to consider how services are being delivered, future plans, projects and initiatives, how to spend an allocated Estate Minor Works budget.

  The Joint Estate Panel is made up of two members from each Estate Board/ Gathering Group, with an added scrutiny remit on strategic issues of most importance to residents.

  93% of involved Estate Board and Gathering Members felt that they work with Poplar HARCA to ensure that resident voices are heard.

RELATED PARTY DISCLOSURES

Three of the current Board directors are tenants or leaseholders of Poplar HARCA. The tenancies are on normal commercial terms, they pay the same rents as other tenants and the directors cannot use their position to their advantage.

All directors are required to declare their interests annually and at Board meetings and are not able to vote on matters in which they have a direct interest.

CORPORATE MANAGEMENT TEAM

The members of the Corporate Management Team who served during the year were:



Stephen Stride
Chief Executive



Jonathan Spearing
Director of Finance

Left position in January 2023



Simran Soin
Interim Director of Finance

Appointed November 2022



Kevin Wright
Director of Technical Resources



Paul Dooley
Director of Development



Andrea Baker
Director of Housing & Corporate Services



Babu Bhattacherjee
Director of Communities & Neighbourhoods

Members of the Corporate Management Team have no ownership interest in Poplar HARCA. They act as executives within the authority delegated by the Board. The detailed scrutiny of performance, the development of policy and procedures and expenditure approvals within budget are carried out by the Corporate Management Team. The Corporate Management Team meets at least once a month for these purposes.

Statement of Board's responsibilities in respect of the Board's report and the financial statements

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have 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.

The financial statements are required by law to give a true and fair view of the state of affairs of the group and the association and of the income and expenditure of the group and the association for that period.

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

select suitable accounting policies and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the group or the association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

POLITICAL AND CHARITABLE CONTRIBUTIONS

Poplar HARCA is a charitable organisation. No contributions were made to other charities or to political organisations (2022: £nil).

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Internal Controls Assurance Statement

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected 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 the Group's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within the normal management and governance process. The Board also uses the NHF Code of Governance issued in 2020 to review how it operates and how effectively it governs the Association. Every three years an independent governance review is completed, the most recent taking place in 2021.

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:

1. **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 the Association's activities. This process is co-ordinated through regular reporting to the Audit and Risk Committee (ARC). The Corporate Management Team and the Chief Executive are responsible for reporting to ARC and ultimately the Board any significant changes affecting key risks.

2. **Monitoring and Control**
   Clear responsibilities for managers provide hierarchical assurance to successive levels of management and the Board. These include Standing Orders and Financial Regulations supported by organisational structures and job descriptions.

   Controls are reviewed systematically in line with changing environment and internal audit recommendations. Improvements were made to controls during the year to strengthen the Board's assurance framework.

3. **Control environment and control procedures**
   The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. The Board has in place a framework of policies and procedures covering issues such as probity, delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection.

4. **Information and financial reporting systems**
   Financial reporting procedures include detailed budgets for the year ahead and forecasts for subsequent years. These are reviewed and approved by the Board. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

   The internal control framework and the risk management process are subject to regular review by Internal Auditors who are responsible for providing independent assurance to the Board via its Audit and Risk Committee. RSM, our Internal Auditors, have completed seven full years of audit. The Audit & Risk Committee reviewed their continued engagement and concluded they remain in an impartial position to continue delivering internal audit services.

   Our Internal Auditors delivered their annual report for 2022-23 in which they found that "The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."

   The Audit and Risk Committee considers internal control and risk at each of its meetings during the year.

   The Board has conducted its annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of the risk management and control process.

4. **Information and financial reporting systems (continued)**
   The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Association. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Board.

AUDITOR

A resolution to appoint MacIntyre Hudson LLP trading as MHA as auditors for the Company for the year ended 31 March 2023, following the resignation of Mazars LLP, was approved by the Board.

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

STRATEGIC AND DIRECTOR'S REPORT

The strategic report and statement of the Board's responsibilities was approved on 19 September 2023.

By order of the Board



Dr Paul Brickell
Chair

Date: 19 September 2023

155 East India Dock Road
Poplar
London
E14 6DA

Independent auditor's report to the members of Poplar Housing and Regeneration Community Association Limited

OPINION

We have audited the financial statements of Poplar Housing and Regeneration Community Association Limited (the 'Parent Association') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Group and Parent Association's Statement of Comprehensive Income, the Group and Parent Association's Statement of Financial Position, the Group Statement of Cash Flows, the Group and Parent Association's Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Association's affairs as at 31 March 2023 and of the Group's and Parent Association's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022 and Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The director is 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.

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 Group Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the Parent Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Director's Report.

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

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

RESPONSIBILITIES OF THE DIRECTORS

As explained more fully in the Director's Responsibilities Statement set out on page 34, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Group financial statements.

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

- enquiry of management and those charged with governance around actual and potential litigation and claims;
- enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to access compliance with applicable laws and regulations.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our Auditors' Report.

USE OF THE AUDIT REPORT

This report is made solely to the Company's members, as a body, in accordance with in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an Auditors' 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.



Elizabeth Newell BA (Hons) FCA
Senior Statutory Auditor for and on behalf of MHA

Statutory Auditors
Milton Keynes

Date: 22 September 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales

(registered number OC312313).

Financial Statements



Statement of Comprehensive Income - Group and Association

for the year ended 31 March 2023

		Group		Association	
	Notes	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Turnover	*2a*	88,516	71,825	88,631	71,775
Cost of sales	*2a*	(14,002)	(4,969)	(14,002)	(4,969)
Operating costs	*2a*	(58,325)	(56,980)	(57,939)	(55,608)
Share of operating (loss)/surplus of joint ventures	*2a, 16*	611	1,099	-	-
Write down of investment in joint ventures	*16*	(3,050)	(464)	-	(464)
Gain /(Loss) on disposal of fixed assets and investment property	*2a, 5*	3,719	27,331	3,719	27,331
Change in value of investment property	*14*	-	(499)	-	(1,430)
Operating surplus	*2a*	**17,469**	**37,343**	**20,409**	**36,635**
Interest receivable and similar income	*6*	1,709	1,414	1,959	1,858
Interest payable and similar charges	*7*	(12,242)	(32,324)	(12,242)	(32,324)
Surplus before tax	*4*	**6,936**	**6,433**	**10,126**	**6,169**
Tax on surplus on ordinary activities	*10*	226	(32)	-	-
Surplus for the year		**7,162**	**6,401**	**10,126**	**6,169**
Other comprehensive income					
Re-measurement of pension schemes	*8*	6,057	4,210	6,057	4,210
Total comprehensive income for the year		**13,219**	**10,611**	**16,183**	**10,379**

All amounts relate to continuing activities. The accompanying notes form an integral part of these financial statements.



Dr Paul Brickell
Chair



Tanya Martin
Trustee



Mathew Rowe
Board Member

Statement of Financial Position- Group and Association

as at 31 March 2023

		Group		Association	
	Notes	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets					
Housing properties	*11*	520,683	507,415	520,683	507,415
Other fixed assets	*12*	12,542	12,902	12,542	12,902
Intangible assets	*13*	439	447	439	447
Investment in commercial properties	*14*	59,848	59,848	54,679	54,679
Investment in subsidiaries	*15*	-	-	8,884	8,884
Joint ventures	*16*	11,113	10,177	-	-
		604,625	**590,789**	**597,227**	**584,327**
Current assets					
Stock	*17*	10,585	11,820	10,585	11,820
Debtors falling due within one year	*18*	12,954	11,561	22,697	21,002
Debtors due after more than one year	*18*	11,972	26,440	15,117	26,581
Short term investment	*20*	6,586	6,586	6,586	6,586
Cash and cash equivalents	*19*	25,155	18,418	21,647	14,325
		67,252	**74,825**	**76,632**	**80,314**
Creditors: amounts falling due within one year	*23*	(18,472)	(28,779)	(18,392)	(28,709)
Net current assets		**48,780**	**46,046**	**58,240**	**51,605**
Total assets less current liabilities		**653,405**	**636,835**	**655,467**	**635,932**
Creditors: amounts falling due after more than one year	*24*	(459,683)	(449,843)	(459,579)	(449,738)
Provisions for liabilities	*25*	(996)	(7,485)	(996)	(7,485)
Net Assets		**192,726**	**179,507**	**194,892**	**178,709**
Reserves					
Income and expenditure reserve		188,726	175,507	190,892	174,709
Revaluation reserve		4,000	4,000	4,000	4,000
Total reserves		**192,726**	**179,507**	**194,892**	**178,709**

These financial statements were approved by the Board of Directors on 19 September 2023 and were signed on its behalf by:



Dr Paul Brickell
Chair



Tanya Martin
Trustee



Mathew Rowe
Board Member

Statement of Changes in Equity - Group and Association

for the year ended 31 March 2023

Group

	Notes	Called up share capital £'000	Revaluation reserve £'000	Income and expenditure reserve £'000	Total equity £'000
Balance at 1 April 2021		-	4,000	164,896	168,896
Surplus for the year after tax		-	-	6,401	6,401
Re-measurement of pension scheme	*8*	-	-	4,210	4,210
Balance at 1 April 2022		**-**	**4,000**	**175,507**	**179,507**
Surplus for the year after tax		-	-	7,162	7,162
Re-measurement of pension scheme	*8*	**-**	**-**	**6,057**	**6,057**
Balance at 31 March 2023		**-**	**4,000**	**188,726**	**192,726**

Association

	Notes	Called up share capital £'000	Revaluation reserve £'000	Income and expenditure reserve £'000	Total equity £'000
Balance at 31 March 2021		-	4,000	164,330	168,330
Surplus for the year after tax		-	-	6,169	6,169
Re-measurement of pension scheme	*8*	-	-	4,210	4,210
Balance at 31 March 2022		-	4,000	174,709	178,709
Surplus for the year after tax		-	-	10,126	10,126
Re-measurement of pension scheme	*8*	-	-	6,057	6,057
Balance at 31 March 2023		**-**	**4,000**	**190,892**	**194,892**

Consolidated Cash Flow Statement

for the year ended 31 March 2023

	Notes	2023 £'000	2022 £'000
Net cash received from operating activities	*21*	19,308	21,508
Cash flows from investing activities			
Acquisition of housing properties		(33,647)	(50,417)
Acquisition of other fixed assets		(830)	(964)
Proceeds from sale of housing properties		8,251	32,176
Proceeds from sales of other fixed assets		-	-
Acquisition of investment property		-	(6)
Grant repaid		(19)	-
Loan return from joint ventures		12,952	2,265
Grants received		15,456	10,879
Interest received		127	6
Net cash flows from investing activities		**2,290**	**(6,061)**
Cash flows from financing activities			
Interest paid		(12,066)	(12,171)
Loan breakage cost paid		-	(19,682)
Interest element of finance lease rental payments		(2,445)	(2,458)
Capital element of finance lease rental payments		(350)	(331)
Loans paid		-	(98,500)
Deposit released with interest /(held) for new bond issued		-	10,100
New borrowing		-	107,601
Net cash paid in financing activities		**(14,861)**	**(15,441)**
Net cash (decrease)/increase in cash and cash equivalents		6,737	6
Cash and cash equivalents at beginning of year		18,418	18,412
Cash and cash equivalents at end of year	*22*	**25,155**	**18,418**

Notes to the Financial Statements for the year ended 31 March 2023

1. Legal Status

The association is incorporated under the Co-operative and Community Benefit Societies Act 2014 with the Financial Conduct Authority (FCA) and is a registered provider of social housing with the Regulator of Social Housing, Homes England.

Poplar Housing and Regeneration Community Association Limited is the ultimate parent of the Poplar HARCA Group. Poplar HARCA has four subsidiaries; Poplar HARCA (Developments) Limited, Poplar HARCA Projects Limited and Poplar HARCA Capital PLC and Leaside Business Centre Management Limited. All four subsidiaries are registered under the Companies Act 2006 and are not registered providers of social housing.

2. Accounting policies

BASIS OF ACCOUNTING

The financial statements of Poplar HARCA ("the Group") are prepared in accordance with the Co-operative and Community Benefits Societies Act 2014, FRS 102 (March 2018), the financial reporting standard in the UK and Republic of Ireland ("FRS102") and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2018 ("SORP 2018"), and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The presentation currency of these financial statements is sterling (£). All amounts in the financial statements have been rounded to the nearest £1,000. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

MEASUREMENT CONVENTION

The financial statements are prepared on the historical cost basis except for investment properties stated at their fair value measured in accordance with the revaluation model.

GOING CONCERN

After reviewing the Group's budget for 2023/24 and forecast for future years and based on normal strategic business planning and control procedures, and following the 19 September 2023 Board meeting, the Board has a reasonable expectation that Poplar HARCA has adequate resources to continue in operational existence for the foreseeable future.

The Board therefore continues to adopt the going concern basis in preparing these financial statements.

BASIS OF CONSOLIDATION

The consolidated accounts incorporate the financial statements of Poplar Housing and Regeneration Community Association Limited ("Poplar HARCA Limited") and its subsidiary undertakings Poplar HARCA Projects Limited, formerly known as Poplar HARCA Refurbishments Limited, Poplar HARCA (Developments) Limited, Poplar HARCA Capital PLC and Leaside Business Centre Management Limited.

The Joint Venture investments in Aberfeldy New Village LLP, Balfron Tower Developments LLP and Teviot Estate Developments LLP are accounted for using the equity accounting method in these consolidated financial statements.

The subsidiaries of Poplar HARCA Limited are shown below:

Subsidiary	Date control gained	Ownership	Status	Activity
Poplar HARCA Projects Limited	13 November 1997	100%	Company limited by shares	Management of overages and mixed income tenures (Market rent and LHA rateable) lettings. Joint venture partner to Balfron Tower Developments LLP.
Poplar HARCA (Developments) Limited	16 November 2005	100%	Company limited by shares	Development of properties for re-sale. Joint venture partner to Aberfeldy New Village LLP.
Poplar HARCA Capital PLC	4 April 2013	100%	Company limited by shares	Bond finance provided to the Group.
Leaside Business Centre Management Limited	6 April 2016	54%	Company limited by shares	Management company of commercial properties.

FRS 102 allows a qualifying entity certain disclosure exemption, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Association's shareholders.

In preparing the Association's individual financial statements, the Association has taken an advantage of the exemption from presenting a statement of cash flows, as permitted by Section 7 'Statement of Cash Flows'.

BASIC FINANCIAL INSTRUMENTS

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102, in full, to all of its financial instruments.

- **Tenant Arrears, Trade and other debtors**

  Tenant Arrears, Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

- **Trade and other creditors**

  Tenant and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

- **Interest-bearing borrowings classified as basic financial instruments**

  Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest rate method, less any impairment losses. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount of the financial liability.

BASIC FINANCIAL INSTRUMENTS (CONTINUED)

- **Investment in subsidiaries**

  Investments in subsidiaries are carried at cost less impairment.

- **Cash and cash equivalents**

  Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only for the cash flow statement.

FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The Group assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

An impairment review is undertaken when there is an indication that the asset may be impaired. An impairment charge is recognised when it is assessed that the carrying amount of the asset (or the cash generating unit it belongs to) is higher than both its fair value less costs to sell and its value in use, in which case the higher of these two values is taken to be its net book value.

HOUSING PROPERTIES

Housing properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period, and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Shared ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales (25% First Tranche Sales). The first tranche proportion is classed as a current asset and related sales proceeds are included in turnover. The remaining element is classed as a fixed asset, and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Mixed developments are held within the housing properties and accounted for at cost less deprecation. Commercial elements of mixed developments are held as investment properties.

DEPRECIATION

Component Useful life

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:

Component	Useful Life (Assets capitalised prior to 1 April 2015)	Useful Life (Assets capitalised from 1 April 2015)
Kitchen	15 years	20 years
Bathrooms	35 years	30 years
Electrical	40 years	40 years
Heating system	15 years	20 years
Windows and doors	30 years	30 years
Roofs	40 years (pitched) or 15 years (flat)	40 years (pitched) or 20 years (flat)
Lifts	20 years	25 years
Door entry system	15 years	15 years
Structure	50 years	50 years
Environmental improvements	15 years	15 years
Community centres & major improvements	30 years	30 years
Minor improvements to community centres	10 years	10 years
Photovotaics	N/A	25 years
***Carbon Monoxide & Smoke Detectors**	N/A	10 years

* A new component Carbon Monoxide and smoke detectors added during in the year

Works to existing properties

The amount of expenditure incurred which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Interest capitalised

Interest on borrowings is capitalised to housing properties during the course of construction up to the date of completion of each scheme. The interest capitalised is either on borrowings specifically taken to finance a scheme or on net borrowings to the extent that they are deemed to be financing a scheme. This treatment applies irrespective of the original purpose for which the loan was raised. For the year ended 31 March 2023, interest has been capitalised at an average rate of 4.02% (2022:3.94%) that reflects the weighted average cost of capital on the Group's borrowings required to finance housing property developments.

Other fixed assets

Depreciation is provided evenly on the cost of tangible fixed assets to write them down to their estimated residual values over their expected useful economic lives as follows:

New offices (except for head office which is depreciated over the term of the finance lease)	30 years (3.3% per annum)
Minor improvements to estate service centres	10 years (10% per annum)
Computer equipment and software	4 years (25% per annum)
Office furniture and equipment	5 years (20% per annum)
Vehicles and estate service centre equipment	4 years (25% per annum)

Freehold land is not depreciated.

INTANGIBLE ASSETS

Intangible assets are recognised at cost at acquisition. There are no internally generated intangible assets. The cost method is used for subsequent measurement net of accumulated amortisation. Intangible assets are amortised over the length of the useful life on an asset by asset basis.

SOCIAL HOUSING GRANT AND OTHER CAPITAL SUBSIDIES

The social housing grant ("SHG") is initially recognised at fair value as a long term liability, repayable indefinitely unless formally abated or waived. The SHG and other capital grants are treated specifically as deferred grant income and released through the Statement of Comprehensive Income as turnover income over the expected useful life of the structure of housing properties and its individual components in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

Poplar HARCA used the Government's Job retention scheme (furlough) to ensure that colleagues whose work dried up in early part of pandemic were financially supported. Government grants relates to coronavirus job retention scheme recognised as other income in the statement of Comprehensive Income. Furlough money received from the Government has been recognised in the period to which the underlying furloughed staff cost relates to. Therefore Furloughed employment cost still showing as employment cost in full.

On disposal of properties, or occurrence of certain relevant events, all associated SHG are transferred to the Recycled Capital Grant Fund ("RCGF") until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime. In recognition of this, external lenders seek the subordination of the Regulator of Social Housing's (formerly known as Homes and Community Agency) right to recover grant to their loan.

Poplar HARCA Limited received an Estate Renewal Challenge Fund (ERCF) Grant to finance the first and second transfers of Council housing in 1998. Although the Housing Corporation paid these grants to Poplar HARCA as Social Housing Grant, the usual conditions of SHG do not apply and, in particular, it is not repayable when properties are sold.

The stock transfers in August 2005, November 2006, December 2007 and July 2009 attracted "gap funding" grant from the Department of Communities, Regulator of Social Housing and from the London Borough of Tower Hamlets ("LBTH"). This is potentially subject to claw back according to future outcomes, but it is unlikely that any of these grants will become repayable.

Additional capital grants and contributions have been received from LBTH and other bodies which have been included within the grant liability. There is no requirement for future repayment on these grants.

The net proceeds from the sale of homes under the Right to Acquire scheme is transferred to the RCGF following the abolition of DPF. Poplar HARCA Limited utilises the RCGF to part fund its development schemes under the RSH affordable homes programme.

INVESTMENT PROPERTIES

Investment properties are properties which are held either to earn rental income at a market rate or for capital appreciation or for both. Property interest held by a lessee under an operating lease may be classified and accounted for as investment property if property meets the definition of an investment property and the lessee can measure the fair value of the property interest on an on-going basis.

Investment properties are recognised initially at cost.

Subsequent to initial recognition

i. Fair value is determined annually and any gains or losses arising from changes in the fair value are recognised in income and expenditure in the period that they arise; and

ii. No depreciation is provided in respect of the investment properties applying the fair value model.

Investment property fair value is based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued. A professional valuation is obtained in a three year cycle and a directors' valuation is carried out in the years where a professional valuation is not obtained.

Any gain or loss arising from a change in fair value is recognised in Statement of Comprehensive Income. Rental income from investment property is accounted for as described in the note 2a Particulars of turnover, cost of sales, operating costs and operating surplus.

PROPERTIES HELD FOR SALE AND WORK IN PROGRESS

Completed properties and properties under construction for open market sales are recognised at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Interest incurred is also capitalised during the course of obtaining planning and throughout the work in progress up to the point of practical completion of the development scheme.

Assessing net realisable value requires use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Completed properties and property under construction for shared ownership are split between current assets (properties held for sale) and fixed assets. The expected shares of the first tranche sales are shown as current assets.

RIGHT TO BUY DISPOSALS

The gain or loss on disposal of housing properties under the Right to Buy is recognised in the Statement of Comprehensive Income at the date of transfer of title, net of any amount payable to the London Borough of Tower Hamlets under the relevant stock transfer agreement.

Any regular Social Housing Grant allocated to the property will be recycled through the Recycled Capital Grant Fund. However, the majority of the capital grants received on the right to buy properties were from the Estate Renewal Challenge Fund, and these grants are not repayable when properties are sold.

RIGHT TO ACQUIRE DISPOSALS

The gain or loss on disposal of housing properties under the Right to Buy is recognised in the Statement of Comprehensive Income at the date of transfer of title Community Regeneration

COMMUNITY REGENERATION

Grant income, expenditure and an allocation of Poplar HARCA's costs relating to community regeneration is accounted for within the Statement of Comprehensive Income.

Funds received from government sources are accounted for using the accrual model, where funds are held within debtors/creditors and released to income in line with expenditure.

Funds received from non-government sources are accounted for using the performance model. Revenues are recognised only when the revenue recognition criteria are satisfied. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

IMPAIRMENT EXCLUDING PROPERTIES HELD FOR SALE, WORK IN PROGRESS AND INVESTMENT PROPERTIES

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through income and expenditure is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of financial assets such as investments in subsidiaries are measured when the carrying amount of assets exceeds the recoverable amount. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that Poplar HARCA would receive for the asset if it were to be sold at the reporting date.

For rent arrears an impairment loss is recognised on the unrecoverable arrears, which are classified as bad debts by management. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised as expenditures in the Statement of Comprehensive Income. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Comprehensive Income as a separate line within the operating expenditures and not netted off operating expenditures.

Non-financial assets

The carrying amounts of Poplar HARCA's non-financial assets such as Property, Plant and Equipment, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Non-financial assets (continued)
For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs, the company tests the impairment of goodwill by determining the recoverable amount of the entity in its entirety, including the integrated acquired operations.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised as expenditure. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

EMPLOYEE BENEFITS

The Group participates as a contributing member of the Social Housing Pension Scheme ("SHPS") administered by the Pensions Trust and the Local Government Pension Scheme ("LGPS") administered by the London Pension Fund Authority.

DEFINED CONTRIBUTION PLANS AND OTHER LONG TERM EMPLOYEE BENEFITS

The Group operates a defined contribution pension scheme for all new employees joining after 1 October 2010 where the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income and expenditure account in the periods during which services are rendered by employees.

DEFINED BENEFIT PLANS

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group participates as a contributing member of the SHPS administered by the Pensions Trust and the LGPS administered by the London Pension Fund Authority.

Local Government Pension Scheme
The LGPS provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Group. This scheme is closed to new entrants. Pension scheme assets are measured using market values.

The Group's net obligation in respect of defined benefit plans and other long term employee benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted.

Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that they are recoverable) or deficit is recognised in full. Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in Statement of Comprehensive Income.

Re-measurement of the net defined liability/asset is recognised in other comprehensive income.

The carrying value of any resulting pension scheme asset is restricted to the extent that the Group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Social Housing Pension Scheme
SHPS is a multi-employer scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Group.

The Group's net obligation in respect of defined benefit plans and other long term employee benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted.

Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that they are recoverable) or deficit is recognised in full. Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in Statement of Comprehensive Income.

Re-measurement of the net defined liability/asset is recognised in other comprehensive income.

The carrying value of any resulting pension scheme asset is restricted to the extent that the Group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

TERMINATION BENEFITS

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if Poplar HARCA has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

PROVISIONS

A provision is recognised in the Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where Poplar HARCA Limited enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, Poplar HARCA Limited treats the guarantee contract as a contingent liability until such time as it becomes probable that the Association will be required to make a payment under the guarantee.

OPERATING SEGMENTS

Where we have publically traded securities within the Group we are required to disclose information about our operating segments under IFRS 8. For the purpose of segmental reporting, the chief operating decision maker (CODM) is considered to be the Board. In line with the segments reported to the CODM the presentation of these financial statements and accompanied notes are in accordance with the Accounting Direction for Private Registered Providers of Social Housing from 2022 and is considered appropriate. The reporting segments include social housing which makes up the core activities, non-social housing and other. Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the activities of the housing assets held by the Group.

This is appropriate on the basis of the similarity of the services provide, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across the geographical location in which the Group operates. The CODM do not review disaggregated financial information of assets and liabilities at this level of operating segments. Refer to note 2b for further disclosed information.

TURNOVER

Turnover represents rental and service charge income receivable (net of void losses), fees receivable, revenue grant income for community regeneration, first tranche sales of shared ownership properties, open market sales, and amortisation of Social Housing Grant ("SHG") under the accrual model. Rental income is recognised according to the dates of occupation and recorded from the inception of the tenancy agreement. Service charge is recognised on the basis of estimated annual bills and miscellaneous income is recognised at the date of the service provided.

Proceeds on sales are recognised on practical completions. Other income is recognised as receivable on the delivery of services provided.

Overage income is the profit on the market sales properties in excess of a predetermined amount recognised on legal completion of onward sale of units as per development agreement.

COST OF SALES

Cost of sales represents the costs including capitalised interest and direct overheads incurred in the refurbishment and development of the shared ownership properties recorded in stock, and marketing, and other incidental costs incurred in the sale of the properties.

FINANCE LEASE

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

INTEREST RECEIVABLE AND INTEREST PAYABLE

Interest payable and similar charges include interest payable, finance charges on bond classified as liabilities and finance leases recognised in income and expenditure using the effective interest method, and the unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of housing properties that take a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested. Interest income and interest payable are recognised in income and expenditure as they accrue, using the effective interest method.

DIVIDEND INCOME

Dividend income is recognised in the Statement of Comprehensive Income on the date the company's right to receive payments is established.

BARTER TRANSACTIONS

Under certain development agreements, building works are carried out in exchange for disposal or sale of land. The barter transaction involves a land sale to the developer in exchange for construction works. Such barter agreements are accounted for as sales at fair value in the year of disposal.

RESERVES

The Income and expenditure reserve are the cumulative surpluses and deficits of the Group. The fair value reserve was established on transition to FRS102 on application of the deemed cost model, which allowed first time adopters to elect to measure investment property at its fair value at the date of transition and use that fair value as its deemed cost at that date.

SIGNIFICANT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant judgments

In applying the Group's accounting policies, the following judgments have been made:

- Identifying cash-generating units for the purposes of impairment testing.
- Determining which housing properties and other fixed assets meet the definition of investment properties.

ACCOUNTING ESTIMATES

The following accounting estimates have been made, which have a significant risk of causing material misstatement on the assets and liabilities within the next financial year:

- **Housing properties**

  Component useful lives- The component useful lives are reviewed at the end of the reporting period.

- **Impairment of housing properties**

  An impairment assessment has been carried out and in 2023 no indicator of impairment was identified.

  The recoverable amount was determined to be the higher of EUV-SH (Existing Use Value – Social Housing, representing fair value less costs to sell) and DRC (depreciated replacement cost, representing value in use, given the social value of these housing properties). DRC was determined to be the estimated construction cost (excluding any additional development costs as a result of issues or problems), reduced for depreciation based on the age of the properties.

- **Impairment of joint ventures**

  An impairment review of joint ventures is performed at each year-end. In 2023, an impairment was recognised on the Investment in Balfron Tower Developments LLP (Refer to Note 18 – Joint ventures). In determining the recoverable amount of the investment, an estimation of sales value for the outright sales units at Balfron Tower was forecasted by three separate sales agents and an average of these were used. In terms of the expected constructions costs and finance costs, management carried out a best and worst case scenario analysis. A mid-point was used by management to estimate the projected surplus from the joint venture.

- **Investment properties**

  Investment properties have been measured as follows:

  - 31 March 2023 – Directors' valuation
  - 31 March 2022 – External professional valuation
  - 31 March 2021 – Directors' valuation

  As stated in the accounting policies investment properties are held at fair value based on the valuations obtained.

- **Intangible assets**

  Intangible assets are recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably.

- **Provision for doubtful debt**

  At the end of each reporting period, Poplar HARCA assesses whether there is objective evidence of impairment of its debtors. All significant debtor balances are reviewed on an individual and case-by-case basis depending on the nature of the account.

- **Pension schemes: Social Housing Pension Scheme and Local Government Pension Scheme**

  The valuation of the defined benefit pension schemes has been carried out by qualified actuaries. The cost of these benefits and the present value of the obligation depends on a number of factors, including life expectancy, salary increases and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Statement of Financial Position. The assumption reflects historical experience and current trends. Refer to note 8 for the valuation approach and assumptions taken in calculating the scheme asset and liability. A sensitivity analysis has been carried out in respect of the above key sources of estimation in note 8 which illustrates the impact on the total pension liability.

TAX

Poplar HARCA is exempt from corporation tax on its charitable activities. Tax is payable on its non-charitable business activities. The tax expense comprises current and deferred tax. Tax currently payable, relating to corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction, or other event, that resulted in the tax expense.

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts, and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

VALUE ADDED TAX

Poplar HARCA Ltd is registered for VAT. Expenditure with recoverable VAT is shown net of VAT and expenditure with irrecoverable VAT is shown inclusive of VAT. VAT on refurbishment / development works expenditure for projects that Poplar HARCA has opted to tax for VAT purposes is fully recoverable. Expenditure on these works is shown net of VAT. Poplar HARCA has an agreed Special Partial Exemption method with HM Revenue & Customs to calculate input tax.

2a. Particulars of turnover, cost of sales, operating costs and operating surplus - Group

Group	2023					2022				
	Turnover	Cost of Sales	Operating Costs	Other operating items	Operating Surplus /(Deficit)	Turnover	Cost of Sales	Operating Costs	Other operating items	Operating Surplus /(Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings										
Rental accommodation	40,558	-	(38,577)	-	1,981	39,458	-	(36,134)	-	3,324
Shared ownership	3,101		(414)		2,687	2,291	-	(423)	-	1,868
	43,659	**-**	**(38,992)**	**-**	**4,668**	**41,749**	**-**	**(36,557)**	**-**	**5,192**
Amortised government grants	3,189	-	-	-	3,189	3,213	-	-	-	3,213
Refurbishment administration	-	-	(5,097)	-	(5,097)	-	-	(4,152)	-	(4,152)
Refurbishment administration costs capitalised	-	-	2,283	-	2,283	-	-	1,398	-	1,398
	46,848	**-**	**(41,805)**	**-**	**5,043**	**44,962**	**-**	**(39,311)**	**-**	**5,651**
Other social housing activities										
Shared ownership sales – First tranche	7,488	(5,230)	-	-	2,258	7,778	(4,969)	-	-	2,809
Current assets sales	15,080	(2,856)	-	-	12,224	-	-	-	-	-
Land sales	-	(5,916)	-	-	(5,916)	-	-	-	-	-
Gain(loss) on disposal of fixed assets and investment property	-	-	-	3,719	3,719	-	-	-	27,331	27,331
	22,568	**(14,002)**	**-**	**3,719**	**12,285**	**7,778**	**(4,969)**	**-**	**27,331**	**30,140**
Non-social housing activities										
Community regeneration	2,862	-	(8,172)	-	(5,310)	2,617	-	(7,444)	-	(4,827)
Garages and commercial properties	1,206	-	(120)	-	1,086	1,084	-	(398)	-	686
Market rent	2,910	-	(380)	-	2,530	2,537	-	(239)	-	2,298
Other	7,001	-	(3,344)	-	3,657	5,640	-	(4,455)	-	1,185
leaseholders	5,121	-	(4,504)	-	617	7,207	-	(5,133)	-	2,074
Change in value of investment property	-	-	-	-	-	-	-	-	(499)	(499)
Share of operating surplus/(loss) of joint ventures	-	-	-	611	611	-	-	-	1,099	1,099
Write down of investment in joint ventures	-	-	-	(3,050)	(3,050)	-	-	-	(464)	(464)
	19,100	**-**	**(16,520)**	**(2,439)**	**(141)**	**19,085**	**-**	**(17,669)**	**136**	**1,552**
Total	**88,516**	**(14,002)**	**(58,325)**	**1,280**	**17,469**	**71,825**	**(4,969)**	**(56,980)**	**27,467**	**37,343**

2a. Particulars of turnover, cost of sales, operating costs and operating surplus - Association

Association	2023					2022				
	Turnover	Cost of Sales	Operating Costs	Other operating items	Operating Surplus /(Deficit)	Turnover	Cost of Sales	Operating Costs	Other operating items	Operating Surplus /(Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings										
Rental accommodation	40,559	-	(38,577)	-	1,982	39,458	-	(36,134)	-	3,324
Shared ownership	3,101	-	(414)	-	2,687	2,291	-	(423)	-	1,868
	43,660	**-**	**(38,991)**	**-**	**4,669**	**41,749**		**(36,557)**		**5,192**
Amortised government grants	3,189	-	-	-	3,189	3,213	-	-	-	3,213
Refurbishment administration	-	-	(5,097)	-	(5,097)	-	-	(4,152)	-	(4,152)
Refurbishment administration costs capitalised	-	-	2,283	-	2,283	-	-	1,398	-	1,398
Refurbishment administration recharged to Group Company	320	-	-	-	320	384	-	-	-	384
	47,169		**(41,805)**		**5,364**	**45,346**	**-**	**(39,311)**	**-**	**6,035**
Other social housing activities										
Shared ownership sales – First tranche	7,488	(5,230)	-	-	2,258	7,778	(4,969)	-	-	2,809
Current assets sales	15,080	(2,856)	-	-	12,224	-	-	-	-	-
Land sales	-	(5,916)	-	-	(5,916)	-	-	-	-	-
Gain(loss) on disposal of fixed assets and investment property	-	-	-	3,719	3,719	-	-	-	27,331	27,331
	22,568	**(14,002)**	**-**	**3,719**	**12,285**	**7,778**	**(4,969)**	**-**	**27,331**	**30,140**
Non-social housing activities										
Community regeneration	2,862	-	(8,172)		(5,310)	2,617	-	(7,444)	-	(4,827)
Garages and commercial properties	950	-	(22)		928	948	-	(260)	-	688
Market rent	2,910	-	(380)		2,530	2,537	-	(239)	-	2,298
Other	7,051	-	(3,056)		3,995	5,342	-	(3,222)	-	2,120
Leaseholders	5,121	-	(4,504)		617	7,207	-	(5,132)	-	2,075
Change in value of investment property	-	-	-	-	-	-	-	-	(1,430)	(1,430)
Written down of investment in subsidiaries	-	-	-	-	-	-	-	-	(464)	(464)
	18,894	**-**	**(16,134)**	**-**	**2,760**	**18,651**	**-**	**(16,297)**	**(1,894)**	**460**
Total	**88,631**	**(14,002)**	**(57,939)**	**3,719**	**20,409**	**71,775**	**(4,969)**	**(55,608)**	**25,437**	**36,635**

2b. Particulars of income and expenditure from social housing lettings - Group

Group	**General Needs** £'000	**Shared Ownership** £'000	**2023 Total** £'000	**2022 Total** £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges and void losses	35,816	2,239	38,055	37,254
Service income	4,742	862	5,604	4,495
Amortisation of social housing and other capital grants	3,189	-	3,189	3,213
Total income from social housing lettings	**43,747**	**3,101**	**46,848**	**44,962**
Expenditure on lettings				
Services	(8,229)	(135)	(8,364)	(7,141)
Management	(10,261)	(161))	(10,422)	(10,010)
Responsive maintenance	(7,734)	(118)	(7,852)	(8,412)
Planned maintenance	(621)	-	(621)	(185)
Lease costs	(1,665)	-	(1,665)	(1,396)
Rent and service charges losses from bad debts	(420)	-	(420)	(178)
Depreciation of social housing properties	(9,647)	-	(9,647)	(9,235)
Refurbishment administration net of capitalised costs	(2,814)	-	(2,814)	(2,754)
Total expenditure on social housing lettings	**(41,391)**	**(414)**	**(41,805)**	**(39,311)**
Operating surplus on social housing letting activities	**2,356**	**2,687**	**5,043**	**5,651**
Rent losses from voids.			(867)	(356)

2b. Particulars of income and expenditure from social housing lettings - Association

Association	**General Needs** £'000	**Shared Ownership** £'000	**2023 Total** £'000	**2022 Total** £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges and void losses	36,137	2,239	38,376	37,638
Service income	4,742	862	5,604	4,495
Amortisation of social housing and other capital grants	3,189	-	3,189	3,213
Total income from social housing lettings	**44,068**	**3,101**	**47,169**	**45,346**
Expenditure on lettings				
Services	(8,229)	(135)	(8,364)	(7,141)
Management	(10,261)	(161))	(10,422)	(10,010)
Responsive maintenance	(7,734)	(118)	(7,852)	(8,413)
Planned maintenance	(621)	-	(621)	(185)
Lease costs	(1,665)	-	(1,665)	(1,396)
Rent and service charges losses from bad debts	(420)	-	(420)	(178)
Depreciation of social housing properties	(9,647)	-	(9,647)	(9,235)
Refurbishment administration net of capitalised costs	(2,814)	-	(2,814)	(2,754)
Total expenditure on social housing lettings	**(41,391)**	**(414)**	**(41,805)**	**(39,312)**
Operating surplus on social housing letting activities	**2,677**	**2,687**	**5,364**	**6,034**
Rent losses from voids.			(867)	(356)

3. Housing stock

	Group	
	2023 No.	2022 No.
Social housing accommodation		
General needs housing	4,873	4,991
Affordable rent	312	284
Low-cost home ownership	320	323
Intermediate market rent	20	19
Total social housing managed	**5,525**	**5,617**
Non-social housing managed		
Leaseholders	4,175	3,982
Market rent	332	196
Non-social other	241	333
Total non-social housing managed	**4,748**	**4,511**
Total units managed	**10,273**	**10,128**
Housing units in development pipeline	**628**	**1,016**

The group added 22 new social units under management (2022: 44 units), 48 units were converted to non-social units which are let at Local Housing Allowance rates (2022: 35 units) in line with Mixed Income Tenure Scheme strategy, and 64 units were sold (2022: 120 units) as part of Recycling Assets Creating Opportunity strategy.

4. Surplus on ordinary activities before tax

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Is stated after charging:				
Depreciation:				
• Housing properties	10,297	9,873	10,297	9,873
Regular	9,647	9,235	9,647	9,235
Community centres	650	638	650	638
• Other fixed assets	1,190	1,437	1,190	1,437
Amortisation of intangible assets	8	7	8	7
Auditor's remuneration (excluding VAT):	70	64	70	45
Current service charges for pension scheme	134	300	134	300
Change in value of investment property	-	(499)	-	(1,430)
Gain/(Loss) on disposal of fixed assets and investment property	3,719	27,331	3,719	27,331

5. Surplus (deficit) on sale of fixed assets and other investments

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Disposal proceeds	2,794	29,392	2,794	29,392
Shared Ownership Subsequent Tranche proceeds	2,770	2,271	2,770	2,271
Cost of disposals	(1,846)	(4,332)	(1,846)	(4,332)
	3,718	**27,331**	**3,718**	**27,331**

Under certain development agreements, building works are carried out in exchange for disposal or sale of land. The barter transaction involves a land sale to the developer in exchange for construction works. Such barter agreements are accounted for as sales in the year of disposal; this creates a debtor balance, which is transferred to fixed assets as works are carried out. In the current year, the value of nil (2022: £nil) was attributed to disposal proceeds.

6. Interest receivable and similar income

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bank interest receivable	240	2	165	2
Other interest receivable	1,469	1,412	78	9
Interest received from group companies	-	-	1,716	1,847
	1,709	**1,414**	**1,959**	**1,858**

7. Interest payable and similar charges

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Interest expense and finance costs on liabilities at amortised cost	14,528	14,143	3,719	3,825
Financing break costs	-	19,682	-	19,682
Interest payable to group companies	-	-	10,809	10,318
Interest on Recycled Capital Grant Fund	8	1	8	1
Interest on pension scheme liabilities	189	240	189	240
Interest capitalised in fixed assets	(2,483)	(1,742)	(2,483)	(1,742)
	12,242	**32,324**	**12,242**	**32,324**

Interest expense on liabilities at amortised cost is calculated using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount of the financial liability. During the last financial year the Poplar Harca refinance and paid the fixed bank loan debts that incurred £19.7m loan breakage cost.

Interest charges at an average rate of 4.02% (2022: 3.94%) were capitalised into fixed assets.

8. Employee information

The average monthly number of persons employed during the period (including the Chief Executive) expressed in full time equivalents was:

	Group		Association	
	2023 No.	2022 No.	2023 No.	2022 No.
Administration	57	55	57	55
Development	10	11	10	11
Housing, maintenance and estate services	179	188	179	188
	246	**254**	**246**	**254**
Community regeneration	85	76	85	76
	331	**330**	**331**	**330**

Full time equivalents are calculated based on a standard working week of 35 hours.

The aggregate cost of employing the above staff was:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Administration				
Wages and salaries	3,516	3,088	3,516	3,088
Social security	426	351	426	351
Pension costs	164	152	164	152
	4,106	**3,591**	**4,106**	**3,591**
Development				
Wages and salaries	787	780	787	780
Social security	100	94	100	94
Pension costs	66	66	66	66
	953	**940**	**953**	**940**
Housing				
Wages and salaries	6,557	6,773	6,557	6,773
Social security	689	687	689	687
Pension costs	306	274	306	274
	7,552	7,734	7,552	7,734
	12,611	**12,265**	**12,611**	**12,265**
Community regeneration				
Wages and salaries	3,633	3,195	3,633	3,195
Social security	398	318	398	318
Pension costs	134	114	134	114
	4,165	**3,627**	**4,165**	**3,627**
	16,776	**15,892**	**16,776**	**15,892**

The pension costs above do not include the Re-measurement with respect to the pension schemes.

Salary banding for all employees earning over £60,000 (including salaries, performance related pay, benefits in kind, termination payments and pension contributions paid by the employer):

Group and Association	2023 No.	2022 No.
£60,000 to £70,000	32	9
£70,001 to £80,000	10	5
£80,001 to £90,000	6	10
£90,001 to £100,000	8	8
£100,001 to £110,000	9	-
£110,001 to £120,000	4	-
£120,001 to £140,000	-	-
£140,001 to £160,000	1	-
£160,001 to £180,000	1	5
£180,001 to £210,000	3	1
£210,001 to £250,000	1	-

PENSION CONTRIBUTIONS

The Group participates in an industry-wide defined benefit scheme, the Social Housing Pension Scheme administered by the Pensions Trust and the Local Government Pension Scheme and in particular in the Fund administered by the London Pensions Fund Authority ("LPFA"). These defined benefit schemes are closed to new employees who may choose to join the Flexible Retirement Plan which is a defined contribution Money Purchase Scheme run by the Pensions Trust.

Summary of Pension Liability	2032 £'000	2022 £'000
LGPS defined benefit scheme	(2,041)	4,457
SHPS defined benefit scheme	3,037	3,028
Net pension liability	**996**	**7,485**

SOCIAL HOUSING PENSION SCHEME

The Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 29 February 2024 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Under the new recovery plan, from 1 April 2022 the deficit contributions that are required from the Association are £670,497 per year. These payments will increase annually by 5.5% from 1 April 2023 and on each 1 April thereafter until 31st March 2028.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2023 £'000	31 March 2022 £'000
Fair value of plan assets	13,524	21,259
Present value of defined benefit obligation	16,561	24,287
Deficit in plan	(3,037)	(3,028)
Total defined benefit liability to be recognised	**(3,037)**	**(3,028)**

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2023 £'000	Period ended 31 March 2022 £'000
Defined benefit obligation at start of period	24,287	24,607
Current service cost	1	144
Expenses	11	11
Interest expense	666	535
Contributions by plan participants	80	102
Actuarial losses due to scheme experience	(418)	1,564
Actuarial losses due to changes in demographic assumptions	(36)	(370)
Actuarial losses due to changes in financial assumptions	(7,169)	(1,959)
Benefits paid and expenses	(861)	(347)
Total defined benefit obligation at end of period	**16,561**	**24,287**

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period ended 31 March 2023 £'000	Period ended 31 March 2022 £'000
Fair value of plan assets at start of period	21,259	19,676
Interest income	592	433
Experience on plan assets (excluding amounts included in interest income) - gain	(8,254)	740
Contributions by the employer	708	655
Contributions by plan participants	80	102
Benefits paid and expenses	(861)	(347)
Total fair value of plan assets at end of period	**13,524**	**21,259**

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was £7,662,000.

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCI)

	Period from 31 March 2022 to 31 March 2023 £'000	Period from 31 March 2021 to 31 March 2022 £'000
Current service cost	1	144
Expenses	11	11
Net interest expense	74	102
Total defined benefit costs recognised in statement of comprehensive income (SoCI)	**86**	**257**

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2023 £'000	Period ended 31 March 2022 £'000
Experience on plan assets (excluding amounts included in net interest cost) – loss	(8,254)	740
Experience gains and losses arising on the plan liabilities - gain	418	(1,564)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	36	370
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	7,169	1,959
Total actuarial (losses) and gains - recognised in other comprehensive income	**(631)**	**1,505**

ASSETS

	31 March 2023 £'000	31 March 2022 £'000
Global Equity	252	4,079
Absolute Return	146	853
Distressed Opportunities	409	761
Credit Relative Value	510	707
Alternative Risk Premia	25	701
Fund of Hedge Funds	-	-
Emerging Markets Debt	73	619
Risk Sharing	996	700
Insurance-Linked Securities	341	496
Property	582	574
Infrastructure	1,545	1,514
Private Debt	602	545
Opportunistic Illiquid Credit	579	714
High Yield	47	183
Opportunistic Credit	1	76
Cash	98	72
Corporate Bond Fund	-	1,418
Liquid Credit	-	-
Long Lease Property	408	547
Secured Income	621	792
Liability Driven Investment	6,229	5,932
Currency Hedging	26	(83)
Net Current Assets	34	59
Total assets	**13,524**	**21,259**

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

KEY ASSUMPTIONS

	31 March 2023 % per annum	31 March 2022 % per annum
Discount Rate	4.86	2.79
Inflation (RPI)	3.19	3.54
Inflation (CPI)	2.77	3.17
Salary Growth	3.77	4.17
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

THE MORTALITY ASSUMPTIONS ADOPTED IMPLY THE FOLLOWING LIFE EXPECTANCIES

	31 March 2023 Life expectancy at age 65 (years)	31 March 2022 Life expectancy at age 65 (years)
Male retiring in 2023, 2022	21.0	21.1
Female retiring in 2023, 2022	23.4	23.7
Male retiring in 2043, 2042	22.2	22.4
Female retiring in 2043, 2042	24.9	25.2

PRINCIPAL ACTUARIAL ASSUMPTIONS USED

Discount Rate Assumptions
Under Section 28 of FRS102, the discount rate used to value the defined benefit obligation is set by reference to market yields at the reporting date on high-quality corporate bonds. The currency and term of the corporate bonds must be consistent with the currency and term of the benefit obligation. The discount rates have been chosen so that when they are used to discount the projected benefit cash flows underlying a pension scheme with the equivalent duration, they would give broadly the same result as using a full AA corporate bond yield curve to discount the same cash flows. The cash flows used for this calculation are sample cash flows.

For the 2022/23 disclosures, the full AA corporate bond yield curve is based on the UK Mercer Yield Curve. The corporate bond curve information is regularly updated and reviewed by Mercer. This methodology is consistent with the methodology adopted for previous years.

Price inflation assumptions
The assumption for price inflation impacts the liability calculation for pensions in payment whose increases are linked to inflation, along with the revaluation of deferred pensions. It is also used as the basis for setting the earnings growth assumption. Under Section 28 of FRS102, the price inflation assumption is set by considering market expectations, for example by taking the difference between yields available on long-dated fixed-interest and index-linked gilts (known as "break-even inflation"). Adjustments to this rate are sometimes made to reflect an "inflation-risk" premium, which includes the limited supply and high demand for the gilts. We maintained the approach followed 2021/22-month end by adjusting the gild market-implied RPI rate for 2022/23 month ends by an inflation risk premium of 0.3 %p.a.

RPI
The actuary had proposed single equivalent break-even RPI inflation rates that vary with the duration of the Association's liabilities. The inflation rates have been chosen so that when they are applied to the projected benefit cash flows underlying a pension scheme with the equivalent duration, they would give broadly the same result as applying the full Bank of England inflation curve to discount the same cash flows. The cash flows used for this calculation are sample cash flows. The Bank of England inflation curve is published up to terms of 40 years. Beyond 40 years the curve is assumed to remain constant.

For the 2022/23 disclosures, the Association implied inflation curve is based on the UK Mercer implied inflation curve. The Association maintained the approach followed 2021/22-month end by adjusting the gild market-implied RPI rate for 2022/23 month ends by an inflation risk premium of 0.3 %p.a.

CPI
CPI inflation rates are calculated using a single average RPI/CPI gap based on a 1.0% p.a. assumed gap before 2030 and a 0% p.a. gap thereafter, suitably weighted to reflect the Association exposure to CPI liabilities

Earnings increases assumptions
The earnings growth assumption is used to project accrued pensions for current active members. It is widely recognised that earnings increase in the economy are related to price inflation; hence it is common to look at the earnings growth assumption relative to the price inflation assumption (this is known as "real earnings growth"). Earnings growth could be considered by reference to RPI or CPI inflation. Earnings growth in excess of inflation should reflect best estimate long term increases for the active members of the Association and is expected to be positive over the long term as it must take into account not only inflationary increases, but also promotional increases. The default earnings growth assumption was set at 1.0% p.a. above CPI. This methodology is consistent with the methodology adopted for previous years.

Pension increases assumptions
Increases to pensions in payment are typically either at a fixed rate, or in line with inflation subject to certain caps and collars. The most common type of increase in payment is in line with inflation, subject to a maximum increase in any one year of 5% p.a. or 2.5% p.a. and a minimum of 0% p.a. The assumption is set by considering the likelihood of inflation being above the cap or below the collar in future years and applying an adjustment to the relevant inflation assumption to reflect this. A statistical model for the distribution of future inflation returns has been used to determine the appropriate adjustment. Based on the relevant RPI and CPI inflation assumptions, the Black-Scholes model was used to assume expected future volatility of price inflation of 1.75% p.a. to derive the various inflation-linked pensions in payment assumptions.

CARE revaluation assumptions were derived using a similar approach to that adopted to derive the increases to pensions in payment assumptions. This methodology is consistent with the methodology adopted for previous years.

Life expectancy assumptions
There are various base mortality tables based on different data sets and different time periods, the most recent ones being known as the SAPS (self-administered pension schemes) tables. These standard tables are then typically adjusted to allow for any expectation of higher/lower life expectancy of scheme members due to geographic, socio-economic or demographic factors.

The mortality assumption can be broken down into two distinct parts:

Baseline mortality assumption
The Trustee commissions a regular analysis of the membership profile for SHPS using Club Vita. Club Vita has collected a large amount of mortality experience data on UK defined benefit schemes and has used this to identify a number of characteristics which distinguish whether people live shorter or longer than others using various identifiers such as gender, postcode, salary/pension and occupation. These characteristics were overlaid onto the scheme membership to identify a mortality assumption for each individual member.

The results are then used to derive a scheme specific adjustment factor for SHPS based on the standard S3 SAPS table which gives broadly the same result as applying different mortality assumptions for each individual member and this is the basis for the 114% loading.

Mortality rates before members retire are not expected to have a material impact on the defined benefit obligation. We assumed all members will survive to their retirement dates.

Future mortality improvements assumption
The Continues Mortality Instigation (CMI) model for projecting future improvements is updated each year to build in its latest analysis of mortality rates over the previous year. This includes both a re-estimation of observed past improvements and a new projection of future improvements. The Association used CMI_2021 model using a smoothing parameter of 7 and no weighting allowance being made for 2020 data but reducing the initiation addition parameter to 0.25% for females and allowing for 10% weighting for 2021 data consistent with the latest analysis received by TPT.

This methodology is consistent with the methodology adopted for previous years.

Commutation of pension assumptions
The majority of pension scheme members typically take the maximum available cash lump sum at retirement. It is possible that schemes can be structured so that cash can be taken from a defined contribution section first, which reduces the amount of pension which is commuted from the defined benefit section. A best estimate assumption would normally be set by examining the take up from recent retirements. The assumption that 75% of members take the maximum cash available to them at retirement using trustees notional commutation factors for triennial valuations as in force at 31 December 2022.

This methodology is consistent with the methodology adopted for previous years.

GMP Equalisation
A High Court ruling on 26 October 2018 clarified that an obligation exists to adjust benefits for the effect of inequalities caused by GMP earned between 17 May 1990 and 5 April 1997 (where applicable). A subsequent ruling on 20 November 2020 confirmed trustees also have an obligation to revisit and equalise statutory transfer value payments paid between 17 May 1990 and 26 October 2020 to address GMP inequalities (where applicable). The impact of these rulings is not material to the Association.

LOCAL GOVERNMENT PENSION SCHEME (LGPS)

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2014, is contracted out of the State Second Pension and currently provides benefits based on career average revalued salary and length of service on retirement.

The administering authority for the Fund is the Local Pensions Partnership. The LPFA Board oversees the management of the Fund whilst the day to day fund administration is undertaken by a number of teams within the administering authority. Where appropriate some functions are delegated to the Fund's professional advisers.

The LGPS provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Group. This scheme has been closed to new entrants. Pension scheme assets are measured using market values.

The Group's net obligation in respect of defined benefit plans and other long term employee benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted.

The pension scheme surplus (to the extent that they are recoverable) or deficit is recognised in full. Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in income and expenditure.

Re-measurement of the net defined liability/asset is recognised in other comprehensive income.

The carrying value of any resulting pension scheme asset is restricted to the extent that the Group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

VALUATION APPROACH

Valuation of the Employer's liabilities
To assess the value of the Group's liabilities at 31 March 2023, we have rolled forward the value of the Group's liabilities calculated for the funding valuation as at 31 March 2022, using financial assumptions that comply with FRS102.

The full actuarial valuation involved projecting future cash flows to be paid from the Fund and placing a value on them. These cash flows include pensions currently being paid to members of the Fund as well as pensions (and lump sums) that may be payable in future to members of the Fund or their dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

It is not possible to assess the accuracy of the estimated value of liabilities as at 31 March 2023 without completing a full valuation. However, we are satisfied that the approach of rolling forward the previous valuation data to 31 March 2023 should not introduce any material distortions in the results provided that the actual experience of the Group and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as at the latest formal valuation. From the information we have received there appears to be no evidence that this approach is inappropriate.

Pension scheme liabilities are measured using a projected unit credit method of valuation as required under FRS102 accounting standard.

Valuation of the Employer's assets
To calculate the asset share we have rolled forward the assets allocated to the Employer at 31 March 2019 allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the Employer and its employees.

Financial assumptions

The financial assumptions used to calculate the results are as follows:

Assumptions as at	**31 March 2023** % p.a.	**31 March 2022** % p.a.
Discount rate	4.80%	2.60%
Pension increases (CPI)	2.85%	3.30%
Salary increases	3.85%	4.30%

These assumptions are set with reference to market conditions at 31 March 2023.

The LPFA's estimate of the Employer's past service liability duration is 18 years.

DISCOUNT RATE

Under FRS102 standards the discount rate should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The standard to derive the appropriate discount rate is known as the Single Equivalent Discount Rate (SEDR) methodology.

An estimate of the Group's future cash flows is made using notional cash flows based on the estimated duration above. These estimated cash flows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cash flows, discounted at this single rate, equates to the net present value of the cash flows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30-year point). This is consistent with the approach used at the previous accounting date.

INFLATION EXPECTATIONS

Whilst the change in corporate bond yields is an important factor affecting the valuation of the liabilities, so too is the assumed level of future inflation as this determines the rate at which the benefits increase.

FRS102 simply refers to a best estimate of the financial variables used in the liability calculation.

Pension increases in the LGPS are expected to be based on the Consumer Prices Index (CPI). As there is limited market information on CPI-linked assets, to derive our CPI assumption we first make an assumption on the Retail Prices Index (RPI) then make an adjustment.

RETAIL PRICES INDEX (RPI) ASSUMPTION

Similarly, to the approach used to derive the discount rate, the Retail Prices Index (RPI) assumption is set using a Single Equivalent Inflation Rate (SEIR) approach, using the notional cash flows described above. The single inflation rate derived is that which gives the same net present value of the cash flows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve, as applying the BoE implied inflation curve. As above, the Merrill Lynch AA rated corporate bond yield spot curve is assumed to be flat beyond the 30-year point and the BoE implied inflation spot curve is assumed to be flat beyond the 40-year point. This is consistent with the approach used at the previous accounting date.

Following a recent review of the market, and in particular noting the muted market reaction to the likely alignment of RPI with CPIH (Consumer Prices Index with Housing) from 2030, our view is that gilt-implied inflation rates are currently distorted by supply and demand factors at medium and longer terms. We have therefore allowed for an Inflation Risk Premium (IRP) of 0.4% at medium and longer terms (from 9 years). This results in an overall IRP of between 0.0% p.a. and 0.25% p.a. depending on the term of the liabilities (for terms ranging from 1 years up to 30 years).

Consistent with the SEDR approach, assumptions are rounded to the nearest 0.05% and we intend to use sample cashflows for employers at each duration year (from 1 to 30 years) in deriving the assumptions for employers.

DIFFERENCE BETWEEN RPI AND CPI

It is expected that RPI will be on average 1.0% p.a. lower than it would have otherwise been from 2030 as a result of the proposed alignment of RPI to CPIH (and CPI) from that date. We have therefore assumed that the annual increase in CPI inflation will be 1.0% p.a. lower than the market implied increases in RPI for each year prior to 2030 and will be in line with RPI inflation thereafter. This results in an assumed gap between the two inflation measures of between 0.25% p.a. and 0.80% p.a. depending on the term of the liabilities (for terms ranging from 30 years down to 5 years).

CONSUMER PRICES INDEX (CPI) ASSUMPTION

Using a similar approach described above to calculate the SEIR for our RPI assumption, we have calculated a single equivalent rate of CPI increase that results in the same liability value as would be calculated by applying the implied CPI curve. This approach is the same as the previous accounting date.

SALARY INCREASES

Salaries are assumed to increase at 1.0% p.a. above CPI this is consistent with the approach at the previous accounting date. we will adopt the standard approach which is in line with the latest actuarial valuation.

DEMOGRAPHIC/STATISTICAL ASSUMPTIONS

We have adopted standard approach is to use demographic assumptions in line with the latest actuarial valuation.

The effect on the Employer's liabilities of updating to the most recent model is reflected in the Change in demographic assumptions figure in Asset and benefit obligation reconciliation for the year ended 31 March 2023-page 64 and Re-measurement in other comprehensive income -page 64 and the effect on the assumed life expectancies is demonstrated in the table below.

MORTALITY ASSUMPTION

The key demographic assumption is the mortality assumption and there are two main steps in setting this assumption:

- Making a current assumption of members' mortality (the base mortality); and
- Projecting these current mortality rates into the future, allowing for further potential improvements in mortality. Future members' mortality is almost impossible to predict and therefore there is a lot of judgment involved.

BASE TABLE MORTALITY

The base table mortality assumption adopted for the funds' latest triennial funding valuation. The standard approach is to update the mortality assumption to be based on those adopted for the fund's 2022 actuarial valuation.

FUTURE IMPROVEMENTS TO MORTALITY

To project future improvements in mortality, we use a model prepared by the Continuous Mortality Investigation

Bureau (CMI). The CMI update their model on an annual basis, incorporating the latest mortality data in the national population.

The assumed life expectations from age 65 are shown in table below.

Life expectancy from age 65 (years)	**31 March 2023**	**31 March 2022**
Retiring today:		
Males	20.6	21.5
Females	23.6	23.8
Retiring in 20 years:		
Males	21.8	22.7
Females	24.5	25.6

ADDITIONAL REQUIREMENTS

Experience items allowed for since the previous accounting date

2023 valuation update

The liability roll forward will be updated to be based on the fund's 2022 valuation. This update ensures the accounting results are based on the latest information available. The impact of this update will result in experience items on the liabilities and the assets, and could be a positive or negative effect.

Experience items arise due to differences between the assumptions made as part of the roll forward approach and actual experience. This includes (but is not limited to) assumptions made in respect of salary increases, pension

increases, mortality, and member transfers. We have allowed for actual pension increase experience up to the accounting date. This assumes that pension increases are in line with the annual pension increases set by HM Treasury Revaluation Order. In addition we allow for actual inflation experience from September 2022 to the most recent known date available. Any difference between this and the pension increase previously assumed will give rise to an experience item.

As a result of allowing for actual experience, an experience item is observed in the reconciliation to 31 March 2023, as shown in in Asset and benefit obligation reconciliation for the year ended 31 March 2023-page 64 and Re-measurement in other comprehensive income -page 64.

OTHER CONSIDERATION

Impact of McCloud/Sargeant judgement

An allowance included to reflect the Court of Appeal judgement in respect of the McCloud and Sargeant cases which relate to age discrimination within the Judicial and Fire Pension schemes, respectively. This allowance was described in the previous accounting report and incorporated into the accounting results as at 31 March 2020. These results, including the allowance, have been rolled forward and re-measured to obtain the accounting results as at 31 March 2023. There are currently uncertainties in relation to LGPS benefits due to the McCloud and Sargeant judgements. Remedial regulations are expected in 2023 and uncertainty over the benefit changes proposed for the LGPS will remain until these have been finalised. There is no explicit adjustment made in this year.

OTHER CONSIDERATION (CONTINUED)

Past service costs/gains

Past service costs/gains arise as a result of introduction or withdrawal of, or changes to, member benefits. For example, an award of additional discretionary benefits to a member such as added years by a member would be considered a past service cost. We are not aware of any additional benefits which were granted over the year ending 31 March 2023.

Curtailments

LPFA have calculated the cost of curtailments arising as a result of the payment of unreduced pensions on early retirement.

The Group may also have to account for non-pension related costs (e.g. lump sum payments on redundancy) but for the avoidance of doubt, the LPFA have only calculated the cost of curtailments which affect the Group's LGPS pension liabilities. LPFA calculate the cost of curtailments at the point of exit, with interest applied to the accounting date accounted for separately. Over the year, we understand no employees were permitted by the Employer to take unreduced early retirement that they would not otherwise have been entitled to.

Settlements

We are not aware of any liabilities being settled at a cost materially different to the accounting reserve during the year.

Goodwin case

We don't made any adjustments to accounting valuations as a result of the Goodwin case.

GUARANTEED MINIMUM PENSION (GMP) EQUALISATION AND INDEXATION

GMP Indexation

On 23 March 2021, the Government published the outcome to its Guaranteed Minimum Pension Indexation consultation, concluding that all public service pension schemes, including the LGPS, will be directed to provide full indexation to members with a GMP reaching State Pension Age (SPA) beyond 5 April 2021. This is a permanent extension of the existing 'interim solution' that has applied to members with a GMP reaching SPA on or after 6 April 2016.

Our valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6th April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, we have assumed that the Fund will be required to pay the entire inflationary increase. Therefore, our assumption is consistent with the consultation outcome and we do not believe we need to make any adjustments to the value placed on the liabilities as a result of the above outcome.

Impact of Lloyds judgement on past transfer values

The latest news on the Lloyds Banking Group court case involved a ruling that, in cases where a member exercised their right to a transfer value out of the scheme, the trustee had the duty to make a transfer payment that reflects the member's right to equalised benefits and remains liable if an inadequate transfer payment had been paid.

It is not yet known if, or how, this will affect the LGPS. Whilst no guidance nor data is available, our standard approach currently is to make no allowance to reflect this judgement.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

Net pension liability as at:	**31 March 2023** £'000	**31 March 2022** £'000
Present value of the defined benefit obligation	15,056	21,810
Fair value of Fund assets (bid value)	(17,097)	(17,353)
Net defined benefit liability (Deficit)	**(2,041)**	**4,457**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

The amounts recognised in the Statement of Comprehensive Income:	**2023** £'000	**2022** £'000
Current Service cost	133	156
Net interest on the defined benefit liability/(asset)	115	138
Administration expenses	5	20
Total Expenditure	**253**	**314**

Asset and benefit obligation reconciliation for the year ended 31 March 2023

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	**2023** £'000	**2022** £'000
Opening defined benefit obligation	**21,810**	**22,409**
Current service cost	133	156
Interest cost	560	443
Change in financial assumptions	(7,393)	(689)
Change in demographic assumptions	(910)	-
Experience gain on defined benefit obligation	1,393	49
Estimated benefits paid net of transfers in	(560)	(583)
Contributions by Scheme participants	23	25
Closing defined benefit obligation	**15,056**	**21,810**

Reconciliation of opening and closing balances of the fair value of Fund assets	**2023** £'000	**2022** £'000
Opening fair value of Fund assets	**17,352**	**15,494**
Interest on assets	445	305
Return on assets less interest	(221)	2,065
Other actuarial gains/(losses)	1	-
Administration expenses	(5)	(20)
Contributions by employer	63	67
Contributions by Fund participants	23	24
Estimated benefits paid plus unfunded net of transfers in	(560)	(583)
Closing fair value of Fund assets	**17,097**	**17,352**

Asset Breakdown	**2023**		**2022**	
	£'000	%	£'000	%
Equities	10,054	59%	9,877	57%
Target Return Portfolio	3,179	19%	3,738	22%
Infrastructure	2,163	13%	1,768	10%
Property	1,679	10%	1,557	9%
Cash	22	0%	413	2%
Total	**17,097**	**100%**	**17,353**	**100%**

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2023 is 1.31% (2022:15.54%) as advised by the Fund.

The Employer's share of the assets of the Fund is approximately 0.23%. (2022:0.23%)

Sensitivity analysis	**£'000**	**£'000**	**£'000**
Adjustments to discount rate	+0.1%	0.1%	-0.1%
Present value of total obligation	14,860	15,056	15,256
Projected service cost	69	71	72
Adjustment to long term salary increase	+0.1%	0.1%	-0.1%
Present value of total obligation	15,065	15,056	15,047
Projected service cost	71	71	71
Adjustment to pension increases and deferred revaluation	+0.1%	0.1%	-0.1%
Present value of total obligation	15,251	15,056	14,865
Projected service cost	73	71	70
Adjustment to life expectancy assumptions	+1 year	1 Year	-1 Year
Present value of total obligation	15,607	15,056	14,526
Projected service cost	73	71	68

For the adjustment to the life expectancy assumption, the LPFA are essentially assuming a member will live a year longer or a year less. For example, under +1 Year the LPFA assumed that a member with a 25-year life expectancy is actually expected to live for 26 years.

RE-MEASUREMENT IN OTHER COMPREHENSIVE INCOME

Re-measurement of net assets/(defined liability)	**2023** £'000	**2022** £'000
Return on Fund assets in excess of interest	(221)	2,065
Other actuarial gains(losses) on assets	(1)	-
Change in financial assumptions	7,393	689
Change in demographic assumptions	910	-
Experience gain on defined benefit obligation	(1,393)	(49)
Total actuarial (losses) gains - recognised in other comprehensive income	**6,688**	**2,705**

PROJECTED PENSION EXPENSE FOR THE YEAR TO 31 MARCH 2024

Projections for the year to 31 March 2024	**2024** £'000
Service cost	71
Net interest on the defined liability and (asset)	(100)
Administration expenses	5
Total loss/Profit	**(24)**
Employer contributions	92

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2023. These projections are based on the assumptions as at 31 March 2023, as described in the main body of this report.

Defined benefit Re-measurement in Other Comprehensive Income – Social Housing Pension Scheme and Local Government Pension Scheme	**2023** £'000	**2022** £'000
Re-measurement of the net assets/(defined liability) – Social Housing Pension Scheme	(631)	1,505
Re-measurement of the net assets/(defined liability) – Local Government Pension Scheme	6,688	2,705
Total Re-measurement of the (defined liability)/net assets recognised in Other Comprehensive Income	**6,057**	**4,210**

9. Board members and executive directors

The directors are defined as the members of the Board, the Chief Executive and the Executive Group.

MEMBERS OF THE BOARD

No member of the Board is an employee of Poplar HARCA or received any emoluments during the period.

MEMBERS OF THE CORPORATE MANAGEMENT TEAM

The Corporate Management Team, including the Chief Executive, received emoluments as follows:

	2023 £'000	**2022** £'000
Aggregate emoluments payable to the Corporate Management		
Salaries including bonuses	966	1,010
Employers national insurance contribution	132	132
Pension contributions	30	36
Benefit in kind	4	4
Total emoluments	**1,132**	**1,182**
Emoluments payable to the highest paid employee		
Salary including bonus	210	202
Employers national insurance contribution	30	27
Benefit in kind (car allowance)	4	4
Total emoluments	**244**	**233**

The car allowance relates to a people carrier owned by Poplar HARCA and is used in the main for conducting Poplar HARCA tours.

During the year ending March 2023, the Chief Executive was an ordinary member of the LGPS scheme. Poplar HARCA did not pay into an individual pension arrangement (including a personal pension plan) for the Chief Executive.

10. Taxation

ANALYSIS OF CHARGE IN PERIOD

Current tax	Group		Association	
	2023 £'000	**2022** £'000	**2023** £'000	**2022** £'000
Current tax on income for the period	-	-	-	-
Adjustments in respect of prior year	-	-	-	-
Tax charge/(credit)	**-**	**-**	**-**	**-**
Deferred tax				
Revaluation of investment property	-	62		
Adjustment in respect of prior period	(121)	-	-	-
Deferred tax on provisions	-	(22)		
Deferred tax recognised on losses	(105)	(8)	-	-
	(226)	**32**	**-**	**-**
Tax on surplus on ordinary activities	**(226)**	**32**	**-**	**-**

The tax charge for the Group and Association is at 25% (2022: 19%), the standard rate of corporation tax in the UK as explained below.

TAX RECONCILIATION

	Group		Association	
	2023 £'000	**2022** £'000	**2023** £'000	**2022** £'000
Surplus/l(deficit) on ordinary activities before tax	6,450	6,433	10,126	6,169
Deficit on charitable activities	(10,514)	(7,853)	(10,065)	(6,143)
(Deficit)/surplus on non-charitable activities	**(4,064)**	**(1,420)**	**61**	**26**
Current tax at 25% (2022: 19%)	(1,016)	(270)	15	5
Effects of:				
Expenses not deductible for corporation tax	896	221	-	(11)
Adjustments in respect of prior years	-	-	-	-
Deferred tax on investment property not previously recognised	-	(129)	-	-
Difference between deferred tax and current tax rates	-	12	-	
Share of taxable profit received from Aberfeldy New Village LLP in excess of accounting profit	31	209	-	-
Deferred tax not recognised	(15)	6	(15)	6
Impairment of joint ventures	-	-	-	-
Prior year adjustment on deferred tax	(122)	-	-	-
Changes to deferred tax rate	-	(17)	-	-
Group relief surrendered/(claimed)	-	-	-	-
Total tax charge recognised in the Statement of Comprehensive Income	**(226)**	**32**	**-**	**-**

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Association is a registered Community Benefit Society. Surpluses generated from its charitable activities are not subject to UK corporation tax. However, tax is payable on its non-charitable business activities.

As at 31 March 2023, the group had tax losses of £1.6m allocated from LLPs in the Group. A deferred tax asset has not been recognised in the Group accounts as it is not expected that there will be sufficient profitability in Balfron Tower Developments LLP in order to utilise these losses.

Poplar HARCA Projects Limited has carried forward UK property losses £389,598 (2022: £694,393), Trade losses Balfron LLP £1,613,502 (2022: £1,613,502), Non-trade loan relationship deficits £167,332 (2022: £167,332) and Management expenses £283,662 (2022: £170,242). A deferred tax asset of £226k has been recognised during the year. This as previously recognised on the company's losses on the basis that there would be sufficient profitability in the company to utilise the losses. The deferred tax asset has accordingly been increased during the year to reflect the losses incurred.

Poplar HARCA Developments Limited has recognised a deferred tax liability of £nil during the year (2022: 62,414) relating to William Cotton Place. This deferred tax liability has been recognised on the basis that the net book value of the property now exceeds its tax base cost, resulting in a potential future chargeable gain for the company of £249,657.

11. Fixed assets, housing properties - Group

	Properties under construction			Properties held for lettings			
	Social housing lettings	Low-cost home ownership	Non-social housing lettings	Social housing lettings	Low-cost home ownership	Non-social housing lettings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2022	98,765	26,136	2,096	418,903	41,080	27,885	614,865
Reclassification	4,064	-	-	(4,064)	-	-	-
Acquisitions and new build	14,619	4,757	4,816	-	-	-	24,192
Capitalised repairs	-	-	-	4,173	-	-	4,173
Disposals – voluntary sales	-	-	-	(6,109)	(1,152)	-	(7,261)
Components written off	-	-	-	(361)	-	-	(361)
Transfer to completed housing properties	(14,660)	(2,903)	-	14,660	2,903	-	-
At 31 March 2023	**102,788**	**27,990**	**6,912**	**427,202**	**42,831**	**27,885**	**635,608**
Depreciation							
At 1 April 2022	-	-	-	98,808	2,057	6,585	107,450
Charge for the period	-	-	-	8,743	771	783	10,297
Disposals – voluntary sales	-	-	-	(2,658)	(71)	-	(2,729)
Components written off	-	-	-	(93)	-	-	(93)
At 31 March 2023	**-**	**-**	**-**	**104,800**	**2,757**	**7,368**	**114,925**
Net book value							
At 31 March 2023	**102,788**	**27,990**	**6,912**	**322,402**	**40,074**	**20,517**	**520,683**
At 1 April 2022	98,765	26,136	2,096	320,095	39,023	21,300	507,415

11. Fixed assets, housing properties - Association

	Properties under construction			Properties held for lettings			
	Social housing lettings	Low-cost home ownership	Non-social housing lettings	Social housing lettings	Low-cost home ownership	Non-social housing lettings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2022	98,765	26,136	2,096	418,903	41,080	27,885	614,865
Reclassification	4,064	-	-	(4,064)	-	-	-
Acquisitions and new build	14,619	4,757	4,816	-	-	-	24,192
Capitalised repairs	-	-	-	4,173	-	-	4,173
Disposals – voluntary sales	-	-	-	(6,109)	(1,152)	-	(7,261)
Components written off	-	-	-	(361)	-	-	(361)
Transfer to completed housing properties	(14,660)	(2,903)	-	14,660	2,903	-	-
At 31 March 2023	**102,788**	**27,990**	**6,912**	**427,202**	**42,831**	**27,885**	**635,608**
Depreciation							
At 1 April 2022	-	-	-	98,808	2,057	6,585	107,450
Charge for the period	-	-	-	8,743	771	783	10,297
Disposals – voluntary sales	-	-	-	(2,658)	(71)	-	(2,729)
Components written off	-	-	-	(93)	-	-	(93)
At 31 March 2023	**-**	**-**	**-**	**104,800**	**2,757**	**7,368**	**114,925**
Net book value							
At 31 March 2023	**102,788**	**27,990**	**6,912**	**322,402**	**40,074**	**20,517**	**520,683**
At 1 April 2022	98,765	26,136	2,096	320,095	39,023	21,300	507,415

Included in Group's acquisitions during the year is capitalised interest of £2,483k (2022: £1,742k). The amount of cumulative interest capitalised in housing properties is not separately identifiable.

The cost of construction, or of refurbishment for stock transferred to Poplar HARCA at nil cost is shown above.

IMPAIRMENT

An annual review is undertaken of existing social housing properties and the properties currently under construction to determine if there has been any indicator of impairment in the current financial year. Where any potential indicator as defined in FRS 102.27 'Impairment of Assets' is identified, a review of the affected scheme is undertaken to determine if an impairment is required. No indicator of impairment was identified in 2023 therefore no impairment cost on housing properties was recognised for the current financial year (2022: nil).

12. Other fixed assets - Group and Association

	Office premises £'000	Furniture and equipment £'000	Computer equipment and software £'000	Vehicles and estate equipment £'000	Work-in-Progress £'000	Total £'000
Cost						
At 1 April 2022	11,368	1,386	9,293	1,579	1,171	24,797
Reclassification	(143)	-	-	-	-	(143)
Additions	20	26	168	193	423	830
Disposals	-	-	-	-	-	-
At 31 March 2023	**11,245**	**1,412**	**9,461**	**1,772**	**1,594**	**25,484**
Depreciation						
At 1 April 2022	1,179	1,212	8,385	1,119	-	11,895
Reclassification	(143)	-	-	-	-	(143)
Charge for the period	261	88	624	217	-	1,190
Disposals	-	-	-	-	-	-
At 31 March 2023	**1,297**	**1,300**	**9,009**	**1,336**	**-**	**12,942**
Net book value						
At 31 March 2023	**9,948**	**112**	**452**	**436**	**1,594**	**12,542**
At 1 April 2022	10,189	174	908	460	1,171	12,902

13. Intangible assets

	Group and Association £'000
Cost	
At 1 April 2022	493
Franchise licence fee	-
At 31 March 2023	**493**
Amortisation	
At 1 April 2022	46
Charge for the period	8
At 31 March 2023	**54**
Net book value	
At 31 March 2023	**439**
At 1 April 2022	447

Poplar HARCA have paid a franchise licence fee in 2016 to Ecoworld (formerly be:here Limited) to utilise the be:here brand at Aberfeldy New Village.

14. Investment in commercial properties

Group 2022	Total £'000
Balance at 1 April 2021	60,341
Additions	6
Disposals	-
Change in fair value	(499)
Balance at 31 March 2022	**59,848**

Group 2023	Total £'000
Balance at 1 April 2022	59,848
Additions	-
Disposals	-
Change in fair value	-
Balance at 31 March 2023	**59,848**

Association 2022	Total £'000
Balance at 1 April 2021	56,103
Additions	6
Disposals	-
Change in fair value	(1,430)
Balance at 31 March 2022	**54,679**

Association 2023	Total £'000
Balance at 1 April 2022	54,679
Additions	-
Disposals	-
Change in fair value	-
Balance at 31 March 2023	**54,679**

A professional valuation is undertaken every three years and a directors' valuation is carried out in the years where a professional valuation is not obtained in line with the Group's Accounting Policy.

A professional independently valuation was obtained last financial year for the Stroudley Walk and Poplar others, leaside properties, Aberfeldy GP surgery, St Paul way's Shops and William Cotton Place by SFP Property Chartered Surveyors.

The investment method (also known as capitalised rental method) subject to the various Occupational leases was used to determine the fair value. At the reporting date the fair value was measured at £13,388k and the historical cost £7,880k.

In 2015/16, Poplar HARCA entered into a finance lease with M&G Investments Limited to carry out the construction of private and affordable residential units on the Aberfeldy estate. The private residential units are classified as investment properties. A professional independently valuation was obtained during the year by Jones Lang LaSalle Ltd (JLL). The Valuation method was used on the bases Market Value subject to the existing assured Tenancies (MV-T).

At the reporting date the fair value of the private residential units was measured at £46,460k (2022: £46,460k). The historical costs of investment were £44,700k (2022: £44,700k).

15. Investment in subsidiary companies

	Association	
	2023	**2022**
	£'000	£'000
Poplar HARCA Capital PLC	50	50
Poplar HARCA (Developments) Limited	8,834	8,834
	8,884	**8,884**

Poplar HARCA Projects Limited, a wholly owned subsidiary of Poplar HARCA, is incorporated in England and Wales with an issued, and allotted capital of two ordinary shares of £1 each. The company's principal activity is the management of overages, mixed income tenure (LHA and market rent) lettings and refurbishment of Balfron Tower. An investment of £nil (2022:£464k) was made in Poplar HARCA Projects Limited during the year for the Balfron Tower Project, this investment was funded in the form of capital contribution from the parent company Poplar HARCA Ltd.

The Parents company Poplar HARCA Ltd written off all the investment in Poplar HARCA Project Ltd in the 2020 financial year due to no profit forecast in Poplar HARCA Project Ltd.

Poplar HARCA Capital PLC was formed on 4 April 2013 with allotted, issued and paid-up capital of 50,000 ordinary shares of £1 each with the sole purpose of raising Bond Finance for the Group. The company issued Bonds with a value of £140m in July 2013, £25m in August 2020, £50m in April 2021 and £35m in July 2021. All the proceeds were on lent to the parent company, Poplar HARCA.

Poplar HARCA (Developments) Limited, a wholly owned subsidiary of Poplar HARCA, is incorporated in England and Wales with an issued, and allotted capital of two ordinary shares of £1 each. The company's principal activity is the development and sale of housing and commercial properties. No investment has been made in the current year.

The subsidiaries of Poplar HARCA are all registered at the address George Green Building, 155 East India Dock Road, London, England, E14 6DA.

16. Joint ventures

The Joint ventures in which the Group has more than 20% interest in are:

ABERFELDY NEW VILLAGE LLP

This is a joint venture between Poplar HARCA (Developments) Limited and Be:Here Holdings Limited for the construction and development of new homes on the Aberfeldy estate. The LLP issued 1,000 shares of £1 each, 500 of which are owned by Poplar HARCA (Developments) Limited. The LLP arrangement is designed such that the land obtained by Poplar HARCA through stock transfers will be developed by Be:Here Holdings Limited, with future profits being shared equally.

BALFRON TOWER DEVELOPMENTS LLP

This is a joint venture between Poplar HARCA Projects Limited and St Leonards Developments LLP for the refurbishment and sale of the Balfron Tower with future profits to be shared equally. The LLP issued 1,000 shares of £1 each, 500 of which are owned by Poplar HARCA Projects Limited.

TEVIOT ESTATE DEVELOPMENTS LLP

This is a joint venture between Poplar HARCA Projects Limited and Hill Residential Limited for the regeneration of the Teviot Estate with future profits to be shared equally. The LLP issued 2 shares of £1 each, 1 of which are owned by Poplar HARCA Projects Limited.

The amounts included in respect of the Group's share of joint ventures comprise the following:

	2023			
	Aberfeldy	**Balfron**	**Teviot Estate**	**Total**
	£'000	£'000	£'000	£'000
Share of profit (loss) from joint ventures	**611**	**-**	**-**	**611**
Share of:				
Gross assets	9,617	28,308	-	37,925
Gross liabilities	(7,339)	(28,308)	-	(35,647)
Net assets	**2,278**	**-**	**-**	**2,278**
As at 1 April 2022	10,177	-	-	10,177
Share of profit/(loss) from joint ventures	611	-	-	611
Distribution reversal previous year	325	-	-	325
Investment in joint ventures	**11,113**	**-**	**-**	**11,113**

	2022			
	Aberfeldy	**Balfron**	**Teviot Estate**	**Total**
	£'000	£'000	£'000	£'000
Share of (loss) from joint ventures	1,099	-	-	1,099
Share of:				
Gross assets	31,187	21,869	2,783	55,839
Gross liabilities	(29,846)	(21,869)	(2,783)	(54,498)
Net assets	**1,341**	**-**	**-**	**1,341**
As at 1 April 2021	8,467	-	-	8,467
Share of profit/(loss) from joint ventures	**1,099**	**-**	**-**	**1,099**
Distribution paid during the year	611	-	-	611
Investment in joint ventures	**10,177**	**-**	**-**	**10,177**

During the year, the Poplar HARCA Projects Limited invested £nil (2022: £464k) as an investment in Balfron Tower Developments LLP. These investments have been funded in the form of capital contribution from the parent company being Poplar HARCA Limited. The Parents company Poplar HARCA Ltd written off all the investment in Poplar HARCA Project Ltd in 2020 financial year due to no profit forecast in Poplar HARCA Project Ltd.

At each reporting date Poplar HARCA Limited assesses whether there is any indication of impairment and estimate the recoverable amount of the asset (the amount being higher of its fair value less costs to sell or its value in use).

17. Stocks

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Shared ownership completed	2,074	3,733	2,074	3,733
Shared ownership under construction	8,511	8,087	8,511	8,087
	10,585	**11,820**	**10,585**	**11,820**

18. Debtors

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Debtors falling due within one year:				
Rent and service charge arrears	6,989	5,592	6,432	5,100
Less: provision for bad and doubtful debts	(3,074)	(3,097)	(2,711)	(2,793)
	3,915	**2,495**	**3,721**	**2,307**
Other debtors and prepayments	9,039	9,066	8,639	8,903
Amounts owing from subsidiaries	-	-	10,337	9,792
	12,954	**11,561**	**22,697**	**21,002**
Debtors due after more than one year:				
Amounts owing from subsidiaries	-	-	13,486	24,827
Amounts owed by joint venture	10,033	24,569	-	-
	10,033	**24,569**	**13,486**	**24,827**
Other debtors	455	490	455	455
Deferred tax asset	309	83	-	-
Leaseholder refurbishment debtors	1,755	1,828	1,756	1,829
Less: provision for bad and doubtful debts	(580)	(530)	(580)	(530)
	11,972	**26,440**	**15,117**	**26,581**
	24,926	**38,001**	**37,814**	**47,583**

Included in the amounts owing from subsidiaries was a loan of £5,417k (2022: £6,687k) provided to Poplar HARCA (Developments) Limited, a wholly owned subsidiary, on an arms-length basis. A further £5,377k (2022: £15,132k) was loaned to Poplar HARCA (Developments) Limited on an arms-length basis, for onward lending to Aberfeldy New Village LLP, in which it has a 50% interest. The Group also loaned £8,556k (2022: £6,359k) to Poplar HARCA Projects Limited, a wholly owned subsidiary, on an arms-length basis.

Poplar HARCA Projects ltd then on lent £4,514k (2022: £4,275k) to Balfron Tower Developments LLP, in which it has a 50% interest. During the year £3,050k provision provided as per latest profit forecast of joint venture partner Balfron LLP. The Group also loaned £3,191k (2022: £1,234k) to Poplar HARCA Projects Limited on an arms-length basis, for onward lending to Teviot Estate Development LLP, in which it has a 50% interest. The leaseholder refurbishment debtors are considered to be long term as they are not repayable within the next 12 months, unless leaseholders terminate their lease earlier.

19. Cash and cash equivalents

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash and cash equivalents	25,155	18,418	21,647	14,325
	25,155	**18,418**	**21,647**	**14,325**

20. Short term investment

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts held in escrow	6,586	6,586	6,586	6,586
	6,586	**6,586**	**6,586**	**6,586**

The short term investment comprises of amounts held in escrow as a security relating to our Local Government Pension Scheme pension scheme.

21. Statement of Cash Flows

	Group	
	2023 £'000	2022 £'000
Cash flow from operating activities		
Surplus for the year	6,936	6,433
Tax on ordinary activities	(226)	(32)
Adjustment for non-cash items:		
Depreciation and amortisation of assets	11,495	11,318
Grant amortisation	(4,531)	(5,142)
Bad debts and release of provisions	(320)	(882)
Pension costs less contributions payable	(621)	(391)
Cost less depreciation on components written off	268	164
Loan fee amortisation	207	114
Bond premium amortisation	(1,365)	-
Change in the value of investment property	-	499
Share of profit from joint ventures	(611)	(1,099)
Distribution from joint venture	(325)	(611)
Written down investment in joint ventures	3,050	-
Gain on disposal of fixed assets and investment property	(3,719)	(27,331)
Land disposal	5,916	
Net financing costs	10,533	30,909
Deferred tax	226	32
Adjustments for working capital movement:		
(Increase)/decrease in stocks	1,235	1,363
(Increase)/decrease in trade and other debtors	(799)	1,806
Increase/(decrease) in trade and other creditors	(8,041)	4,358
Cash generated by operations	**19,308**	**21,508**

22. Analysis of change in net debt

	At 1 April 2022 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 March 2023 £'000
Cash and cash equivalents				
Cash	18,418	6,737	-	25,155
Total cash and cash equivalents	**18,418**	**6,737**	**-**	**25,155**
Borrowings				
Debt due with 1 year	(345)	350	(358)	353
Debt due more than 1 year	(278,172)	-	358	(276,808)
Finance lease more than 1 year	(53,999)	-	1,364	(53,641)
Total borrowings	(332,516)	350	1,364	(330,647)
Net Debts	**(314,098)**	**7,087**	**1,364**	**(305,647)**

23. Creditors: Amounts falling due within one year

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade creditors	3,288	4,883	3,281	4,876
Corporation and other taxes	544	873	544	873
Other creditors and accruals	11,206	19,268	11,026	19,117
Current lease liability	353	345	353	345
Amount owing to subsidiaries	-	-	107	88
Grant on housing properties (note 28)	3,053	3,391	3,053	3,391
Recycled Capital Grant Fund (note 26)	28	19	28	19
	18,472	**28,779**	**18,392**	**28,709**

24. Creditors: Amounts falling due after more than one year

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bond finance and financing costs	248,604	248,539	-	-
Bond Premium	26,808	28,172	-	-
Loan arrangement fee less amortisation	(644)	(784)	(644)	(784)
Loan from group company	-	-	275,370	276,668
Long term lease liability	53,641	53,999	53,641	53,999
Grant on housing properties (note 28)	130,848	119,586	130,848	119,586
Recycled Capital Grant Fund (note 26)	364	269	364	269
Deferred tax on revaluation of investment properties	62	62	-	-
	459,683	**449,843**	**459,579**	**449,738**

The Group has a total agreed facility to a value of £100m (2022: £431.5m) of which £nil (2022: £331.5m) had been drawn as at 31 March 2023. At the end of the financial period the total drawn facility includes 100% fixed loan at the average borrowing cost of 4.02%, 0% floating charge loan (ranges between 135 bps to 150 bps over the bank reference rate) and 16% RPI linked finance lease.

Bank loans and the bond are secured by specific charges on certain Poplar HARCA's housing properties that have a carrying amount as at 31 March 2023 of £138.5m, and the finance lease is related to the Aberfeldy Phase 2 units over the fixed term. The table below provides an analysis of the bank loans, bond and finance lease based on the repayment terms in accordance with all individual financial agreements. The group has entered into a finance lease with M&G Investments Limited to carry out the construction of private and affordable residential units on the Aberfeldy estate. Ref to note 14 for details.

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
In one year or less	353	345	353	345
Between one and two years	375	353	375	353
Between two and five years	1,207	1,168	1,207	1,168
In more than five years	302,066	329,146	302,066	329,146
	304,001	**331,012**	**304,001**	**331,012**

25. Provisions for liabilities

	Group and Association		
	Pension liability - SHPS	Pension liability - LGPS	2023 Total
	£'000	£'000	£'000
At beginning of period	3,028	4,457	7,485
Provision for the year	9	(6,498)	(6,489)
At end of period	**3,037**	**(2,041)**	**996**

The details of the Pension liabilities, LGPS and SHPS are shown in Note 8.

26. Recycled Capital Grant Fund

	Group and Association	
	2023	2022
	£'000	£'000
At beginning of period	288	104
Amount paid in from shared ownership sales	123	184
Amount utilised for new build programme	(19)	-
At end of period	**392**	**288**
Amounts to be utilised within a year	28	19
Amounts that may be utilised after more than one year	364	269
	392	**288**

The Recycled Capital Grant Fund comprises the grant element on the disposal of shared ownership and new build properties.

27. Deferred Capital Grant

	Group and Association	
	2023	2022
	£'000	£'000
At beginning of period	122,976	117,423
Grant received in the year	15,456	10,695
Released to income in the year	(4,531)	(5,142)
At end of period	**133,901**	**122,976**
Amounts to be utilised within a year	3,053	3,391
Amounts that may be utilised after more than one year	130,848	119,585
	133,901	**122,976**

28. Financial assets and liabilities

The carrying amounts of the financial assets and financial liabilities include:

		Group		Association	
	Notes	2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Financial assets measured at amortised cost					
Cash and cash equivalents	*19*	25,155	18,418	21,647	14,325
Short term investment	*20*	6,586	6,586	6,586	6,586
Debtors	*18*	24,926	38,001	37,814	47,583
		56,667	63,005	66,047	68,494
Financial liabilities measured at amortised cost					
Trade creditors	*23*	3,288	4,883	3,281	4,876
Interest payable		-	-	-	-
Loans and borrowings	*24*	276,767	275,927	274,726	275,884
		280,055	**280,810**	**278,007**	**280,760**

29. Capital commitments

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Capital expenditure contracted less certified that has not been provided for in the Financial Statements	123,945	149,125	123,945	149,125
Capital expenditure that has been authorised by the Board but has not yet been contracted for	-	36,531	-	36,531
	123,945	185,656	123,945	185,656
Financed by:				
Social Housing Grants	4,602	16,031	4,602	16,031
Receipts from sale of assets	49,326	113,293	49,326	113,293
Unutilised loan facilities & available funds	70,017	56,332	70,017	56,332
	123,945	**185,656**	**123,945**	**185,656**

The Group's development pipeline as at 31 March 2023 had an estimated cost of £124m (2022: £186m) and currently spans over 5 years. The expenditure is largely driven by contractually committed s106 schemes, and also includes regeneration schemes which are not yet on site. These schemes will be funded through the social housing grant, receipts from asset sales and accumulated reserves and borrowings.

30. Operating lease

As at 31 March 2023 there are 142 Island Point properties were leased consisting of 79 affordable homes and 63 general needs and 33 Landmark Pinnacle properties were leased and they are all shared ownership.

	Group and Association	
	2023 £'000	**2022** £'000
Not later than one year	1,796	1,934
Later than one year and not later than five years	7,664	8,491
Later than five years	28,035	30,231
Lease payments recognised as an expense	1,665	1,396

31. Related party transactions

Poplar HARCA Group consists of Poplar Housing and Regeneration Community Association Limited, Poplar HARCA (Developments) Limited, Poplar HARCA Projects Limited, Poplar HARCA Capital PLC, and Leaside Business Centre Management Limited.

POPLAR HARCA PROJECTS LIMITED

Poplar HARCA Projects Limited, a wholly owned subsidiary of Poplar HARCA, manages the overage income on new build schemes, including Balfron Tower Developments LLP, a Joint Venture between Poplar HARCA and St. Leonards Developments LLP, a Telford Homes Group entity. A second joint venture, Teviot Estate Developments LLP (TED), between Poplar HARCA Projects Limited and Hill Residential Limited for the regeneration of the Teviot Estate.

Poplar HARCA Projects Ltd leases a number of LHA rateable properties from Poplar HARCA. The rent income of from these properties are captured by Poplar Projects Ltd.

During the 2023 year a £nil (2022: £469k) capital contribution was made to Poplar HARCA Projects with regards to costs incurred on the Balfron Tower Development. An annual impairment review resulted in an impairment charge of £3,050k (2022: £469k) for the year. Poplar HARCA Projects will receive a £1,465k equity loan on the sale of the flats once sales commence.

As at 31 March 2023 Poplar HARCA Projects owed Poplar HARCA Ltd a balance of £13,389k (2022: £9,464k).

Poplar HARCA Projects ltd then on lent £4,514k (2022: £4,275k) to Balfron Tower Developments LLP and £3,191k (2022:£1,233) to Teviot Estate Development LLP. During the year £3,050k written off Balfron loan equity due to profit forecast of Balfron LLP. Those balances are included within note 18 of these accounts. There is no overage receipt during the year.

POPLAR HARCA CAPITAL PLC

Poplar HARCA Capital Plc, a wholly owned subsidiary of Poplar HARCA, was established as a special purpose funding vehicle and secured funding of £250 million by issuing bonds from the capital markets for on-lending to Poplar HARCA. The bonds maturity date is 25 July 2043 fixed rate with a coupon of 4.843%.

As at 31 March 2023 Poplar HARCA Capital PLC has a long-term debtor balance of £275,370k (2022: £276,668k) with parent Poplar HARCA Ltd (note 24).

As at 31 March 2023 Poplar HARCA Capital PLC has a short-term debtor balance of £107k (2022: £88k) with parent Poplar HARCA Ltd (note 23).

POPLAR HARCA (DEVELOPMENTS) LIMITED

Poplar HARCA (Developments) Limited, a wholly owned subsidiary of Poplar HARCA, was formed to develop properties for sale.

Poplar HARCA Limited has been provided a loan, to Poplar HARCA (Developments) Limited, on an arms-length basis secured by a fixed charge over the property 132 St. Paul's Way, London together with a floating charge over the assets of the company. Interest is payable on the outstanding balance at six monthly LIBOR + 1.5% for 132 St. Paul's Way and monthly at a fixed rate of 7.5% for the loan to Aberfeldy New Village LLP. The loan is repayable on demand and as at 31 March 2023 this intercompany creditor balance to Poplar HARCA is £5,417k (2022: £6,687k) and will be repaid on sale of the remaining commercial units.

As at 31 March 2023 the long-term balance of £5,209k (2022: £15,132k) is loaned to Poplar HARCA (Developments) Limited on an arms-length basis, for onward lending to Aberfeldy New Village LLP, in which Poplar HARCA (Developments) Limited has a 50% interest.

During the year Poplar HARCA (Developments) Limited received £nil (2022: £nil) as income from the joint venture.

MANAGEMENT AND ADMINISTRATION CHARGES TO SUBSIDIARIES

Poplar HARCA Limited provides management and administration services to Poplar HARCA (Developments) Limited ("DevCo") and Poplar HARCA Projects Ltd ("Projects"). The most significant element of this is staff costs as DevCo and Projects do not have their own employees.

These costs are apportioned as follows:

Development	Time spent by development staff
Finance	Time allocated to schemes developed by DevCo and time allocated to schemes administered through Projects.
Central overheads	Time allocated to DevCo and Projects as per budget

The total interest charged and management and administration costs apportioned in the year were:

	2023 £'000	**2022** £'000
Interest charged by Poplar HARCA to DevCo	1,218	1,476
Management fees charged by Poplar HARCA to DevCo	207	214
Interest charged by Poplar HARCA to Projects	498	384
Management and admin fees charged by Poplar HARCA to Projects	534	436
Consultancy service charged by Poplar HARCA to Projects	113	170
Operating lease charges by Poplar HARCA to Projects	4,107	3,089
Interest charged by Capital to Poplar HARCA	10,333	10,318
	17,010	**16,087**

All the subsidiaries are registered in the United Kingdom but are not registered with the Regulator of Social Housing.

GEOCAPITA

GeoCapita is a Community Benefit Society registered on the Mutual's Public Register regulated by the FCA. Geocapita has financed by way of Bank loans, and a Loan from Poplar HARCA Ltd for the installation of Solar panels on roofs around the Poplar Area. This is a related party as 2 employees of Poplar HARCA Ltd are also registered Directors of Geocapita, Harry Foreshaw, youth Volunteer Coordinator and Kevin Wright, the Director of Technical Resources.

Poplar HARCA holds a long term debtor amount of £455k as at 31 March 2023 (2022: £455k). Poplar HARCA charged Geocapita a total of £18k (2022: £18k) in interest. Interest is charged at 4% on the long term debtor amount.

THE BROMLEY BY BOW CENTRE

The Bromley by Bow Centre is a registered charity which runs a community and health care centre. This is a related party as the Chair of Poplar HARCA's Board, Dr. Paul Brickell is also a registered Director of the Bromley by Bow Centre. Total amount paid to The Bromley by Bow Centre in the year was £159k as at 31 March 2023 (2022: £298k).

32. Subsequent events

The directors are of the opinion that the judgements taken within the financial statements as at 31 March 2023 are still the appropriate judgements at the time of signing. The directors are not aware of any further material matters or circumstances arising between 31 March 2023 and the sign off date of this report which will impact the financial statements.

POPLAR HARCA

poplarharca.co.uk