Annual Report and Consolidated Financial Statements

For the year ended 31 March 2024



POPLAR HARCA 25 years

Creating Opportunities Together

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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



It is with a sense of optimism and achievement I introduce Poplar HARCA's 2023/24 Annual Report. This past year has again highlighted Poplar HARCA's strength, built on a foundation of clear vision, active strategic risk management, and sound financial planning.

Whilst disappointed that recent merger talks ended, with the Board I was assured throughout the process that our focus never wandered from ensuring we continued to provide the best services and support to our residents and community.

Safety continues to be our top priority. In this seventh year since the tragic Grenfell Tower, I am particularly gratified by our progress with fire and building safety. Through dedicated Board oversight, we have successfully completed most of our material remediation programmes, so underscoring our commitment to safe and secure homes for all our residents.

Our regeneration efforts have also gained momentum this year. We will see Chrisp Street advance early in 2025, and we have provided 62 new homes for social rent and 14 for shared ownership. Our Teviot Resident Steering Group has been instrumental in advancing the programme for the regeneration of their estate with a planning application for 1900 new homes now submitted.

We continue to make a significant impact through community support initiatives, helping 1420 individuals into training and jobs and supporting 242 people at risk. We have also embraced technology, equipping 3610 homes with IoT devices to monitor energy efficiency, condensation, and air quality. This data, now available in real-time, empowers residents to stay informed and engaged.

Resident satisfaction remains a cornerstone of our success, with 83% of survey respondents saying they are satisfied with Poplar HARCA as their landlord. Our achievements have been recognized with 6 prestigious awards. The valuable insights from our Community Panel have been embraced by the Board, setting a high benchmark for ensuring residents' voices are not only heard but acted upon.

Our dedicated staff are a testament to our organisation's spirit, with 92% proud to work for Poplar HARCA and 96% clear on their roles and expectations. Their continued engagement and commitment are vital to our success.

Looking forward, we remain driven by the energy and diversity of our community. Our partners, volunteers, staff, and residents play an essential role in keeping Poplar HARCA unique and vibrant. I am deeply grateful for their ongoing dedication and contributions. Together, we continue to achieve great things, turning challenges into opportunities, and making a positive, lasting impact with and for our community.

I am pleased that we have again demonstrated resilience, innovation, and unwavering commitment to our community. As we look ahead, I am confident in our ability to continue delivering high-quality services and achieving remarkable things.



Dr Paul Brickell
Chair

Report of the Board



About Poplar Harca

Established in 1998, Poplar HARCA is at the forefront of community-led regeneration, working to improve lives through innovative community engagement and urban redevelopment.

Over twenty-six years, Poplar HARCA has made significant strides in delivering high-quality, affordable housing, pre-eminent community facilities, and social and economic opportunities for residents.

Poplar HARCA is a registered provider of social housing formed by large scale voluntary stock transfer from the London Borough of Tower Hamlets. It works closely with the local authority, businesses, and other stakeholders to realise its regeneration ambitions in a challenging economic environment in a challenging part of London.

These partnerships enable the organisation to leverage additional resources and expertise into the area of East London in which its 10,338 homes, community, commercial and green spaces are located. Poplar HARCA is building new homes, transforming estates and re-shaping its 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 its community.

Our Purpose and Behaviours

Inspired by our East End roots, we are creating thriving, vibrant communities where people choose to live, work, and invest.

The shared motivation of our Board, staff, partners and volunteers is creating opportunities together that realise community potential through exceptional homes and thriving places with social justice at our core.

We do this through holistic regeneration delivering exceptional homes in incomparable places. With our community we are enhancing social, economic, and environmental well-being to effect generational change.





Our Workforce

Poplar HARCA employs 377 people, all committed to delivering its purpose.

Our focus on workforce engagement and well-being has resulted in high resident satisfaction, with 86% of tenants and 80% of homeowners satisfied with Poplar HARCA as their landlord.

Our commitment to well-being and a positive work environment is reflected in what our staff tell us:

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

Poplar HARCA's commitment to its people is reflected in annual reporting to the Poplar Board; and two key strategies: the Organisational Development and Equality, Diversity, and Inclusion. Both strategies were developed by staff with the aim of 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.

Community Driven - Involving And Involved

Our community is essential in grounding and motivating us. Their involvement, through opportunities to inform, influence, and scrutinise, is a crucial driver for improvement.

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

Our Community Panel-developed Engagement Strategy was adopted in full by the Board.

We engage with our community formally through Estate Boards, Gatherings, and the Youth Empowerment Board, and informally through Listening Campaigns, consultations, and participation in projects and volunteering.



Awards

Our people and work continue to be recognised locally and nationally:

HOUSING TECHNOLOGY AWARDS

Bronze Award in the Customer and Tenants' Service category for the roll-out of smart home devices in tenants' homes.

TAILORED EMPLOYMENT SUPPORT OF THE YEAR

Our Employment and Training team jointly won an Employment Related Services Association (ERSA) Employability award. Its Active Inclusion programme supports over 650 vulnerable adults with training, confidence-building, and digital skills development to overcome barriers to employment.

INTEGRATED CARE BULLSEYE AWARD

Ade Akande, our Spotlight Get Active lead, was recognised by Tower Hamlets Together for his exceptional work and person-centred approach.

TEAM MODESHIFT NATIONAL SUSTAINABLE TRAVEL AWARDS

Our Chrisp Street Community Cycles project, in collaboration with Sustrans and Hubbub, won the Partnership of the Year Award .

SUSTRANS SUSTAINABILTY LEADER AWARD

Chrisp Street Community Cycles won a Sustrans Sustainabilty award for promoting cycling in the area, helping to lower emissions.

LONDON YOUTH AWARDS

Moosa Miah, a member of our Service Committee is the Young Leader of the Year. Moosa was recognised for his groundbreaking role as a young person involved with Poplar HARCA's strategic decision-making, showcasing his commitment to youth advocacy and positive community change.

Creating Opportunities Together 2023/24

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 **poplarharca.co.uk**.

Our third-year achievements compared to targets set by the Board as CEO KPIs are:

Service Satisfaction

Annual Target	Achieved
Implement the Housing-related elements of new Resident Engagement Strategy	✓
Reduce the number of overcrowded tenancies by 10%	✗
Launch mould first response project	✓
Deliver at least two projects resulting in improvements for residents, staff and/or the business.	✓
Zero failed tenancies as a result of the cost of living crisis	✓

Committed Workforce

Annual Target	Achieved
Maintain staff and resident satisfaction	✓
Deliver targeted leadership and line management development for all managers	✓

Strong Foundations

Annual Target	Achieved
Embed value for money reporting across the business to drive VFM	✓
Deliver on the governance succession and development plan	✓
Maintain G1 V2 and implement plan to achieve BAA1 credit rating	✓
Be Building Safety Act ready	✓
Reduce void loss	✓
Following robust due diligence recommend merger & acquisition strategy to the Board	✓
Further develop relationships with local RPs and recommend positioning strategy to the Board	✓
Deliver at least two projects resulting in improvements for residents, staff and/or the business.	✓
Zero failed tenancies as a result of the cost of living crisis	✓

Successful Places

Annual Target	Achieved
Develop the Poplar Green Futures programme by delivering two projects that reduce carbon in the neighbourhood or have a positive impact on the local environment	✓
Raise up to £1M to deliver employment & training services	✓
Enable 2,000 residents to access services and programmes in the new Aberfeldy Centre on the first year of opening.	✓
Expand our primary health care offer for young people by extending Health Spot to provide 400 GP appointments	✓
Deliver 76 completed new affordable homes and submit planning application for Teviot Masterplan	✗
Launch 3 energy saving improvements	✓

Achieving the Vision

The financial and operational strategy that is 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)

MITS increases income, increases diversity and helps homeless households. Empty properties are assessed against an asset evaluation matrix and offered to people in temporary accommodation as a result of the London Borough of Tower Hamlets assessing a statutory duty. A very small minority of homes are at market rent, with the vast majority capped at Local Housing Allowance to stay affordable to the client group. The majority of MITS re-lets are done by way of a short term operating lease to Poplar HARCA Projects Ltd.

As of 31 March 2024, a total of 437 homes (2023: 397) were let at Local Housing Allowance or market rent, excluding properties owned under a finance lease prior to the inception of MITS, 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)

The objective of RACO is to sell properties that the asset evaluation matrix identifies as less suitable for re-letting and to use the sales proceeds to supply at least 1.5 new affordable homes for every home sold. For sales and investments committed to date the programme has delivered 1.6 new affordable homes for every home sold.

The Board's RACO target of 525 properties was achieved during the year. The 525 unit programme has helped fill the income gap from rent reduction, disposed of uneconomic stock, and facilitated the purchase and/or creation of 778 new properties, maintaining a 1:5 ratio of sold to new homes. The Board has since approved the continuation of the stock rationalisation programme to target uneconomic stock. A total of 72 sales were completed during the year, bringing the total sales across the RACO programme to 574 by year end.



Summary of Financial Performance

MAINTAINING FINANCIAL RESILIENCE

Group operating surplus for the year of £25.0m (2023: £17.4m) was driven by £1.4m gain on disposal of fixed assets (2023: £3.7m), gain on current assets sales of £14.2m (2023: £12.2m), surplus on shared ownership sales £0.1m (2023: £2.3m), a surplus on social housing lettings of £4.2m (2023: £5.0m).

Joint venture activity resulted in a loss of £0.5m (2023: £0.6m) in the year as both the Balfron Tower Development and Aberfeldy New Village phase 3B has been completed 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 £24.1m up 48.6% on 2023 (£16.2m). The higher core-operating surplus is principally due to a gain on current assets sales of £14.2m (2023: 12.2mil).

£000s	2024	2023
Turnover £k	89,272	88,516
Operating surplus £k	24,987	17,469
Operating margin %	28%	20%
Core operating surplus £k 1	24,056	16,189
Core operating margin	27.0%	18.3%
Surplus on 1st tranche sales £k	906	2,258
Surplus on current assets sales	14,168	12,224
Debt per unit £k 2	62.1	54.9
Net assets £k	208,125	192,726

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 £11.1m for the year were down on year ended 2023 £12.2m.

GROUP STATEMENT OF FINANCIAL POSITION

The Group statement of financial position has strengthened as shown by the increase in net assets of £15.2m due to the £15.0m surplus after tax and a decrease in net pension liabilities of £0.2m. 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 2024 business plan results in 551 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



Environmental Impact

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

4,331 tonnes
of carbon dioxide equivalent (2023: 1,010 tonnes)

22.54 million kWh
of energy (2023: 11.4 million kWh)

Intensity ratio of
49.42
(2023: 11.4) based on tCO2e/£m



The above 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 issued via Poplar HARCA Capital Plc, an RPI-linked finance lease with M&G Investments for a mixed-use block (private and affordable rent), and variable bank funding from Allied Irish Bank and Santander as short-term Revolving Credit Facilities (RCF). Both drawn and undrawn RCFs are SONIA indexed.

TREASURY AND LIQUIDITY RISK

Poplar HARCA is committed to maintaining robust and proactive management of treasury and liquidity risks to ensure financial stability and operational efficiency. Our treasury strategy is designed to safeguard our financial health, support our long-term goals, and ensure sufficient liquidity to meet our obligations as they arise. We adopt a risk-averse approach to treasury management, engaging in transactions solely for risk control purposes and never for speculation.

There has been no change to our capital structure following the completion of the refinancing exercise in 2021/22. The bonds receive a coupon of 4.843%.

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

The Group continues to maintain a risk-averse approach to interest rate management. As of 31 March 2024, the group has £80 million of undrawn variable debt exposed to the risk of rising SONIA. Of the drawn debt, 6% pertains to variable rate RCFs, 16% to RPI-linked finance lease funding (£53.7 million), with RPI capped at 4%, and the remaining 79% to fixed rates. Our fixed debt falls within the Group policy to keep 50% to 80% of outstanding net debt at a fixed rate.

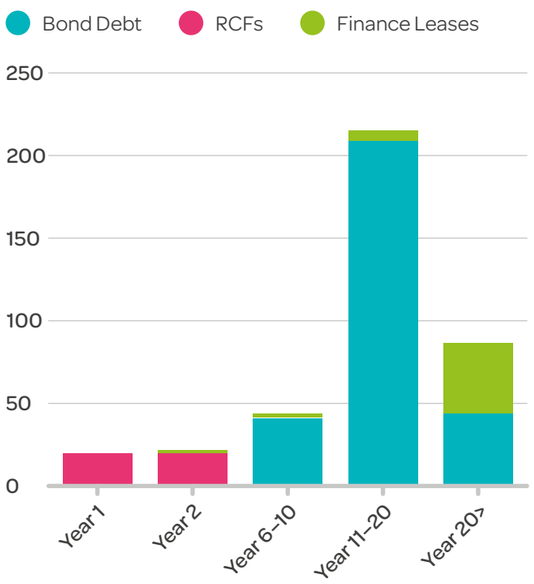
The Group does not currently have any interest rate hedging instruments. The debt funding is relatively long dated and is sufficient to fund the capital commitments from the development and assets management programmes.

TOTAL DEBT FUNDING 31 MARCH 2024



- Bond **£250m**
- Finance Leases **£53.7m**
- SONIA Indexed RCF Undrawn **£80m**
- Bond Premiums **£25.4m**
- SONIA Indexed RCF Drawn **£20m**

DEBT MATURITY PROFILE 31 MARCH 2024 (£M)





INFLATION AND OTHER ECONOMIC RISKS

The Board continues to prioritise strategies to enhance financial resilience in light of sector challenges and geopolitical uncertainties. The cost of repairs remains high, and our commitment to compliance risk management, especially concerning building safety, mould and damp, and new consumer standards, continues to influence operational costs. This commitment has contributed to an improvement in our credit rating. Poplar HARCA is now rated as A- investment grade with a stable outlook by Fitch (previously Baa2 by Moody's), primarily due to an improving financial profile in the mid-term.

Strategic capital allocation is a central focus going forward. We are committed to investing in our homes to mitigate key risks while simultaneously enhancing our data capabilities, particularly in asset management. This dual approach aims to alleviate increasing maintenance costs and maximize long-term value from our housing stock.

The Group's primary exposure to market sales is through shared ownership sales, with 112 new shared ownership properties due to complete in 2024/25. Exposure to market sales through Joint Ventures has decreased following the completion of Aberfeldy 3b. Investments in the Aberfeldy and Teviot Joint Ventures are not yet on site, and no market sale upside has been assumed in the business plan relating to regeneration. The Group remains open to exploring alternative methods of funding future regeneration and reducing balance sheet risk.

To manage business risks and ensure continuity, Poplar HARCA has:

- Undertaken a multi-scenario stress test of its long-term financial plan. All scenarios can be financed by existing funding arrangements after implementing the recovery plan.
- Exited from all development schemes that do not have underlying fixed price contracts.
- Enhanced financial resilience in relation to liquidity by continuing with RACO, reducing peak debt projections while maintaining existing debt facilities.

LOAN COVENANTS

The covenant limit for interest cover stands at 140%, which excludes capital repairs and therefore does not directly 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 2023/24 was 203% (2022/23: 168%). This year-on-year improvement underscores the Board's commitment to maintaining financial resilience.

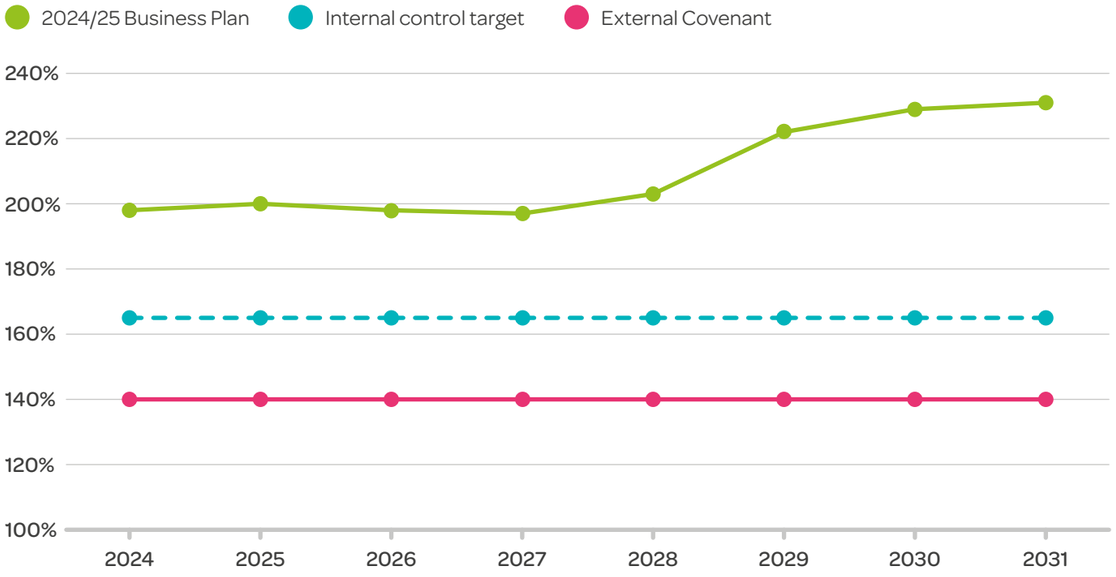
Our affordable rented homes were valued at over £707 million on an Existing Use Valuation – Shared Ownership basis, resulting in a gearing of 46% (2022/23: 49%). The covenant requirement is 80%. There have been no changes to the capital structure since last year, and there has been no material movement in gearing. Gearing under the current definition is not a financial covenant that presents material risk to the Group, and our stress testing shows significant resilience on this measure.

The chart below shows our projections of interest cover from the year ending 31 March 2024 through to 2030/31 under the current covenant definition.

The base case is materially in line with last year's Board-approved plan, demonstrating improved stability in the interest cover ratio (ICR) performance. There has been some reprofiling of capital expenditure and timing of completions for turn-key affordable home acquisitions based on updated information since the last plan. However, there is no dip in ICR during years one to four, and the plan shows stable ICR and consistent covenant headroom throughout this period.

Focus in terms of stress testing and loan covenants continues to be on interest cover. While our base case projections provide strong levels of headroom against external covenants, we conduct multi-variant stress testing to ensure preparedness for unforeseen challenges. This approach intentionally tests scenarios where severe stresses could potentially breach external covenants simultaneously. Even under such conditions, our resilience strategy ensures that only partial enactment of recovery measures would be necessary. This underscores Poplar HARCA's ability to effectively withstand financial shocks and economic headwinds.

INTEREST COVER FORECAST (BANK COVENANT DEFINITION)



Operational Performance and Satisfaction Levels

HOUSING MANAGEMENT

The ongoing cost of living crisis continues to affect many of our residents. 41% of tenants are receiving Universal Credit, but despite the financial crisis, arrears have remained stable.

A key indicator of our commitment to tenancy sustainment, no cases were referred to Court due to financial hardship. There was also a 51% increase in payment arrangements with resident leaseholders struggling to pay service charges.

We continue to identify those most vulnerable to the effects of financial hardship and provided over £2,000 in shopping vouchers as support for food poverty. We also distributed funds to assist with fuel bills.

Local demand for affordable housing remains overwhelming, with over 24,000 applications on the Tower Hamlets Common Housing Register. Over 1,100 Poplar HARCA tenant households are registered to move, with 53% experiencing overcrowding. 13% of these households need to be housed because of ongoing regeneration projects.

We let 145 homes to applicants from the Common Housing Register: 82 were experiencing overcrowding, 14 were under-occupying, and 20 have long-term limiting health conditions and disabilities.

66 Poplar HARCA tenant households moved home. 30 were experiencing overcrowded, 11 under-occupying and 3 with long-term limiting health conditions and disabilities. (NB: applicants may have multiple needs e.g. overcrowding and disability).

We now have 21 'Housing First' clients. These clients are supported to sustain tenancies direct from street-sleeping.

Listening to residents continues to be fundamental. 115 Estate Board Members across our 12 estates have attended 49 meetings hosted by our Housing Officers.

We have administered 20 successions and 10 mutual exchanges; and signed-up 115 new tenants.

242 individuals have been supported by our Safeguarding Team, with almost a quarter (57 cases) experiencing domestic abuse.

We logged 678 reports of anti-social behaviour. Most cases are resolved through informal intervention. However, when that approach did not work or the matter was more serious, our actions to tackle the ASB included 195 ASB warnings, 287 sweeps recovering 29 weapons, 60 verbal and 56 written warnings, 6 acceptable behaviour agreements, an injunction, and a Suspended Possession Order. Whilst eviction remains a last resort, 3 evictions this year were the result of extremely serious cases.

We introduced a new Safeguarding role this year. Our Community Safeguarding Manager focuses on identifying young people at risk of falling into the criminal justice system. The role aims to provide a positive alternative to formal enforcement and has successfully intervened with 10 young people.

We also now have an in-house legal resource. The new Director of Legal Services is providing dedicated advice and support direct to the Housing Team. This is speeding-up our responses so enhancing our early intervention approach.

TECHNICAL AND ESTATE SERVICES

Resident satisfaction with repairs remains top quartile, with transactional surveys reporting 94.9% satisfaction. In the financial year we completed over 26,590 repairs (2023: 25,384) and carried out more than 12,000 safety checks. It takes on average 8.5 days (2023: 8.2 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' program. 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 yet another busy and challenging year in Development.

In the financial year April 2023 to March 2024, we completed 76 affordable homes.

The new village centre at Aberfeldy is now a thriving location with The Feldy community centre fully opened together with the community café, Almari. Over the summer 2024, the GP surgery will move, the Co-op mini-market will open together with the Corner Bistro and a new pharmacy.



Planning permission has now been granted for the future phases of Aberfeldy which will deliver circa 1650 new homes. Scheme viability is now being tested as we work to a start on site in the summer of 2025.

The planning application for Teviot Estate Regeneration project was submitted at the end of May. The scheme will deliver circa 1900 new homes together with new greenspaces, retail and commercial spaces, a new mosque and improved infrastructure. We hope to achieve planning within the year which would lead to a start on site late 2025.

We have finalised redesign on the Chrisp Street regeneration scheme to accommodate second staircases and will submit planning in July 2024. The scheme will deliver 761 new homes, 50%. Subject to Planning approval we are targeting a start on site in the summer 2025.

Our Stroudley Walk development is progressing well and the frame to the main building is up to level 17. Completion is scheduled for late 2025. 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. Sales are complete at Jolles House and Landmark Pinnacle. We are now progressing sales at Poplar Riverside and One Thames Quay.

As can be seen from the above we have large and exciting development pipeline which is being carefully managed through a phased approach to reduce risk.

Our Fire safety remedial works programme has progressed well in the period, 27 buildings have been remediated, 5 buildings are on site and 11 buildings remain to be remediated. All remaining buildings are targeted to be on site by the end of 2024. We now have a full Building Safety team in place who are working through the Building Safety Act requirements, and we have registered all buildings and are currently preparing Building Safety Cases.

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 £6.3m (2023: £8.2m) was partially offset by external funding of £3.0m (2023: £2.9m) resulting in a net investment by Poplar HARCA of £3.3m for the year (2023: £5.3m).

SPOTLIGHT 23-24: OPEN TO INSPIRE

In 23-24, Spotlight has expanded to become a borough-wide initiative for youth activities, significantly increasing reach and impact among young people. It has successfully achieved all Key Performance Indicators (KPIs) for the LBTH Youth Service contracts and was granted an extension to the NE Quadrant contract. The team also passed all spot inspections by the LBTH youth service team, reflecting the high quality and effectiveness of our programmes.

We have secured continuation funding for targeted interventions on the Isle of Dogs through a hyper-local approach to youth violence and obtained funding for a serious youth violence intervention in Bethnal Green. Highlights of our work on this include mediation provided in two gang conflicts and five family disputes.

Across six youth centres, Spotlight has reached 2,911 young people, of which 814 were engaged through the detached youth provision. Joint activities with local youth group supported by Poplar HARCA benefited a further 1,996 youngsters.

The Health Spot initiative– our in-house youth-dedicated GP service- was extended to a second location in Tower Hamlets and franchised in the London Boroughs of Newham and Hackney. Now on its fourth year, it has become a highly trusted GP service by young people who feel let down by traditional GP surgeries. The Health Spot model caters to the specific need of young people for a youth-centred, youth needs-sensitive and accessible approach to local GP diagnosis and care.

The Youth Empowerment Board (YEB) has been active, with three members joining the NHS Violence Reduction Academy Youth Panel Advisory Group and collaborating quarterly with Queen Mary University researchers and NHS doctors. They completed two employability workshops with RSM Professional Services, offering tips on apprenticeships and internships. One member was accepted into a Medicine 'Meet and Greet' event with professors from Queen Mary and Cambridge University, while another was invited to speak at The Hill Group's 'Social Value Programme Board' for the Teviot Estate Development LLP. YEB was also invited by Scotland Yard to help reshape the 'Children and Young People's Strategy' and will attend a workshop at City Hall. Additionally, Moosa Miah, a YEB member who graduated to Poplar HARCAs Services Committee, was shortlisted for Young Leader of the Year Award at the London Youth Awards.

We implemented several targeted programmes, such as: Get Empowered: the NHS Diabetes – Spotlight, a youth-centric information programme highlighting type 1 and 2 diabetes, which involved 41 young people and led to independent sessions with partners. Under the Get Empowered theme, The Wellbeing Ambassadors (WBA) Programme saw all 66 ambassadors complete their training, with certificates to be awarded soon. This programme is currently active in eight schools.



As part of the Get Active programme, we have formed strategic partnerships with London Sport/Sweaty Betty, West Ham United, Steel Warriors, London FA, Middlesex Cricket, England Boxing, and Matchroom to promote youth activity. With one of our partners Get Out UK, we have managed to take 11 young people to a surfing trip at Margate beach.

Get Creative initiatives included a collaboration with renowned choreographer Adesola Akinleye during the October Half Term to bring Jyll Bradley's "The Hop" to life through dance. Spotlight also curated a youth-led Winter Festival featuring a DJ Clash live party, a podcast interview, and visual artwork exhibitions in collaboration with Numbi Arts. The week-long festival marked the first time that the youth took the lead in curating the event, setting a foundation for future festivals. Also offered were entry-level 'introduction to' programmes across various creative strands, such as Beat Making, Lyric Writing & Poetry, Soundtracks in Music, Soft Sculpture, Fashion & Sewing, Photography and Collage in Visual Art, and Theatre activities like Acting for Stage and Directing a Music Video. As a result, 26 young people achieved the Explore Arts Award Qualification, which was a significant accomplishment.



In early 2024, we have launched a new games room which was designed by the young people themselves with support from the Rangoonwala Foundation and McClaren.

We have also delivered a targeted schools programme in St. Paul's Way and Langdon Park secondary schools, focusing on young people at risk of exclusion.

As part of its staff development programme, Spotlight held a conflict resolution training attended by 27 staff members who completed a session on de-escalation technique. Finally, Spotlight has relaunched the volunteering programme as VIT (Very Important Team).

EMPLOYMENT & TRAINING 23-24: IMPROVING PATHWAYS TO EMPLOYMENT

Poplar HARCA operates in the London Borough of Tower Hamlets (LBTH), where 22% of the local population has no qualification, the third highest rate in London. Additionally, 22% of residents have poor English proficiency. The borough's economic inactivity rate is 25.6%, higher than London's average of 21.7%, and the unemployment rate for women is double the London average.



From August 2019 to April 2024, Poplar HARCA received £2.6m from the Greater London Authority to deliver 3,700 qualifications. We successfully targeted hard-to-reach community sectors, including care leavers, individuals over 50, neurodiverse groups, people with disabilities, and NEET young people.

In 2023-24, we trained 1,220 unemployed and 550 employed learners, with 20% aged over 50. Over 70% were from BAME communities, 13% had disabilities, and 12% were lone parents. Notably, 66% lacked basic English and Maths qualifications.

Over this period, we supported 224 people into jobs, combining those who achieved qualifications through our training schemes and those who, though unemployed, were ready for the job market. Our advisors ensured that their current skills matched the jobs they applied for, demonstrating our commitment to addressing specific needs and empowering individuals to achieve their goals.

Our bespoke training projects included a Women's Project, NHS Training Programmes, and Digital Inclusion schemes. Free conversation classes and English classes for skilled professionals working as cleaners enhanced language skills and confidence. Our efforts were acknowledged by OFSTED, with inspectors praising our outstanding support, nurturing environment, and excellent emotional support for learners with complex and mental health needs. They highlighted our commitment to helping learners believe in their potential and aim high.

A Matrix assessor also noted our staff's dedication to supporting clients in achieving their goals, which is recognised and appreciated by both clients and partners. The Hive, our employment and training services hub, provides comprehensive support through courses and personalised sessions, focusing on critical tasks like crafting personal statements.

Learners express high satisfaction with our services. A survey revealed that 100% of respondents rated our overall service as good, and 99% praised the subject knowledge and delivery style of tutors. Additionally, 98% reported increased confidence, and 91% noted improved career prospects. One trainee described the experience as highly enriching and supportive, fostering a sense of community.



Our service has won several accolades, including the UK National Housing Award for Best Employment and Training Service in 2021, commendation for work with migrants and refugees in 2021, and an OUTSTANDING rating by OFSTED in 2022. We received the Most Impactful Team Award through Clarion in 2023 and were shortlisted as a finalist for the MJ Awards in 2024 for our Women in Health scheme, in partnership with Barts Health NHS Trust and the London Borough of Tower Hamlets.

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 2023 to 31 March 2024:

Organisation	2024 £	2023 £
Access Sport	-	2,000
After School Club	5,000	-
APASEN	-	1,000
Arts Council England	-	2,620
Barts Health NHS Trust	98,052	48,000
Big Lottery Fund (Reaching Communities)	70,704	142,186
Boy Blue Room Hire	12,100	-
Brit Trust	-	5,000
British Canoeing	10,130	-
Build a Bike	4,167	-
Common Ground Co	12,212	-
Department for Work and Pensions (Kickstart)	-	85,562
East End Community Foundation	30,900	30,000
Garfield Weston Foundation	-	25,000
The Greater London Authority	570,000	879,881
European Social Fund	272,936	121,808
Grime Expose Project	18,066	-
Groundwork	-	26,000
London Borough of Tower Hamlets	692,838	730,615
London Marathon Fund	26,750	49,136
London Sport	8,000	3,983
London VRU	121,742	108,427
LPS Recharge	104,092	-
Mayor's Fund for London	4,000	-
Mentoring Activities propel-Active	15,000	-
AEG Present	1,500	-
Morgan Stanley	600	-
Mount Anvil	10,000	-
Need to Succeed	8,180	-
One Housing	-	1,000
Peabody Trust	-	-
Public Health	51,620	67,500
Queen Mary University of London	7,700	-
Rangoonwala Foundation	22,500	15,000
Refugio Project	4,500	-
Safe East Rom Recharge	11,250	-
South Gloucestershire College	81,510	63,177
SPWC Nursery	51,395	-
Sureserve Foundation	10,000	-
Sustrans	3,510	-
Sport England	-	10,000
Teviot Estate Development LLP	41,000	42,000
Youth Social Prescriber	60,597	-
University of East London	9,229	-
	2,451,780	**2,459,895**

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 Corporate Strategy affirms that our purpose is to create opportunities together that realise community potential through exceptional homes and thriving places, with social justice at our core. 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 "Achieving the Vision Strategy" targets.

The Finance Committee monitors performance against the action plan on a quarterly basis. The initial VFM 2026 targets were set using the June 2021 business plan. These five-year targets enabled the Board to hold itself to account against its financial projections. Inflation was significantly higher than anticipated so the Board agreed to revise several of the targets in 2023 to ensure that the VFM targets remain ambitious but also attainable after considering wider changes to the macro environment.

The first four targets below are from the "Achieving the Vision Strategy" which was incorporated into the Business Plan in 2021 to ensure sufficient financial capacity to deliver our corporate strategy. The remaining targets are from the VFM strategy.

		2021 target for 2026	2023 target for 2026	2024 actual	2026 forecast
1	Annual cost saving efficiency on service costs per year	1%	1%	Five year total savings integrated into 2024 Business Plan	
2	425 homes let at local housing allowance to homeless households or at market rent, by 2026 (Mixed Income Tenure Strategy, MITS) - excluding homes owned under finance lease	425	425	595	Target met
3	Sell 525 homes based on asset management criteria where disposal adds significant value relative to cost and planned maintenance obligations (Recycling Assets, Creating Opportunity, RACO)	525	525	525	Target met
4	Use RACO proceeds to buy new affordable housing through S106 opportunities at a ratio of 1.5 new for every property sold	1.5 ratio	1.5 ratio	1.5 ratio	Target met
5	Social housing cost per unit	£5,200	£6,000	£9,473	£6,454
6	Management cost per unit	£1,600	£1,600	£2,163	£1,982
7	EBITDA MRI	150%	150%	122%	150%
8	Gearing	50%	55%	59%	55%
9	Operating margin	20%	25%	28%	30%
10	Social housing cost per unit excluding the impact of capital works	*	£5,300	£6,687	£5,221

* Target introduced in 2023 due to the projected cost of the asset management programme, embedded within the Business Plan, including additional provision for risk and a buffer for unforeseen investment requirements.

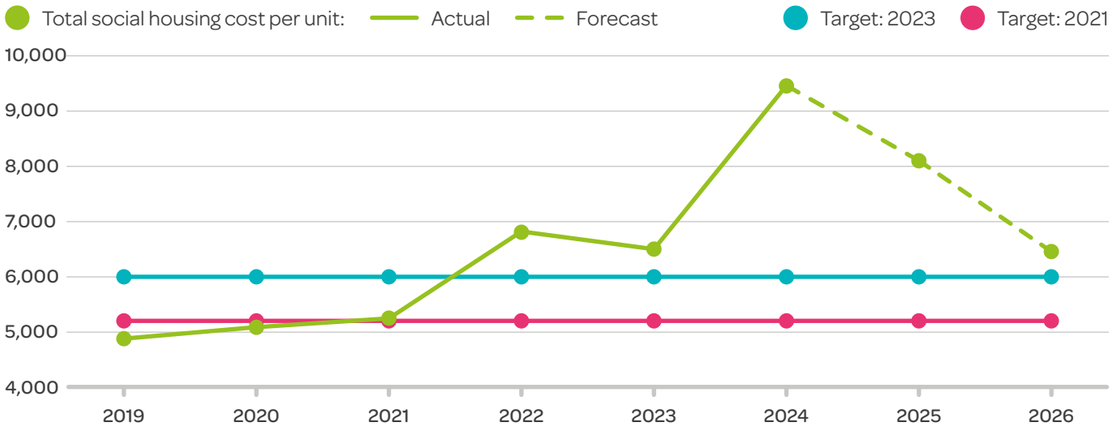
We are on track to meet or exceed most of the targets for 2026:

- The Mixed Income Tenure Strategy (MITS) has been successful and the 2026 target was met in 2024. The strategy diversifies our income to reduce the risk to our future operating margins. The Board continues to monitor the number of lettings at each meeting to ensure sufficient financial capacity and resilience to deliver our corporate strategy.
- The Recycling Assets, Creating Opportunity (RACO) programme fulfilled its lifetime target of 525 sales in 2024, having generated lifetime proceeds of £138.5m. RACO filled the income gap from rent reduction, disposed of uneconomic stock, and enabled the purchase and/or the facilitation of s106 new builds with a 1:1.5 ratio of sold to new homes over the lifetime of the programme. RACO has fully funded the construction of 778 units, including 80% of currently committed schemes. We continue to dispose of uneconomic stock with c. 68 further disposals required from April 2024 to fund the remainder of our committed schemes. The Board continues to monitor the performance of the RACO programme beyond the original target.
- The social housing cost per unit in 2024 exceeds the target and is expected to continue to do so in 2026. This is largely attributable to higher than anticipated investment in existing stock. The asset management programme provision across the life of the plan now meets the updated stock condition survey including a risk buffer. A clearer measure of underlying performance for social housing cost per unit is provided by the final target which excludes the impact of capital works. We are on track to meet this target by 2026 if we deliver cost saving efficiencies on management costs and service costs.
- The management cost per unit target was unchanged in 2023 when other targets were uplifted to recognise the high inflation since 2021 to keep a challenging and ambitious target. It may therefore be difficult to deliver sufficient cost saving efficiencies to meet this target. We will continue to target lower management costs, delivering savings where possible without compromising on service delivery.
- The EBITDA MRI has fallen this year and is forecast to further decrease in 2025 before recovering to the 150% target in 2026. This trend is largely driven by capitalised major works which are projected to decrease in 2026 from high levels in 2024 and 2025.
- Gearing is forecast to decrease from a high of 59% this year to hit the 55% target in 2026. Loan funding is expected to peak in 2025 before decreasing to within 1.5% of current levels in 2026. The decrease in gearing is instead driven by the ambitious development programme, with net assets expected to increase by 8% by 2026.

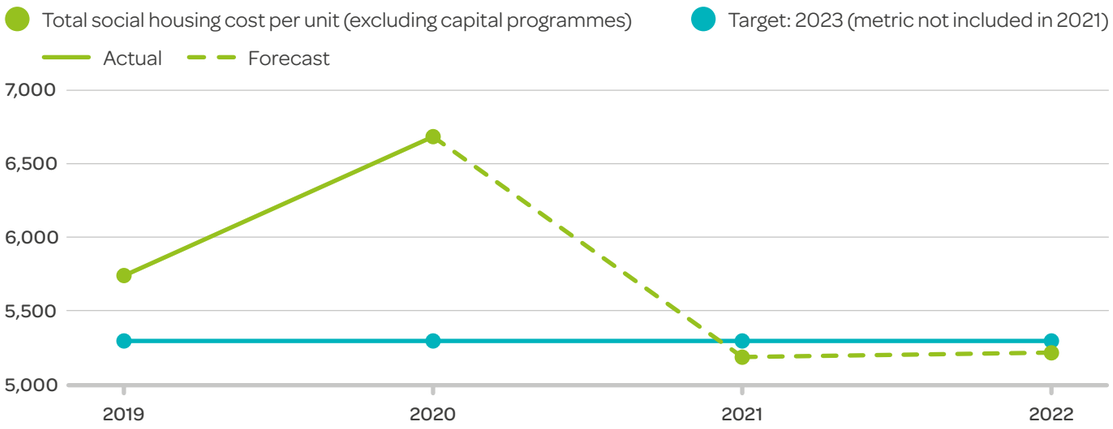
From 2026, there will be a new strategy to drive us to make the best possible use of resources in a markedly different macroeconomic and regulatory context to that prevailing when the original strategy was set in 2021.

The charts below show the latest projections to 2026 from our June 2024 business plan:

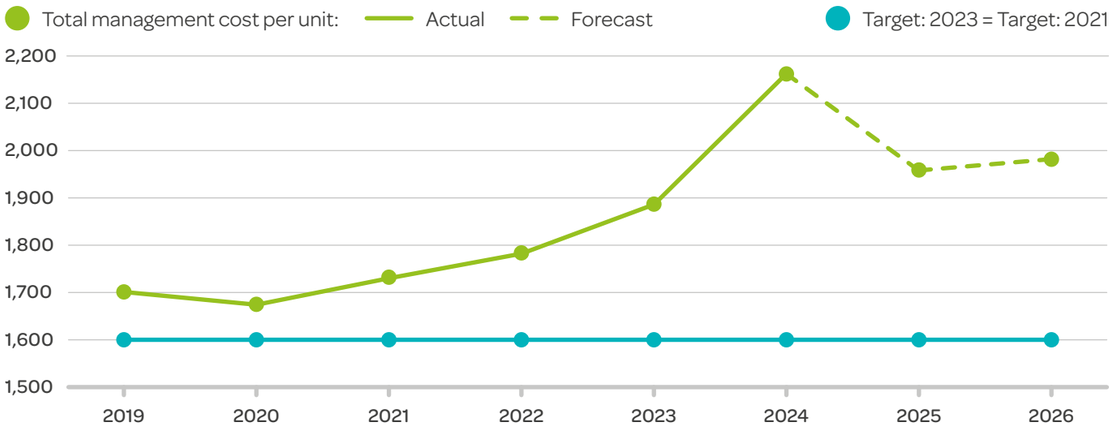
TOTAL SOCIAL HOUSING COST PER UNIT



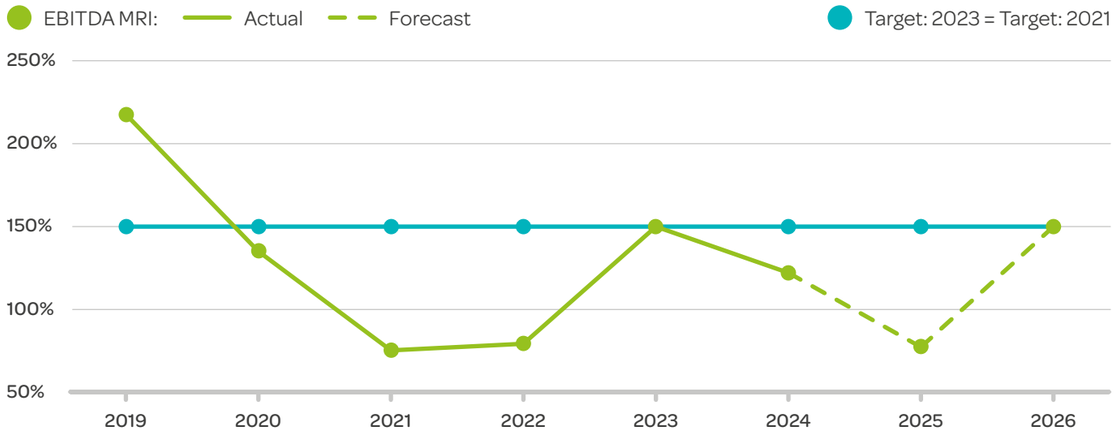
TOTAL SOCIAL HOUSING COST PER UNIT (EXCLUDING CAPITAL PROGRAMMES)



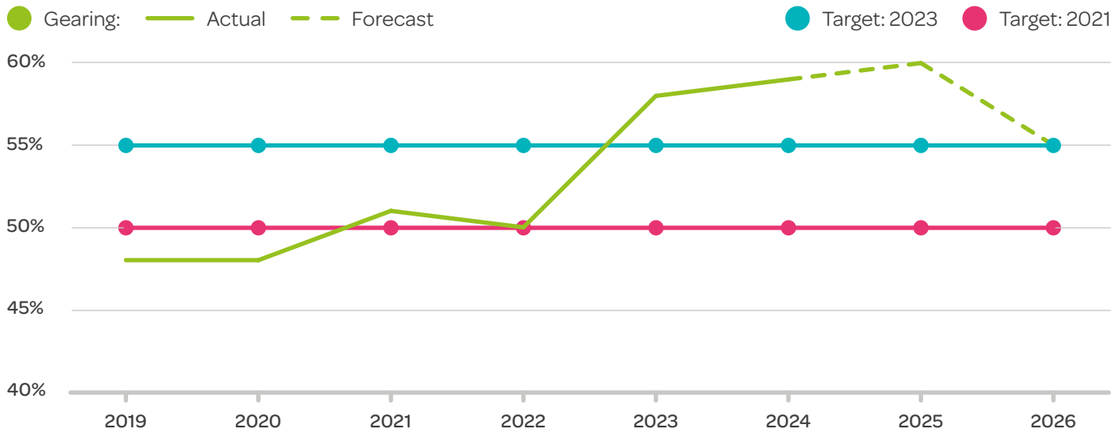
TOTAL MANAGEMENT COST PER UNIT



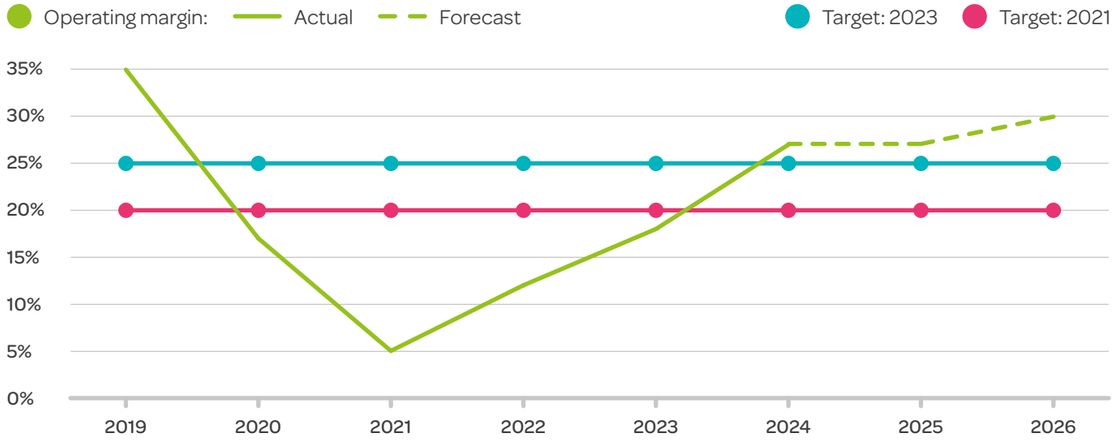
EBITDA MRI



GEARING



OPERATING MARGIN





Value For Money Scorecard

The table on the following page is the Poplar HARCA Value for Money Scorecard that compares performance against a 2023 peer group average (the 2024 peer group data 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 for performance benchmarking is the L12 group of medium sized housing providers in London which face similar challenges and are similar in size, location and stock portfolio.

Several of the performance measures that clearly align with the Poplar HARCA Corporate Strategy are mentioned above. The resident satisfaction is from September 2023 survey taken as part of the Tenant Satisfaction Measures. We target an upper quartile satisfaction result compared to peers.

Operating margin excluding surplus on disposals was 26.95% which is higher than the peer group average. The operating margin from social housing lettings (SHL) is lower than the peer group average but excluding depreciation the metric is 28.71% which is in line with the peer group average of 29.27%.

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 relatively intensive development strategy which proactively identifies development opportunities where this reduces the future need for expensive asset investment and maintenance works on existing blocks. During 23/24, The group invested in communities 21p of every £1 generated from operations. This metric has decreased as cash flow from operations was boosted by proceeds from disposals and changes in working capital.



Sector scorecard	**PH Group 2024**	**PH Group 2023**	**Peer Group 2023**
Business health			
Operating margin excluding surplus on disposals	26.95%	18.29%	13.43%
Operating margin- social housing lettings	8.22%	9.61%	13.28%
EBITDA MRI % interest cover 1	121.69%	149.61%	61.82%
Development- capacity and supply			
New supply delivered (absolute)			
• Units developed social housing units	76	30	-
• Units developed non-social housing units	-	235	-
New supply delivered (as % of units owned)			
• Units developed social housing units	1.38%	0.54%	1.32%
• Units developed non-social housing units	-	4.95%	0.11%
Gearing 2	58.77%	58.24%	39.96%
Outcomes delivered			
Resident satisfaction with services provided by landlord	83%	85%	-
Reinvestment % 3	12.66%	5.45%	4.36%
Investment in Communities (spend in year)	£6.3m	£8.2m	-
£s invested in Communities for every £ generated from operations	0.21	0.41	-
Effective asset management			
Return on capital employed 4	3.62%	3.07%	2.05%
Occupancy	99.6%	99.6%	-
Ratio of responsive repairs to planned maintenance	0.4	0.6	-
Operating efficiencies			
Headline social housing cost per unit without capitalised major repairs works	£6,687	£5,744	£5,722
Headline social housing cost per unit with capitalised major repairs works	£9,473	£6,499	£7,683
• Management cost per unit	£2,163	£1,886	£1,746
• Service charge cost per unit	£1,694	£1,514	£1,489
• Maintenance cost per unit	£1,851	£1,534	£1,961
• Major works cost per unit without capitalised major repairs works	-	-	£396
• Major works cost per unit with capitalised major repairs works	£2,786	£755	£1,961
• Lease costs per unit	£331	£301	£34
• Other social housing cost per unit	£648	£509	£95
Rent collected	99.4%	99.4%	99.9%

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: This remains a key risk for the Group. Historically, our stress testing has modelled a 20% decline in property prices and delays in sale completions. In response to current macroeconomic conditions, we have further enhanced our stress test by assuming no shared ownership sales and converting all units to affordable tenancies. Cross default risks are mitigated through joint ventures. While reductions in joint venture profits could impact cash flow, volatile accounting impacts are excluded from loan covenants. Direct sales risk related to Board-approved joint venture activities has been significantly reduced with the sale of almost all remaining units across Aberfeldy 3b by year end.
- Abortive Costs: Exiting or not proceeding with development contracts carries significant financial penalties. Poplar HARCA has reduced exposure by exiting schemes involving development risks. However, risks related to regeneration activities are still present, and these potential impacts are incorporated into our stress testing. The Audit and Risk Committee and Board continue to assess abortive cost risk profiles throughout the year.
- Cyber-Security Risk: Business interruption due to a cyber-security attack is now a top risk on our risk map. Our stress test includes an annual provision of £1.5 million to mitigate potential impacts. We have implemented a robust Business Continuity Plan and Disaster Recovery Plan to manage this risk effectively.
- Rent Collection: Despite our strong performance in rent collection, we remain vigilant about the cost of living crisis and its potential impact on rental arrears. Uncertainty remains regarding the extent of the impact on rental income collection. Our stress testing includes scenarios with doubled bad debts to prepare for multiple stress situations.



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 ongoing to prepare Building Safety Cases for our High Rise Residential Buildings (HRRBs) for submission to the Building Safety Regulator as required by the Building Safety Act. The Building Safety Cases are prepared by our Building Fire Safety Team with input and oversight by a cross-directorate Fire Safety Working Group. Work to manage out the risks in line with the recommendations of the fire risk assessment reports continues. Fire work figures are presented to the Services and Health and Safety Committees 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 where the programme of works is largely dictated by the associated developers with whom we are working on the exact remediation requirements and programme.

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 had ten 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. Our next review in Q3 2024 will provide an updated view.

Currently three board members are serving an extension to their third term agreed as part of the merger process. The decision to extend the tenure for each member was decided on individual merit and it was agreed that this was in the organisation's best interest. Now that the merger will no longer proceed, two of the three will now retire in September 2024 and the final member, the Chair, will retire in March 2025.

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. We are currently rated at G1 for governance, and V2 for viability. We are anticipating an in-depth assessment in early 2025. 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
- Matthew Rowe (retired September 2023)
- 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 nine Board members, two are local residents and two are former residents. Two 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. At 31 March 2024 the Board had a gender balance of 55% female, 45% male, and a broad distribution of members across age brackets (as below).

18-25	26-45	46-64	65+
0	6	2	1

We will continue to work on broadening the Board's ethnic diversity; currently the Board has four 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 an annual 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 2023.

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 next review is scheduled for Q3 2024.

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 90% Board attendance.

- **Finance Committee**

  The Finance and Investment 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



Simran Soin
Interim Director of Finance



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 2023-24 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**
   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

In accordance with Section 487 of the Company Act 2006, the auditor will be deemed to be reappointed and MacIntyre Hudson LLP trading as MHA as auditors will therefore continue office.

STRATEGIC AND DIRECTOR'S REPORT

The strategic report and statement of the Board's responsibilities was approved on 17 September 2024.

By order of the Board



Dr Paul Brickell

Date: 17 September 2024

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 2024, 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 2024 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 32, 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
Milton Keynes

Chartered Accountants
Statutory Auditors

Date: 24/09/2024

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 2024

	Notes	GROUP 2024 £'000	GROUP 2023 £'000	ASSOCIATION 2024 £'000	ASSOCIATION 2023 £'000
Turnover	*2a*	89,272	88,516	87,958	88,631
Cost of sales	*2a*	(3,726)	(14,002)	(3,726)	(14,002)
Operating costs	*2a*	(61,489)	(58,325)	(57,408)	(57,939)
Share of operating (loss)/surplus of joint ventures	*2a, 16*	(530)	611	-	-
Write down of investment in joint ventures	*16*	-	(3,050)	-	-
Gain /(Loss) on disposal of fixed assets and investment property	*2a, 5*	1,460	3,719	1,460	3,719
Change in value of investment property	*14*	-	-	-	-
Operating surplus	*2a*	**24,987**	**17,469**	**28,284**	**20,409**
Interest receivable and similar income	*6*	1,295	1,709	1,464	1,959
Interest payable and similar charges	*7*	(11,110)	(12,242)	(11,110)	(12,242)
Surplus before tax	*4*	**15,172**	**6,936**	**18,638**	**10,126**
Tax on surplus on ordinary activities	*10*	(191)	226	-	-
Surplus for the year		**14,981**	**7,162**	**18,638**	**10,126**
Gift Aid payment				(3,500)	
Other comprehensive income					
Re-measurement of pension schemes	*8*	227	6,057	227	6,057
Total comprehensive income for the year		**15,208**	**13,219**	**15,365**	**16,183**

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 2024

	Notes	GROUP 2024 £'000	GROUP 2023 £'000	ASSOCIATION 2024 £'000	ASSOCIATION 2023 £'000
Fixed assets					
Housing properties	*11*	581,903	520,683	581,903	520,683
Other fixed assets	*12*	11,827	12,542	11,827	12,542
Intangible assets	*13*	431	439	431	439
Investment in commercial properties	*14*	59,848	59,848	54,679	54,679
Investment in subsidiaries	*15*	-	-	50	8,884
Joint ventures	*16*	1,396	11,113	-	-
		655,405	**604,625**	**648,890**	**597,227**
Current assets					
Stock	*17*	12,084	10,585	12,084	10,585
Debtors falling due within one year	*18*	14,621	12,954	23,401	22,697
Debtors due after more than one year	*18*	17,920	11,972	21,495	15,117
Short term investment	*20*	6,603	6,586	6,603	6,586
Cash and cash equivalents	*19*	4,879	25,155	874	21,647
		56,107	**67,252**	**64,457**	**76,632**
Creditors: amounts falling due within one year	*23*	(22,062)	(18,472)	(21,672)	(18,392)
Net current assets		**34,045**	**48,780**	**42,785**	**58,240**
Total assets less current liabilities		**689,450**	**653,405**	**691,675**	**655,467**
Creditors: amounts falling due after more than one year	*24*	(481,453)	(459,683)	(481,355)	(459,579)
Provisions for liabilities	*25*	(63)	(996)	(63)	(996)
Net Assets		**207,934**	**192,726**	**210,257**	**194,892**
Reserves					
Income and expenditure reserve		204,934	188,726	206,257	190,892
Revaluation reserve		4,000	4,000	4,000	4,000
Total reserves		**207,934**	**192,726**	**210,257**	**194,892**

These financial statements were approved by the Board of Directors on 17 September 2024 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 2024

GROUP

	Notes	Called up share capital £'000	Revaluation reserve £'000	Income and expenditure reserve £'000	Total equity £'000
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 1 April 2023		**-**	**4,000**	**188,726**	**192,726**
Surplus for the year after tax		-	-	14,981	14,981
Re-measurement of pension scheme	*8*	**-**	**-**	**227**	**227**
Balance at 31 March 2024		**-**	**4,000**	**203,934**	**207,934**

ASSOCIATION

	Notes	Called up share capital £'000	Revaluation reserve £'000	Income and expenditure reserve £'000	Total equity £'000
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
Surplus for the year after tax		-	-	18,638	18,638
Gift aid payment		-	-	(3,500)	(3,500)
Re-measurement of pension scheme	*8*	-	-	227	227
Balance at 31 March 2024		**-**	**4,000**	**206,257**	**210,257**

Consolidated Cash Flow Statement

for the year ended 31 March 2024

	Notes	2024 £'000	2023 £'000
Net cash received from operating activities	*21*	**29,676**	**19,308**
Cash flows from investing activities			
Cash paid for construction and purchase of housing properties		(58,656)	(33,647)
Purchase of other fixed assets		(696)	(830)
Proceeds from sale of housing properties		3,451	8,251
Grant repaid		(297)	(19)
Distribution received from the joint venture		352	-
Loan paid and returned from joint ventures		(6,684)	12,952
Grants received		7,194	15,456
Interest received		630	127
Net cash flows from investing activities		**(54,706)**	**2,290**
Cash flows from financing activities			
Interest paid		(12,425)	(12,066)
Loan breakage cost paid		-	-
Interest element of finance lease rental payments		(2,437)	(2,445)
Capital element of finance lease rental payments		(348)	(350)
New borrowing		20,000	-
Arrangement fee paid		(36)	-
Net cash paid in financing activities		**4,754**	**(14,861)**
Net cash (decrease)/increase in cash and cash equivalents		**(20,276)**	**6,737**
Cash and cash equivalents at beginning of year		**25,155**	**18,418**
Cash and cash equivalents at end of year	*22*	**4,879**	**25,155**

Notes to the Financial Statements for the year ended 31 March 2024

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 five subsidiaries; Poplar HARCA (Developments) Limited, Poplar HARCA Projects Limited, Communities & Neighbourhoods Trust, Poplar HARCA Capital PLC and Leaside Business Centre Management Limited.

The Communities & Neighbourhoods Trust registered with Charity Commission for England and Wales and rest 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 2024/25 and forecast for future years and based on normal strategic business planning and control procedures, and following the 17 September 2024 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, Communities & Neighbourhoods Trust, 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
Communities and Neighbourhoods Trust	20 February 2024	100%	Registered Charity with Chairty Commission for England and Wales	Provision of local communities' services

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.

- **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

DEPRECIATION (CONT.)

Component	Useful Life (Assets capitalised prior to 1 April 2015)	Useful Life (Assets capitalised from 1 April 2015)
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
Photovoltaics	N/A	25 years
Carbon Monoxide & Smoke Detectors	N/A	10 years
***Block enhancements**	N/A	20 years
***CCTV Security**	N/A	10 years
***Door entry system**	N/A	10 years

*A new component block enhancement, CCTV/Security and Door entry system 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 on housing properties during their construction period up to the date of completion of each project. This includes interest on borrowings specifically intended to finance a project, as well as a portion of net borrowings that are considered to be financing a project. This treatment applies regardless of the original purpose for which the loan was obtained.

For the year ended 31 March 2024, interest has been capitalized at an average incremental borrowing rate of 6.7%. This rate reflects the variable interest rate on revolving credit facilities drawn to directly finance qualifying capital assets. In the previous financial year, the rate used was 4.02%, representing the weighted average cost of capital on the Group's borrowings used to finance housing property developments before utilising variable rate facilities.

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

A service level agreement has been agreed between the Poplar HARCA and The Communities & Neighbourhoods Trust (CaN Trust). Poplar HARCA carries on all the CaN Trust activities and recharge the net cost to CaN Trust at year end.

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"). 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 publicly 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 2024 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 2024, there was no impairment was recognised on the Investment in joint ventures. In determining the recoverable amount of the investment, an estimation of sales value for the outright sales units 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 2024 – Directors' valuation
  - 31 March 2023 – Directors' valuation
  - 31 March 2022 – External professional 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	2024					2023				
	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	44,598	-	(43,137)	-	1,461	40,558	-	(38,577)	-	1,981
Shared ownership	3,812		(589)		3,223	3,101		(414)		2,687
	48,410	**-**	**(43,726)**	**-**	**4,684**	**43,659**	**-**	**(38,992)**	**-**	**4,668**
Amortised government grants	3,114	-	-	-	3,114	3,189	-	-	-	3,189
Refurbishment administration	-	-	(6,158)	-	(6,158)	-	-	(5,097)	-	(5,097)
Refurbishment administration costs capitalised	-	-	2,594	-	2,594	-	-	2,283	-	2,283
	51,524	**-**	**(47,290)**	**-**	**4,234**	**46,848**	**-**	**(41,805)**	**-**	**5,043**
Other social housing activities										
Shared ownership sales – First tranche	2,019	(1,113)	-	-	906	7,488	(5,230)	-	-	2,258
Current assets sales	16,781	(2,613)	-	-	14,168	15,080	(2,856)	-	-	12,224
Land sales	-	-	-	-	-	-	(5,916)	-	-	(5,916)
Gain(loss) on disposal of fixed assets and investment property	-	-	-	1,460	1,460	-	-	-	3,719	3,719
	18,800	**(3,726)**	**-**	**1,460**	**16,534**	**22,568**	**(14,002)**	**-**	**3,719**	**12,285**
Non-social housing activities										
*Community regeneration	-	-	(3,293)	-	(3,293)	2,862	-	(8,172)	-	(5,310)
Garages and commercial properties	1,229	-	(210)	-	1,019	1,206	-	(120)	-	1,086
Market rent	3,081	-	(267)	-	2,814	2,910	-	(380)	-	2,530
Other	7,541	-	(2,781)	-	4,760	7,001	-	(3,344)	-	3,657
leaseholders	7,097	-	(7,648)	-	(551)	5,121	-	(4,504)	-	617
Change in value of investment property	-	-	-	-	-	-	-	-	-	-
Share of operating surplus/(loss) of joint ventures	-	-	-	(530)	(530)	-	-	-	611	611
Write down of investment in joint ventures	-	-	-	-	-	-	-	-	(3,050)	(3,050)
	18,948	**-**	**(14,199)**	**(530)**	**4,219**	**19,100**	**-**	**(16,520)**	**(2,439)**	**141**
Total	**89,272**	**(3,726)**	**(61,489)**	**930**	**24,987**	**88,516**	**(14,002)**	**(58,325)**	**1,280**	**17,469**

*Community Regeneration of £6.3m (2023: £8.2m) was partially offset by external funding of £3.0m (2023: £2.9m) resulting in a net investment by Poplar HARCA Group of £3.3m for the year (2023: £5.3m).

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

ASSOCIATION	2024					2023				
	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	**44,598**	**-**	**(43,137)**	**-**	**1,461**	**40,559**	**-**	**(38,577)**	**-**	**1,982**
Shared ownership	**3,812**	**-**	**(589)**	**-**	**3,223**	**3,010**	**-**	**(414)**	**-**	**2,687**
	48,410	**-**	**(43,726)**	**-**	**4,684**	**43,660**		**(38,991)**		**4,669**
Amortised government grants	**3,114**	**-**	**-**	**-**	**3,114**	**3,189**	**-**	**-**	**-**	**3189**
Refurbishment administration	**-**	**-**	**(6,158)**	**-**	**(6,158)**	**-**	**-**	**(5,097)**	**-**	**(5,097)**
Refurbishment administration costs capitalised	**-**	**-**	**2,594**	**-**	**2,594**	**-**	**-**	**2,283**	**-**	**2,283**
Refurbishment administration recharged to Group Company	**131**	**-**	**-**	**-**	**131**	**320**	**-**	**-**	**-**	**320**
	51,655		**(47,290)**		**4,365**	**47,169**	**-**	**(41,805)**	**-**	**5,364**
Other social housing activities										
Shared ownership sales – First tranche	**2,019**	**(1,113)**	**-**	**-**	**906**	**7,488**	**(5,230)**	**-**	**-**	**2,258**
Current assets sales	**16,781**	**(2,613)**	**-**	**-**	**14,168**	**15,080**	**(2,856)**	**-**	**-**	**12,224**
Land sales	**-**	**-**	**-**	**-**	**-**	**-**	**(5,916)**	**-**	**-**	**(5,916)**
Gain(loss) on disposal of fixed assets and investment property	**-**	**-**	**-**	**1,460**	**1,460**	**-**	**-**	**-**	**3,719**	**3,719**
	18,800	**(3,726)**	**-**	**1,460**	**16,534**	**22,568**	**(14,002)**	**-**	**3,719**	**12,285**
Non-social housing activities										
Community regeneration	**-**	**-**	**-**		**-**	**2,862**	**-**	**(8,172)**	**-**	**(5,310)**
Garages and commercial properties	**786**	**-**	**(91)**		**695**	**950**	**-**	**(22)**	**-**	**928**
Market rent	**3,081**	**-**	**(267)**		**2,814**	**2,910**	**-**	**(380)**	**-**	**2,530**
Other	**6,539**	**-**	**(2,112)**		**4,427**	**7,051**	**-**	**(3,056)**	**-**	**3,995**
Leaseholders	**7,097**	**-**	**(7,648)**		**(551)**	**5,121**	**-**	**(4,504)**	**-**	**617**
Change in value of investment property	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Written down of investment in subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	17,503	**-**	**(10,118)**	**-**	**7,385**	**18,894**	**-**	**(16,134)**	**-**	**2,760**
Total	**87,958**	**(3,726)**	**(57,408)**	**1,460**	**28,284**	**88,631**	**(14,002)**	**(57,939)**	**3,719**	**20,409**

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

GROUP	General Needs £'000	Shared Ownership £'000	2024 Total £'000	2023 Total £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges and void losses	37,838	2,662	40,500	38,055
Service income	6,760	1,150	7,910	5,604
Amortisation of social housing and other capital grants	3,114	-	3,114	3,189
Total income from social housing lettings	**47,712**	**3,812**	**51,524**	**46,848**
Expenditure on lettings				
Services	(9,094)	(233)	(9,327)	(8,364)
Management	(11,717)	(191))	(11,908)	(10,422)
Responsive maintenance	(9,641)	(165)	(9,806)	(7,852)
Planned maintenance	(386)	-	(386)	(621)
Lease costs	(1,819)	-	(1,819)	(1,665)
Rent and service charges losses from bad debts	79	-	79	(420)
Depreciation of social housing properties	(10,558)	-	(10,558)	(9,647)
Refurbishment administration net of capitalised costs	(3,565)	-	(3,565)	(2,814)
Total expenditure on social housing lettings	**(46,701)**	**(589)**	**(47,290)**	**(41,805)**
Operating surplus on social housing letting activities	**1,011**	**3,223**	**4,234**	**5,043**
Rent losses from voids.			(300)	(867)

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

ASSOCIATION	General Needs £'000	Shared Ownership £'000	2024 Total £'000	2023 Total £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges and void losses	37,969	2,662	40,631	38,376
Service income	6,760	1,150	7,910	5,604
Amortisation of social housing and other capital grants	3,114	-	3,114	3,189
Total income from social housing lettings	**47,843**	**3,812**	**51,655**	**47,169**
Expenditure on lettings				
Services	(9,094)	(233)	(9,327)	(8,364)
Management	(11,717)	(191))	(11,908)	(10,422)
Responsive maintenance	(9,641)	(165)	(9,806)	(7,852)
Planned maintenance	(386)	-	(386)	(621)
Lease costs	(1,819)	-	(1,819)	(1,665)
Rent and service charges losses from bad debts	79	-	79	(420)
Depreciation of social housing properties	(10,558)	-	(10,558)	(9,647)
Refurbishment administration net of capitalised costs	(3,565)	-	(3,565)	(2,814)
Total expenditure on social housing lettings	**(46,701)**	**(589)**	**(47,290)**	**(41,805)**
Operating surplus on social housing letting activities	**1,142**	**3,223**	**4,365**	**5,364**
Rent losses from voids.			(300)	(867)

3. Housing stock

	GROUP 2024 No.	GROUP 2023 No.
Social housing accommodation		
General needs housing	4,788	4,873
Affordable rent	369	312
Low-cost home ownership	329	320
Intermediate market rent	19	20
Total social housing managed	**5,505**	**5,525**
Non-social housing managed		
Leaseholders	4,238	4,175
Market rent	357	332
Non-social other	238	241
Total non-social housing managed	**4,833**	**4,748**
Total units managed	**10,338**	**10,273**
Housing units in development pipeline	**551**	**628**

The group added 76 new social units under management (2023: 22 units), 22 units were converted to non-social (2023: 48 units) tenancies in line with Mixed Income Tenure Scheme strategy, and 72 units were sold (2023: 64 units) as part of Recycling Assets Creating Opportunity strategy.

4. Surplus on ordinary activities before tax

	GROUP 2024 £'000	GROUP 2023 £'000	ASSOCIATION 2024 £'000	ASSOCIATION 2023 £'000
Is stated after charging:				
Depreciation:				
• Housing properties	10,558	10,297	10,558	10,297
• Other fixed assets	841	1,190	841	1,190
Amortisation of intangible assets	8	8	8	8
Auditor's remuneration (excluding VAT):	79	74	79	74
Current service charges for pension scheme	74	134	74	134
Gain/(Loss) on disposal of fixed assets and investment property	1,460	3,719	1,460	3,719

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

	GROUP 2024 £'000	GROUP 2023 £'000	ASSOCIATION 2024 £'000	ASSOCIATION 2023 £'000
Disposal proceeds	1,329	2,794	1,329	2,794
Shared Ownership Subsequent Tranche proceeds	1,301	2,770	1,301	2,770
Cost of disposals	(1,170)	(1,846)	(1,170)	(1,846)
	1,460	**3,718**	**1,460**	**3,718**

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 (2023: £nil) was attributed to disposal proceeds.

6. Interest receivable and similar income

	GROUP 2024 £'000	GROUP 2023 £'000	ASSOCIATION 2024 £'000	ASSOCIATION 2023 £'000
Bank interest receivable	279	240	273	165
Other interest receivable	1,016	1,469	368	78
Interest received from group companies	-	-	823	1,716
	1,295	**1,709**	**1,464**	**1,959**

7. Interest payable and similar charges

	GROUP 2024 £'000	GROUP 2023 £'000	ASSOCIATION 2024 £'000	ASSOCIATION 2023 £'000
Interest expense and finance costs on liabilities at amortised cost	15,002	14,528	4,201	3,719
Interest payable to group companies	-	-	10,801	10,809
Interest on Recycled Capital Grant Fund	15	8	15	8
Interest on pension scheme liabilities	30	189	30	189
Interest capitalised in fixed assets	(3,937)	(2,483)	(3,937)	(2,483)
	11,110	**12,242**	**11,110**	**12,242**

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.

Interest charges at an average rate of 6.7% (2023: 4.02%) 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	
	2024 No.	2023 No.	2024 No.	2023 No.
Administration	61	57	61	57
Development	9	10	9	10
Housing, maintenance and estate services	194	179	194	179
	264	**246**	**264**	**246**
Community regeneration	85	85	85	85
	349	**331**	**349**	**331**

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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Administration				
Wages and salaries	3,786	3,516	3,786	3,516
Social security	441	426	441	426
Pension costs	199	164	199	164
	4,426	**4,106**	**4,426**	**4,106**
Development				
Wages and salaries	711	787	711	787
Social security	88	100	88	100
Pension costs	62	66	62	66
	861	**953**	**861**	**953**
Housing				
Wages and salaries	7,426	6,557	7,426	6,557
Social security	798	689	798	689
Pension costs	430	306	430	306
	8,654	7,552	8,654	7,552
	13,941	**12,611**	**13,941**	**12,611**
Community regeneration				
Wages and salaries	3,857	3,633	3,857	3,633
Social security	417	398	417	398
Pension costs	173	134	173	134
	4,447	**4,165**	**4,447**	**4,165**
	18,388	**16,776**	**18,388**	**16,776**

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	2024 No.	2023 No.
£60,000 to £70,000	11	18
£70,001 to £80,000	14	7
£80,001 to £90,000	10	10
£90,001 to £100,000	8	8
£100,001 to £110,000	4	4
£110,001 to £120,000	1	-
£120,001 to £130,000	1	1
£130,001 to £140,000	-	-
£140,001 to £150,000	1	1
£150,001 to £160,000	1	-
£160,001 to £170,000	2	1
£170,001 to £180,000	1	2
£180,001 to £190,000	-	-
£190,001 to £200,000	-	-
£200,001 to £210,000	-	-
£210,001 to £250,000	1	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	2024 £'000	2023 £'000
LGPS defined benefit scheme	3,046	2,041
SHPS defined benefit scheme	(3,109)	(3,037)
Net pension liability	**(63)**	**(996)**

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.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 29 February 2025 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 2024 £'000	31 March 2023 £'000
Fair value of plan assets	13,516	13,524
Present value of defined benefit obligation	16,625	16,561
Surplus (deficit) in plan	(3,109)	(3,037)
Total defined benefit liability to be recognised	**(3,109)**	**(3,037)**

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Defined benefit obligation at start of period	16,561	24,287
Current service cost	-	1
Expenses	11	11
Interest expense	798	666
Member contributions	34	80
Actuarial losses due to scheme experience	(91)	(418)
Actuarial losses due to changes in demographic assumptions	(170)	(36)
Actuarial losses due to changes in financial assumptions	(134)	(7,169)
Benefits paid and expenses	(384)	(861)
Total defined benefit obligation at end of period	**16,625**	**16,561**

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

	Period ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Fair value of plan assets at start of period	13,524	21,259
Interest income	668	592
Experience on plan assets (excluding amounts included in interest income)- gain(loss)	(1,056)	(8,254)
Contributions by the employer	730	708
Member contributions	34	80
Benefits paid and expenses	(384)	(861)
Total fair value of plan assets at end of period	**13,516**	**13,524**

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was £ (388,000).

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

	Period from 31 March 2023 to 31 March 2024 £'000	Period from 31 March 2022 to 31 March 2023 £'000
Current service cost	-	1
Expenses	11	11
Net interest expense	130	74
Total defined benefit costs recognised in statement of comprehensive income (SoCI)	**141**	**86**

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	(1,056)	(8,254)
Experience gains and losses arising on the plan liabilities – gain (loss)	91	418
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	170	36
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	134	7,169
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable)- gain (loss)	(661)	(631)
Total amount recognised in Other Comprehensive Income- gain (loss)	**(661)**	**(631)**

ASSETS

	31 March 2024 £'000	31 March 2023 £'000
Global Equity	1,347	252
Absolute Return	528	146
Distressed Opportunities	476	409
Credit Relative Value	443	510
Alternative Risk Premia	429	25
Emerging Markets Debt	175	73
Risk Sharing	791	996
Insurance-Linked Securities	70	341
Property	543	582
Infrastructure	1,365	1,545
Private Equity	11	-
Private Debt	532	602
Opportunistic Illiquid Credit	528	579
High Yield	2	47
Opportunistic Credit	-	1
Cash	267	98
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	87	408
Secured Income	404	621
Liability Driven Investment	5,500	6,229
Currency Hedging	(5)	26
Net Current Assets	23	34
Total assets	**13,516**	**13,524**

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 2024 % per annum	31 March 2023 % per annum
Discount Rate	4.91	4.86
Inflation (RPI)	3.14	3.19
Inflation (CPI)	2.78	2.77
Salary Growth	3.78	3.77
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 2024 Life expectancy at age 65 (years)	31 March 20223 Life expectancy at age 65 (years)
Male retiring in 2024	20.5	21.0
Female retiring in 2024	23.0	23.4
Male retiring in 2044	21.8	22.2
Female retiring in 2044	24.4	24.9

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 2023/24 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 2022/23-month end by adjusting the gild market-implied RPI rate for 2023/24 month ends by an inflation risk premium of 0.3 %p.a.

Retail Price Inflation (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 2023/24 disclosures, the Association implied inflation curve is based on the UK Mercer implied inflation curve. The Association maintained the same approach used single equivalent rate derived using UK Mercer implied inflation curve less an inflation risk premium of 0.3% p.a.

Consumer Price Inflation (CPI)

For the 2023/24 disclosures, The Association maintained the same approach as 2022/23. CPI derived from the RPI assumption above, less a single equivalent "gap" for the expected average difference between RPI and CPI over the long term, derived assuming an RPI/CPI gap of 1.0% p.a. before 2030 and 0% p.a. from 2030.

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.

Deferred revaluations

The assumption for revaluation of deferred pensions is set equal to the relevant inflation assumption, subject to the maximum annual cap. 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 2024, we have rolled forward the value of the Group's liabilities calculated for the funding valuation as at 31 March 2023, 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 2024 without completing a full valuation. However, we are satisfied that the approach of rolling forward the previous valuation data to 31 March 2024 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 2024 % p.a.	31 March 2023 % p.a.
Discount rate	4.85%	4.80%
Pension increases (CPI)	2.90%	2.85%
RPI inflation	3.30%	3.30%
Salary increases	3.90%	3.85%

These assumptions are set with reference to market conditions at 31 March 2024.

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.

In assessing future levels of long-term inflation, 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). To derive CPI assumption the Association 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, and flat over the initial short-end period up to the 3 year point. This is consistent with the approach used at the previous accounting date.

Consistent with past periods, our view remains that gilt-implied inflation rates are distorted by supply and demand factors at medium and longer terms. We allow for an IRP which varies by the term of the employer's liabilities with the resulting assumption falling between 0.0% p.a. and 0.25% p.a. (for terms ranging from 1 year 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 CPI will be on average 1.0% p.a. lower than RPI for the period up to 2030. 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 market-implied inflation from the Bank of England inflation curve thereafter. This results in an assumed gap between the two inflation measures of between 0.20% p.a. and 0.75% 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 2024-page 71 and Re-measurement in other comprehensive income-page 72 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 assumptions adopted for the funds' latest triennial funding valuations were the best estimate assumptions, therefore, the Association used the same assumptions as standard for accounting. The last actuarial valuation was at 31 March 2022.

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 2024	31 March 2023
Retiring today:		
Males	20.4	20.6
Females	23.4	23.6
Retiring in 20 years:		
Males	21.6	21.8
Females	24.2	24.5

EMPLOYER DURATION

The estimated Macaulay duration of the Employer as at the accounting date, using the assumptions set above is 14 years.

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 2023 valuation. An allowance for the most recently completed actuarial valuation have already been made at the previous accounting date.

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 2023 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 2024, as shown in in Asset and benefit obligation reconciliation for the year ended 31 March 2024-page 71 and Re-measurement in other comprehensive income-page 72.

OTHER CONSIDERATION

Impact of McCloud/Sargeant judgement

Regulations in respect of the McCloud and Sargeant judgements came into force on 1 October 2023.

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 2024.

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 2024.

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 make 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 2024

Net pension liability as at	31 March 2024 £'000	31 March 2023 £'000
Present value of the defined benefit obligation	15,174	15,056
Fair value of Fund assets (bid value)	(18,220)	(17,097)
Net defined benefit liability (Deficit)	**(3,046)**	**(2,041)**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

The amounts recognised in the Statement of Comprehensive Income:	2024 £'000	2023 £'000
Current Service cost	74	133
Net interest on the defined benefit liability/ (asset)	(100)	115
Administration expenses	5	5
Total Expenditure	**(21)**	**253**

ASSET AND BENEFIT OBLIGATION RECONCILIATION FOR THE YEAR ENDED 31 MARCH 2024

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	2024 £'000	2023 £'000
Opening defined benefit obligation	**15,056**	**21,810**
Current service cost	74	133
Interest cost	710	560
Change in financial assumptions	(8)	(7,393)
Change in demographic assumptions	(169)	(910)
Experience gain on defined benefit obligation	55	1,393
Estimated benefits paid net of transfers in	(567)	(560)
Contributions by Scheme participants	23	23
Closing defined benefit obligation	**15,174**	**15,056**

Reconciliation of opening and closing balances of the fair value of Fund assets	2024 £'000	2023 £'000
Opening fair value of Fund assets	**17,097**	**17,352**
Interest on assets	810	445
Return on assets less interest	766	(221)
Other actuarial gains/(losses)	-	1
Administration expenses	(5)	(5)
Contributions by employer	96	63
Contributions by Fund participants	23	23
Estimated benefits paid plus unfunded net of transfers in	(567)	(560)
Closing fair value of Fund assets	**18,220**	**17,097**

Asset Breakdown	2024		2023	
	£'000	%	£'000	%
Equities	11,032	59%	10,054	59%
Target Return Portfolio	3,143	19%	3,179	19%
Infrastructure	2,093	13%	2,163	13%
Property	1,667	10%	1,679	10%
Cash	285	0%	22	0%
Total	**18,220**	**100%**	**17,097**	**100%**

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2024 is 9.34% (2023:1.31%) as advised by the Fund.

The Employer's share of the assets of the Fund is approximately 0.23%. (2023:0.23%).

Sensitivity analysis	**£'000**	**£'000**	**£'000**
Adjustments to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	14,977	15,174	15,375
Projected service cost	71	73	74
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	15,183	15,174	15,165
Projected service cost	73	73	73
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	15,370	15,174	14,982
Projected service cost	75	73	71
Adjustment to life expectancy assumptions	+1 year	1 Year	-1 Year
Present value of total obligation	15,704	15174	14,663
Projected service cost	75	73	70

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)	**2024** £'000	**2023** £'000
Return on Fund assets in excess of interest	766	(221)
Other actuarial gains(losses) on assets	-	(1)
Change in financial assumptions	8	7,393
Change in demographic assumptions	169	910
Experience gain on defined benefit obligation	(55)	(1,393)
Total actuarial gain (losses)- recognised in other comprehensive income	**888**	**6,688**

PROJECTED PENSION EXPENSE FOR THE YEAR TO 31 MARCH 2025

Projections for the year to 31 March 2025	**2024** £'000
Service cost	73
Net interest on the defined liability and (asset)	(150)
Administration expenses	5
Total loss/Profit	**(72)**
Employer contributions	**96**

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2024. These projections are based on the assumptions as at 31 March 2024, 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	**2024** £'000	**2023** £'000
Re-measurement of the net assets/(defined liability) – Social Housing Pension Scheme	(661)	(631)
Re-measurement of the net assets/(defined liability) – Local Government Pension Scheme	888	6,688
Total Re-measurement of the (defined liability)/net assets recognised in Other Comprehensive Income	**227**	**6,057**

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:

	2024 £'000	**2023** £'000
Aggregate emoluments payable to the Corporate Management		
Salaries including bonuses	832	966
Employers national insurance contribution	109	132
Pension contributions	19	30
Benefit in kind	4	4
Total emoluments	**964**	**1,132**
Emoluments payable to the highest paid employee		
Salary including bonus	215	210
Employers national insurance contribution	29	30
Benefit in kind (car allowance)	4	4
Total emoluments	**248**	**244**

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 2024, 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

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Current tax				
Current tax on income for the period	-	-	-	-
Adjustments in respect of prior year	13	-	-	-
Tax charge/(credit)	**13**	**-**	**-**	**-**
Deferred tax				
Origination and reversal of timing differences	178	-		
Adjustment in respect of prior period	-	(121)	-	-
Deferred tax recognised on losses	-	(105)	-	-
	178	**(226)**	**-**	**-**
Tax on surplus on ordinary activities	**191**	**(226)**	**-**	**-**

The tax charge for the Group and Association is at 25% (2023: 19%), the standard rate of corporation tax in the UK as explained below.

TAX RECONCILIATION

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Surplus/(deficit) on ordinary activities before tax	19,345	6,936	18,638	10,126
Current tax at 25% (2023: 19%)	4,836	(1,318)	4,660	1,924
Effects of:				
Expenses not deductible for corporation tax	27	1,092	-	-
Income not taxable for tax purpose	(10,131)		(10,131)	(3,872)
Adjustments to brought forward values	62	-	62	12
Losses eliminated	5,409	-	5,409	-
Other permanent differences	-	-	-	(18)
Amounts (charged)/Credited directly to the STRGL or otherwise transferred	(42)			
Remeasurement of deferred tax for changes in tax rates	-	-	-	(617)
Movement in deferred tax not recognised	-	-	-	2,571
Exempt distribution income	(88)			
Adjustment in respect of prior periods (current & inter-co)	13			
Movement in deferred tax not recognised	105			
Total tax charge recognised in the Statement of Comprehensive Income	**191**	**(226)**	**-**	**-**

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 2024, 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, A deferred tax asset was previously recognised on the company's losses on the basis that there would be sufficient profitability in the company to utilise the losses. These are in relation to Property losses and management expenses carried forward.

The deferred tax movement in the year of £177,798 which recognised during the year consists of the movement on the losses utilised in the year of £292,981 (@25% = £73,245) and the change in the group relief per the submitted computation for FY2023 of £454,240 and the amount per the provisional FY2023 computation of £36,025 resulting in a net change of £418,215 (@25% £104,554).

Poplar HARCA Developments Limited has recognised a deferred tax liability of £62,414 in year end March 2022 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 £'000	Low-cost home ownership £'000	Non-social housing lettings £'000	Social housing lettings £'000	Low-cost home ownership £'000	Non-social housing lettings £'000	Total £'000
Cost							
At 1 April 2023	102,788	27,990	6,912	427,202	42,831	27,885	635,608
Acquisitions and new build	38,846	17,645	1,825	-	-	-	58,316
Capitalised repairs	-	-	-	15,335	-	-	15,335
Reclassification from OFA	-	-	-	-	-	570	570
Disposals – voluntary sales	-	-	-	(3,045)	(581)	-	(3,626)
Components written off	-	-	-	(458)	-	-	(458)
Transfer to completed housing properties	(30,419)	(4,305)	-	30,419	4,305	-	-
At 31 March 2024	**111,215**	**41,330**	**8,737**	**469,453**	**46,555**	**28,455**	**705,745**
Depreciation							
At 1 April 2023	-	-	-	104,800	2,757	7,368	114,925
Charge for the period	-	-	-	9,123	829	787	10,739
Disposals – voluntary sales	-	-	-	(1,573)	(62)	-	(1,635)
Components written off	-	-	-	(187)	-	-	(187)
At 31 March 2024	**-**	**-**	**-**	**112,163**	**3,524**	**8,155**	**123,842**
Net book value							
At 31 March 2024	**111,215**	**41,330**	**8,737**	**357,290**	**43,031**	**20,300**	**581,903**
At 1 April 2023	102,788		27,990	6,912	322,402	20,517	

11. Fixed assets: housing properties - Association

	PROPERTIES UNDER CONSTRUCTION			PROPERTIES HELD FOR LETTINGS			
	Social housing lettings £'000	Low-cost home ownership £'000	Non-social housing lettings £'000	Social housing lettings £'000	Low-cost home ownership £'000	Non-social housing lettings £'000	Total £'000
Cost							
At 1 April 2023	102,788	27,990	6,912	427,202	42,831	27,885	635,608
Acquisitions and new build	38,846	17,645	1,825	-	-	-	58,316
Capitalised repairs	-	-	-	15,335	-	-	15,335
Reclassification from OFA	-	-	-	-	-	570	570
Disposals – voluntary sales	-	-	-	(3,045)	(581)	-	(3,626)
Components written off	-	-	-	(458)	-	-	(458)
Transfer to completed housing properties	(30,419)	(4,305)	-	30,419	4,305	-	-
At 31 March 2024	**111,215**	**41,330**	**8,737**	**469,453**	**46,555**	**28,455**	**705,745**
Depreciation							
At 1 April 2023	-	-	-	104,800	2,757	7,368	114,925
Charge for the period	-	-	-	9,123	829	787	10,739
Disposals – voluntary sales	-	-	-	(1,573)	(62)	-	(1,635)
Components written off	-	-	-	(187)	-	-	(187)
At 31 March 2024	**-**	**-**	**-**	**112,163**	**3,524**	**8,155**	**123,842**
Net book value							
At 31 March 2024	**111,215**	**41,330**	**8,737**	**357,290**	**43,031**	**20,300**	**581,903**
At 1 April 2023	102,788	27,990	6,912	322,402	40,074	20,517	520,683

Included in Group's acquisitions during the year is capitalised interest of £3,937k (2023: £2,483k). 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 2024 therefore no impairment cost on housing properties was recognised for the current financial year (2023: 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 2023	11,245	1,412	9,461	1,772	1,594	25,484
Additions	30	26	548	72	20	696
Reclassification to FA					(570)	(570)
Transfer to completed assets		8	85	-	(93)	-
At 31 March 2024	**11,275**	**1,446**	**10,094**	**1,844**	**951**	**25,610**
Depreciation						
At 1 April 2023	1,297	1,300	9,009	1,336	-	12,942
Charge for the period	262	78	298	203	-	841
At 31 March 2024	**1,559**	**1,378**	**9,307**	**1,539**	**-**	**13,783**
Net book value						
At 31 March 2024	**9,716**	**68**	**787**	**305**	**951**	**11,827**
At 1 April 2023	9,948	112	452	436	1,594	12,542

13. Intangible assets

	Group and Association £'000
Cost	
At 1 April 2023	493
Franchise licence fee	-
At 31 March 2024	**493**
Amortisation	
At 1 April 2023	54
Charge for the period	8
At 31 March 2024	**62**
Net book value	
At 31 March 2024	**431**
At 1 April 2023	439

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

GROUP 2024	Total £'000
Balance at 1 April 2023	59,848
Additions	-
Disposals	-
Change in fair value	-
Balance at 31 March 2024	**59,848**

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

ASSOCIATION 2024	Total £'000
Balance at 1 April 2023	54,679
Additions	-
Disposals	-
Change in fair value	-
Balance at 31 March 2024	**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 in 2021/2022 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. In 2021/2022 a professional independently valuation was obtained 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 (2023: £46,460k). The historical costs of investment were £44,700k (2023: £44,700k).

15. Investment in subsidiary companies

	ASSOCIATION	
	2024	2023
	£'000	£'000
Poplar HARCA Capital PLC	50	50
Poplar HARCA (Developments) Limited	-	8,834
	50	**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.

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.

This investment was funded in the form of capital contribution from the parent company being Poplar HARCA Ltd. The £8.8m investment was relates to land in Aberfeldy which was reversed during the year and now been capitalised to existing affordable housing properties in parent company , Poplar HARCA

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.

16. Joint ventures (continued)

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

	2024			
	Aberfeldy	Balfron	Teviot Estate	Total
	£'000	£'000	£'000	£'000
Share of profit (loss) from joint ventures	**(530)**	**-**	**-**	**(530)**
Share of:				
Gross assets	9,302	31,506	3,635	44,443
Gross liabilities	(7,906)	(31,506)	(3,635)	(43,047)
Net assets	**1,396**	**-**	**-**	**1,396**
As at 1 April 2023	11,113	-	-	11,113
Reclassification to affordable housing properties	(8,835)	-	-	(8,835)
Share of profit/(loss) from joint ventures	(531)	-	-	(531)
Distribution paid during the year	(351)	-	-	(351)
Investment in joint ventures	**1,396**	**-**	**-**	**1,396**

	2023			
	Aberfeldy	Balfron	Teviot Estate	Total
	£'000	£'000	£'000	£'000
Share of (loss) from joint ventures	**611**	**-**	**-**	**611**
Share of:				
Gross assets	9,617	28,308	3,190	41,115
Gross liabilities	(7,339)	(28,308)	(3,190)	(38,837)
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 paid during the year	325	-	-	325
Investment in joint ventures	**11,113**	**-**	**-**	**11,113**

These investments have been funded in the form of capital contribution from the parent company being Poplar HARCA Limited. 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). An impairment assessment has been carried out and in 2024 no indicator of impairment was identified. There was £8.8m reclassification of investment in joint venture in Poplar HARCA Development Ltd to Affordable housing properties in Parent company, Poplar HARCA.

17. Stocks

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Shared ownership completed	1,144	2,074	1,144	2,074
Shared ownership under construction	10,940	8,511	10,940	8,511
	12,084	**10,585**	**12,084**	**10,585**

18. Debtors

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Debtors falling due within one year:				
Rent and service charge arrears	8,462	6,989	7,757	6,432
Less: provision for bad and doubtful debts	(2,780)	(3,074)	(2,359)	(2,711)
	5,682	**3,915**	**5,398**	**3,721**
Other debtors and prepayments	8,939	9,039	8,696	8,639
Amounts owing from subsidiaries	-	-	9,307	10,337
	14,621	**12,954**	**23,401**	**22,697**
Debtors due after more than one year:				
Amounts owing from subsidiaries	-	-	20,197	13,486
Amounts owed by joint venture	16,491	10,033	-	-
	16,491	**10,033**	**20,197**	**13,486**
Other debtors	455	455	455	455
Deferred tax asset	131	309	-	-
Leaseholder refurbishment debtors	1,121	1,755	1,121	1,756
Less: provision for bad and doubtful debts	(278)	(580)	(278)	(580)
	17,920	**11,972**	**21,495**	**15,117**
	32,541	**24,926**	**44,896**	**37,814**

Included in the amounts owing from subsidiaries was a loan of £4,345k (2023: £5,417k) provided to Poplar HARCA (Developments) Limited, a wholly owned subsidiary, on an arms-length basis. A further £6,551k (2023: £5,377k) 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 £13,827k (2023: £8,556k) to Poplar HARCA Projects Limited, a wholly owned subsidiary, on an arms-length basis. Poplar HARCA Projects ltd then on lent £1,466k (2023: £4,514k) to Balfron Tower Developments LLP, in which it has a 50% interest. The Group also loaned £3,636k (2023: £3,191k) 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	
	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Cash and cash equivalents	4,879	25,155	874	21,647
	4,879	**25,155**	**874**	**21,647**

20. Short term investment

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts held in escrow	6,603	6,586	6,603	6,586
	6,603	**6,586**	**6,603**	**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	
	2024 £'000	2023 £'000
Cash flow from operating activities		
Surplus for the year	15,172	6,936
Tax on ordinary activities	191	(226)
Adjustment for non-cash items:		
Depreciation and amortisation of assets	11,588	11,495
Grant amortisation	(3,661)	(4,531)
Bad debts and release of provisions	(572)	(320)
Pension costs less contributions payable	(617)	(621)
Cost less depreciation on components written off	271	268
Loan fee paid and amortisation	(72)	207
Bond premium amortisation	(1,402)	(1,365)
Share of profit or loss from joint ventures	530	(611)
Distribution from joint venture	-	(325)
Written down investment in joint ventures	-	3,050
Gain on disposal of fixed assets and investment property	(1,460)	(3,719)
Land disposal	-	5,916
Net financing costs	9,815	10,533
Corporation and deferred tax	(191)	226
Adjustments for working capital movement:		
(Increase)/decrease in stocks	(1,499)	1,235
(Increase)/decrease in trade and other debtors	111	(799)
Increase/(decrease) in trade and other creditors	1,472	(8,041)
Cash generated by operations	**29,676**	**19,308**

22. Analysis of change in net debt

	At 1 April 2023	Cash flows	Other non-cash changes	At 31 March 2024
	£'000	£'000	£'000	£'000
Cash and cash equivalents				
Cash	25,155	(20,276)	-	4,879
Total cash and cash equivalents	**25,155**	**(20,276)**	**-**	**4,879**
Borrowings				
Debt due with 1 year	(353)	353	(374)	(374)
Debt due more than 1 year	(276,808)	(20,000)	1,403	(295,405)
Finance lease more than 1 year	(53,641)	-	370	(53,271)
Total borrowings	(330,802)	(19,647)	1,399	(349,050)
Net Debts	**(305,647)**	**(39,923)**	**1,399**	**(344,171)**

23. Creditors: amounts falling due within one year

	GROUP		ASSOCIATION	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	3,414	3,288	3,414	3,281
Corporation and other taxes	449	544	412	544
Other creditors and accruals	14,803	11,206	14,357	11,026
Current lease liability	374	353	374	353
Amount owing to subsidiaries	-	-	93	107
Grant on housing properties (note 28)	3,022	3,053	3,022	3,053
Recycled Capital Grant Fund (note 26)	-	28	-	28
	22,062	**18,472**	**21,672**	**18,392**

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

	GROUP		ASSOCIATION	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Bond finance and financing costs	248,670	248,604	-	-
Bond Premium	25,405	26,808	-	-
Loan less arrangement fee and amortisation	19,497	(644)	19,497	(644)
Loan from group company	-	-	274,039	275,370
Long term lease liability	53,273	53,641	53,273	53,641
Grant on housing properties (note 28)	134,411	130,848	134,411	130,848
Recycled Capital Grant Fund (note 26)	135	364	135	364
Deferred tax on revaluation of investment properties	62	62	-	-
	481,453	**459,683**	**481,355**	**459,579**

As of 31 March 2024, the Group's total facilities included £100 million of revolving credit facilities (2023: £100 million), of which £20 million (2023: £nil) had been drawn. The cost of the facilities ranges from 135 bps to 150 bps over the bank reference rate. The Group's facilities also include RPI-linked finance lease funding (£53.7 million) with RPI capped at 4%. The Group is currently maintaining 79% fixed rate debt, which falls within the Group policy to keep 50% to 80% of outstanding net debt at a fixed rate.

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 2024 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	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
In one year or less	374	353	374	353
Between one and two years	389	375	389	375
Between two and five years	1,260	1,207	1,260	1,207
In more than five years	321,624	302,066	321,624	302,066
	323,647	**304,001**	**323,647**	**304,001**

25. Provisions for liabilities

	GROUP AND ASSOCIATION		
	Pension liability - SHPS	Pension liability - LGPS	2024 Total
	£'000	£'000	£'000
At beginning of period	3,037	(2,041)	996
Provision for the year	72	(1,005)	(933)
At end of period	**3,109**	**(3,046)**	**63**

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

26. Recycled Capital Grant Fund

	GROUP AND ASSOCIATION	
	2024 £'000	**2023** £'000
At beginning of period	392	288
Amount paid in from shared ownership sales	26	123
Interest accrued	14	-
Amount utilised for new build programme	(297)	(19)
At end of period	**135**	**392**
Amounts to be utilised within a year	-	28
Amounts that may be utilised after more than one year	135	364
	135	**392**

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	
	2024 £'000	**2023** £'000
At beginning of period	133,901	122,976
Grant received in the year	7,194	15,456
Released to income in the year	(3,661)	(4,531)
At end of period	**137,434**	**133,901**
Amounts to be utilised within a year	3,022	3,053
Amounts that may be utilised after more than one year	134,412	130,848
	137,434	**133,901**

28. Financial assets and liabilities

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

		GROUP		ASSOCIATION	
	Notes	**2024** £'000	**2023** £'000	**2024** £'000	**2023** £'000
Financial assets measured at amortised cost					
Cash and cash equivalents	*19*	4,879	25,155	874	21,647
Short term investment	*20*	6,603	6,586	6,603	6,586
Debtors	*18*	32,541	24,926	44,896	37,814
		44,023	**56,667**	**52,373**	**66,047**
Financial liabilities measured at amortised cost					
Trade creditors	*23*	3,414	3,288	3,414	3,281
Interest payable		-	-	-	-
Loans and borrowings	*24*	293,572	274,768	293,629	274,726
		296,986	**278,056**	**297,043**	**278,007**

29. Capital commitments

	GROUP		ASSOCIATION	
	2024 £'000	**2023** £'000	**2024** £'000	**2023** £'000
Capital expenditure contracted less certified that has not been provided for in the Financial Statements	85,094	123,945	85,094	123,945
Capital expenditure that has been authorised by the Board but has not yet been contracted for	3,900	-	3,900	-
	88,994	**123,945**	**88,994**	**123,945**
Financed by:				
Social Housing Grants	3,245	4,602	3,245	4,602
Receipts from sale of assets	71,422	49,326	71,422	49,326
Unutilised loan facilities & available funds	14,327	70,017	14,327	70,017
	88,994	**123,945**	**88,994**	**123,945**

The Group's development pipeline as at 31 March 2024 had an estimated cost of £89m (2023: £124m) and currently spans over 10 years. The expenditure is largely driven by contractually committed s106 schemes. The expenditure will be funded through the social housing grant, receipts from asset sales, accumulated reserves and borrowings.

30. Operating lease

As at 31 March 2024 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	
	2024 £'000	**2023** £'000
Not later than one year	1,866	1,796
Later than one year and not later than five years	7,892	7,664
Later than five years	25,881	28,035
Lease payments recognised as an expense	1,819	1,665

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, Communities and Neighbourhoods Trust 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 2024 year a £nil (2023: £nil) 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 £nil (2023: £3,050k) for the year. Poplar HARCA Projects will receive a £6,304k equity loan on the sale of the flats once sales commence.

As at 31 March 2024 Poplar HARCA Projects owed Poplar HARCA Ltd a balance of £15,461k (2023: £13,389k).

Poplar HARCA Projects ltd then on lent £6,304k (2023: £4,514k) to Balfron Tower Developments LLP and £3,634k (2023: £3,191) to Teviot Estate Development 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 2024 Poplar HARCA Capital PLC has a long-term debtor balance of £274,039k (2023: £275,370k) with parent Poplar HARCA Ltd (note 24).

As at 31 March 2024 Poplar HARCA Capital PLC has a short-term debtor balance of £93k (2023: £107k) 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 2024 this intercompany creditor balance to Poplar HARCA is £10,715k (2023: £5,417k) and will be repaid on sale of the remaining commercial units.

As at 31 March 2024 the long-term balance of £6,370k (2023: 4,895k) 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 (2023: £nil) as income from the joint venture.

COMMUNITIES AND NEIGHBOURHOODS TRUST

The Communities and Neighbourhoods Trust, a wholly owned subsidiary of Poplar HARCA, was formed to provide the communities regeneration programme.

During the year the Poplar HARCA Limited provided a £3.5m gift aid donation to the Communities and Neighbourhoods Trust and recharged £3.3m for the activities performed as per SLA on behalf of the Communities and Neighbourhoods Trust.

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, gift aid payment, management and administration costs apportioned in the year were:

	2024 £'000	2023 £'000
Interest charged by Poplar HARCA to DevCo	608	1,218
Management fees charged by Poplar HARCA to DevCo	8	207
Interest charged by Poplar HARCA to Projects	215	498
Management and admin fees charged by Poplar HARCA to Projects	534	534
Consultancy service charged by Poplar HARCA to Projects	120	113
Operating lease charges by Poplar HARCA to Projects	4,391	4,107
Interest charged by the Capital Plc to Poplar HARCA	(10,801)	(10,333)
Gift aid donation paid to CaN Trust	(3,500)	-
Recharge by Poplar HARCA to CaN Trust	3,293	-
	(5,132)	**(3,656)**

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 2024 (2023: £455k). Poplar HARCA charged Geocapita a total of £18k (2023: £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 £127k as at 31 March 2024 (2023: £159k).

32. Subsequent Events

The directors are of the opinion that the judgements taken within the financial statements as at 31 March 2024 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 2024 and the sign off date of this report which will impact the financial statements.

POPLAR HARCA 25 years

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