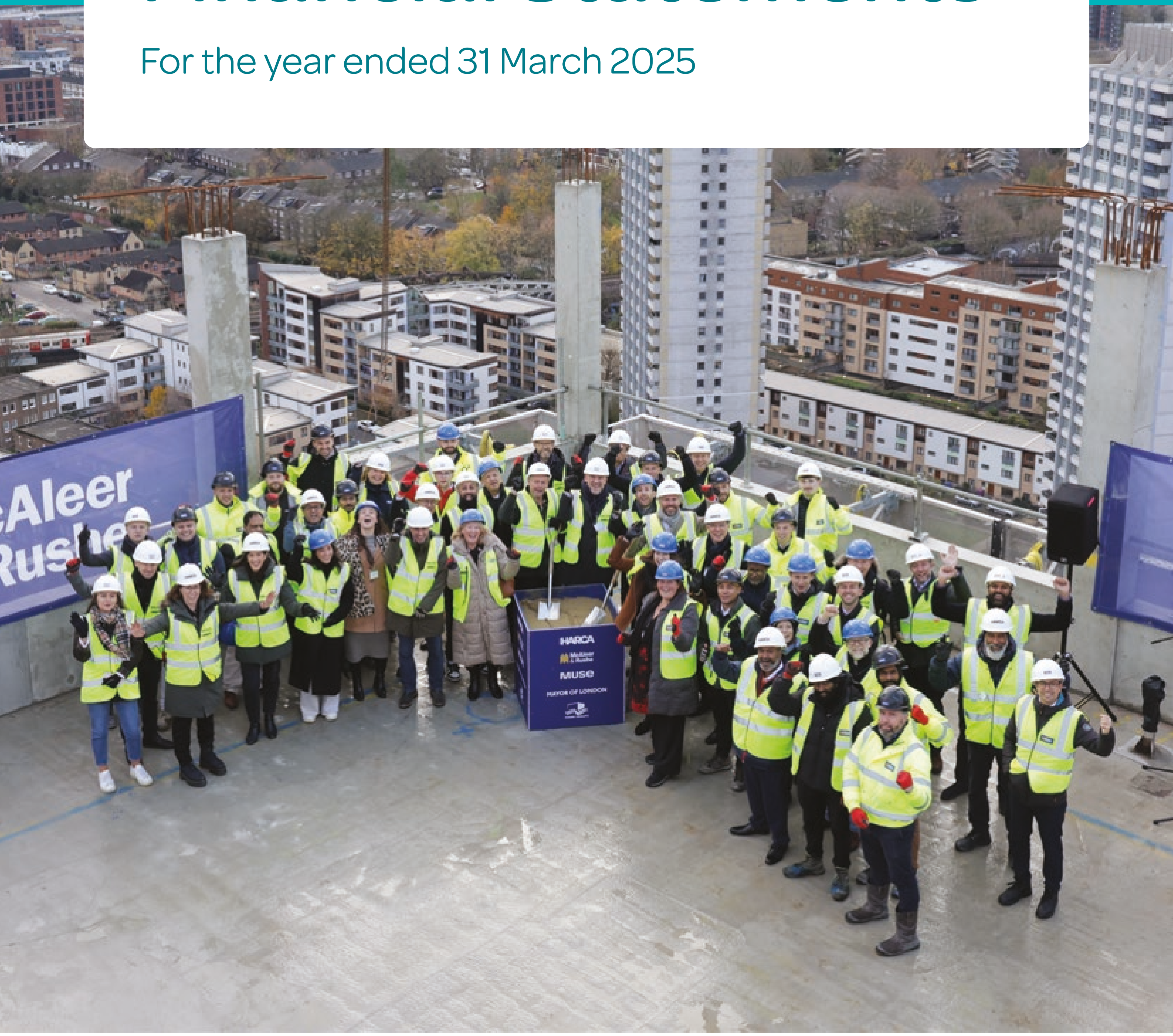
Annual Report and Consolidated Financial Statements

For the year ended 31 March 2025



POPLAR HARCA

Creating Opportunities Together

Contents

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 great pride, and a focus on the organisation's future, that I present Poplar HARCA's Annual Report for 2024/25.

This year marks a transition in leadership. I thank our outgoing Chair, Paul Brickell, for outstanding service, leadership, and stewardship of Poplar HARCA through a period of significant external and internal change. I also extend sincere thanks to Board members who have completed their terms, recognising their invaluable contribution to shaping the organisation's future.

The past year has consolidated Poplar HARCA's position as a sector-leading organisation, underpinned by disciplined financial management, robust governance, and a clearly defined strategic vision. Our C1/G1/V2 rating from the Regulator of Social Housing affirms our operational resilience, strong financial viability, and best practice governance.

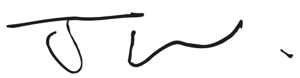
Our regeneration ambitions continue to progress. This year, we completed 163 new homes for social rent and 127 for shared ownership. At the time of writing, Our Future Teviot regeneration passed a major milestone with approval of a planning application, co-produced with residents, for 1,928 new homes. We continue to strengthen our strategic pipeline and enhance the long-term resilience of our business model.

We continue to deliver measurable social value through targeted community interventions — supporting 961 individuals into employment and training; and supporting 319 residents at risk. Our adoption of IoT technology in 4,175 tenants' homes supports a data-driven, resident-empowered approach to energy efficiency, asset management, and health and safety.

Our service delivery continues to outperform sector benchmarks. Our Tenant Satisfaction Measures (TSMs) are sector-leading, with 84% of tenants expressing satisfaction with Poplar HARCA as their landlord. This is the direct result of a disciplined focus on operational excellence, insight-driven engagement, and Board-led accountability.

As the new Chair, I am committed to building on these strong foundations. Working with the Board, our community, and staff, my focus will be on driving continued performance, innovation, and strategic growth- ensuring Poplar HARCA remains resilient, forward-looking, and sector- leading.

We are strategically well-positioned to deliver our corporate objectives, create long-term value, and maintain an exemplar reputation. Our resilience, operational excellence, and commitment to our community remain the cornerstones of our success. I am confident that, together, we will continue to set new standards for high-performing, community-driven housing associations.



Chair, Jon Lord
Chair

Report of the Board

About Poplar Harca

Established in 1998, Poplar HARCA is a nationally recognised leader in community-led regeneration, transforming places through pioneering urban redevelopment and meaningful community engagement.

Over the past 27 years, Poplar HARCA has delivered high-quality, affordable housing, outstanding community facilities, and enhanced social and economic opportunities for its community.

Formed through a large-scale voluntary stock transfer from the London Borough of Tower Hamlets, Poplar HARCA is a registered provider of social housing committed to unlocking the East London's potential. Held to account by our community, and working in close partnership with the local authority, local businesses, and other stakeholders, the organisation is driving forward ambitious regeneration in one of London's most economically dynamic yet challenging areas.

Poplar HARCA manages 10,559 homes and an extensive portfolio of community, commercial, and green spaces.

Through strategic partnerships it leverages additional investment, expertise, and innovation to shape vibrant, connected, and resilient neighbourhoods.

Poplar HARCA is building new homes, reimagining estates, and transforming public spaces — ensuring that its communities are connected, literally and figuratively, to opportunities.

Renowned internationally for innovation, Poplar HARCA's award-winning services are delivered by award-winning people. More than a landlord, Poplar HARCA is a catalyst for change — working with purpose-driven partners to unlock the talent, ambition, and potential of its community.

Our Purpose

Rooted in the spirit of the East End, Poplar HARCA is fashioning thriving, vibrant places where people choose to live, work, and invest.

Driven by a shared commitment, our Board, community, staff, and partners are unlocking community potential through exceptional homes, outstanding places, and a deep-rooted commitment to social justice.

Through holistic regeneration we are not only building homes — we are shaping incomparable neighbourhoods that enhance social, economic, and environmental wellbeing. Together with our community, we are delivering generational change, ensuring a legacy of opportunity, equity, and aspiration.

Our Workforce

Poplar HARCA employs 380 (364 FTE) talented and committed individuals united by a shared purpose: to deliver lasting change for residents and communities.

A focus on workforce engagement and wellbeing translates into exceptional service delivery. This year, 84% of tenants and 78% of homeowners reported satisfaction with Poplar HARCA as their landlord — a clear endorsement of the dedication and professionalism of our people.

Our commitment to fostering a positive, inclusive, and high-performing work environment is reflected in the voice of our workforce:

8.7 Employee Pride (national average 7.9)

8.6 Manager Support (national average 7.8)

8.0 Employee Wellbeing (national average 7.2)

We invest meaningfully in our people, recognising that organisational success is driven by individual and collective fulfilment. Our commitment is formalised through regular reporting to the Poplar Board on two cornerstone strategies —Equality, Diversity, and Inclusion; and People — designed and led by our workforce to create an environment where everyone can thrive and be their best selves.

Recognising the importance of long-term leadership resilience and representation, the Board has spent time this year actively progressing succession planning and talent management. Our ambition is that senior leadership better reflects the vibrant, diverse community we serve, and we are developing the pathways to realise this aspiration.

We know that investing in people is not only the right thing to do — it is the engine of innovation, excellence, and sustainable impact. Together, we are building a workforce that is as dynamic, resilient, and ambitious as the communities we are proud to serve.

Community Driven

Our community is the foundation of everything we achieve. Their voice — through opportunities to inform, influence, and scrutinise — is a powerful catalyst for continuous improvement and innovation.

Poplar HARCA is proud to have strong community representation embedded within the whole of its governance structures reflecting our commitment to authentic and meaningful community leadership and accountability.

Our approach is underpinned by our Engagement Strategy, co-created with a Community Panel and adopted in full by the Board — a clear statement of our belief that those we serve should shape the decisions that affect them.

We engage our community through a range of formal mechanisms — including Estate Boards, Community Gatherings, Resident Steering Groups, and the Youth Empowerment Board — and ongoing informal engagement, such as Listening Campaigns, consultations, and resident-led projects and volunteering.

This culture of active participation ensures strategies are grounded in lived experience, strengthening our ability to deliver services, homes, and opportunities that meet genuine needs and aspirations.

Awards

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

BEST USE OF EMAIL AWARD
Our digital resident newsletter HARCALife was highly commended at the Comms2point0 Awards.

GLOBAL WOMEN INVENTORS AND INNOVATION NETWORK AWARD
Knitting the Air, a community project led by artist Caroline Murray, received special recognition for combining data visualisation, community co-production, environmental awareness, and art.

HOUSING TECHNOLOGY AWARDS
Our project team were commended in the Customer and Tenants Service category for HomeLink technology enabling residents to monitor air quality and humidity in their homes.

TOWER HAMLETS CIVIC AWARD
Our Engagement Manager was recognised for his outstanding community commitment.

TOWER HAMLETS YOUTH ACHIEVEMENT AWARDS
a group of young people won for the stunning murals they created at the Eva Armsby Family Centre.

Creating Opportunities Together 2024/25

In 2021, Poplar HARCA launched Creating Opportunities Together, our Corporate Strategic Plan for 2021–2026.

This plan captures the essence of our purpose and the scale of our aspirations — a bold commitment to creating thriving communities, empowering residents, and delivering lasting change. (The full plan is available online at **poplarharca.co.uk.**)

As we complete the fourth year of delivery, we are proud to report strong progress against the ambitious targets set by the Board through the CEO's Key Performance Indicators. Our achievements reflect both the resilience of our organisation and the unwavering dedication of our people to translating strategy into meaningful outcomes for our communities.

Service Satisfaction

Annual Target	Achieved
Deliver TSM Action Plan	✓
Launch Citizen Jury style ASB Review	✓
Launch Asset Management Forum	✓
Launch Building Safety Forum	...
Reduce % of complaints escalated	⊗
3 homes relet because of proven tenancy fraud casework	✓
zero legal referrals for debt where resident is engaging	✓
secure resource to provide residents with welfare benefit advice	✓
30% tenanted homes offered MOT	✓
60% tenanted homes offered IOT devices	✓
Deliver Building Safety Programme	✓
Deliver Asset Management Strategy	✓
Deliver Poplar Green Futures programme	✓

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
Capture and report on VFM metrics	✓
Monitor and report on delivery against budgets	✓
Procurement and contracts management review	✓
Develop an IDA-ready strategy, including Consumer Standards	✓

Successful Places

Annual Target	Achieved
Deliver accredited training to 500 residents	✓
Deliver a programme to improve health literacy in young people	✓
Deliver a programme of holistic family support for children & young people with SEND	✓
Submit Teviot Planning Application	✓
Enhance resident engagement through (and following) the planning process	✓
Capture and report on Social Value generated	✓
Create a placemaking/meanwhile strategy in Aberfeldy	...

Achieving The Vision – Strategic Delivery In Action

Achieving the Vision is the financial and operational engine behind Creating Opportunities Together. It's a proactive and adaptable programme designed to safeguard Poplar HARCA's resilience and maximise our social impact—even in the face of ongoing financial pressures, both local and global.

Originally launched to offset the impact of four years of rent reduction, Achieving the Vision has since evolved. It now underpins our long-term financial strength, supports strategic decision-making, and ensures our work continues to align with Poplar HARCA's wider purpose and goals.

MIXED INCOME TENURE STRATEGY (MITS)

MITS is a key part of how we increase income, promote tenure diversity, and help reduce homelessness. We assess empty homes using an asset evaluation matrix, and where suitable, offer them to households in temporary accommodation referred by the London Borough of Tower Hamlets under a statutory housing duty.

Other properties are let at market rent, with the vast majority capped at Local Housing Allowance (LHA) to ensure they are locally affordable. Most MITS re-lets are leased on a short-term basis to Poplar HARCA Projects Ltd.

As of 31 March 2025, we had 486 homes (2024: 437) let at either LHA or market rent — exceeding a 2026 target of 425 homes. For context, average general needs rent remains around 40% of the LHA benchmark.

RECYCLING ASSETS, CREATING OPPORTUNITY (RACO)

RACO enables us to unlock greater value from underperforming properties. Using the same asset evaluation matrix, we identify properties no longer suitable for letting and sell them. The proceeds are reinvested to provide more—and better—affordable housing.

At the balance sheet date, RACO has delivered 845 new homes, achieving a ratio of 1.4 new affordable homes for every property sold.

The Board has approved the continued use of this stock rationalisation strategy, sharpening its focus on uneconomic stock. As part of the upcoming 2026–2031 Corporate Strategic Plan, new Value for Money (VfM) targets linked to this strategy will be developed to strengthen long-term financial sustainability and social impact.

Summary Of Financial Performance

MAINTAINING FINANCIAL RESILIENCE

Group operating surplus for the year of £28m (2024: £25m) was driven by £2.8m, gain on disposal of fixed assets (2024: £1.4m), gain on current assets sales of £8.6m (2024: £14.2m), surplus on shared ownership sales £4.7 (2024: £0.9m), a surplus on social housing lettings of £4.7m (2024: £4.2m).

Joint venture activity resulted in a loss of £0.4m (2024: £0.5m) 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 £24.5m (2024: £24.1m).The higher core-operating surplus is principally due to a gain on fixed assets sales of £2.8m (2024:£1.5m) and first tranche sales of £4.7m (2024: £0.9m).

£000s	2025	2024
Turnover £k	98,698	89,272
Operating surplus £k	28,146	24,987
Operating margin %	28.5%	28.0%
Core operating surplus £k[1]	24,497	24,056
Core operating margin	24.8%	27.0%
Surplus on 1st tranche sales £k	4,703	906
Surplus on current assets sales	8,617	14,168
Debt per unit £k[2]	64.4	62.1
Net assets £k	225,507	207,934

[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 £13.3m for the year were up on year ended 2024 £11.1m.

GROUP STATEMENT OF FINANCIAL POSITION

The Group statement of financial position has strengthened as shown by the increase in net assets of £17.5m due to the £15.8m surplus after tax and a decrease in net pension liabilities of £1.7m. 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 2025 business plan results in 340 new affordable homes over the next 10 years. All homes are contractually committed.

Including uncommitted capital expenditure, debt for the Group averages approximately £366m over the 5 years to 2028 peaking at £378m in 2030.

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:

CO_2e

4,224.34 tonnes
of carbon dioxide equivalent (2024:3,483 tonnes)

22.44 kWh
of energy (2024:18.10 million kWh)

Intensity ratio of
42.77
(2024:39.74) based on tCO2e/£m

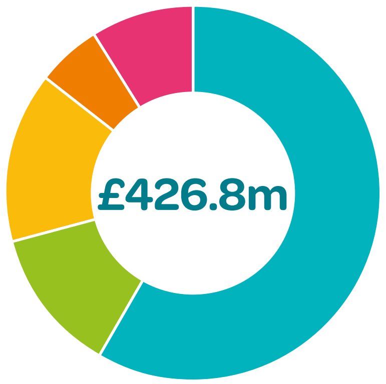
The above shows the carbon emissions of the Group itself, which covers the head office, community centres and communal areas of residential blocks. Regarding the homes owned by the Group, in 2024 the Board approved a £12m programme that will fund works to achieve an EPC of C and above for all homes owned by 2030.

Treasury Management

CAPITAL STRUCTURE

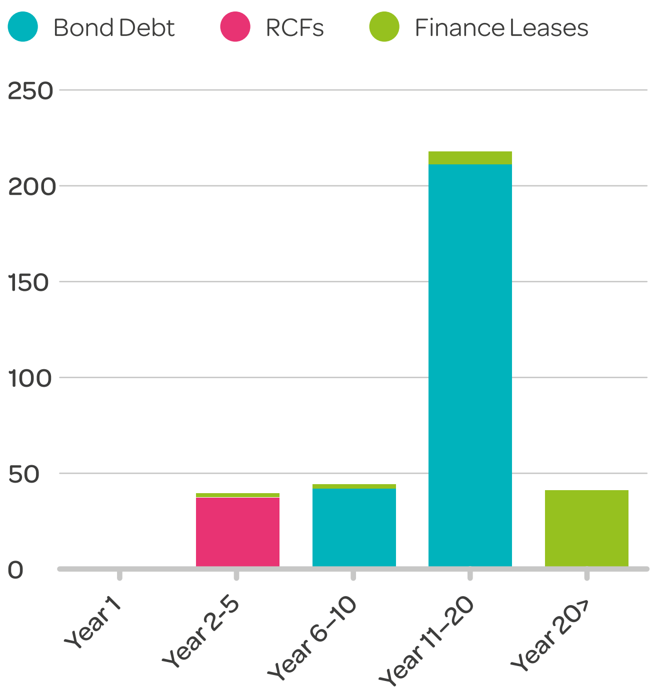
Poplar HARCA Ltd has a corporate bond issued via Poplar HARCA Capital Plc, an RPI-linked finance lease with M&G Investments for a mixed-use block (private and affordable rent), and variable bank funding from Allied Irish Bank and Natwest as short-term Revolving Credit Facilities (RCF). Both drawn and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

TOTAL DEBT FUNDING 31 MARCH 2025 (£M)



- Bond **£250m**
- Finance Leases **£53.7m**
- SONIA Indexed RCF Undrawn **£63m**
- Bond Premiums **£24m**
- SONIA Indexed RCF Drawn **£37m**

DEBT MATURITY PROFILE 31 MARCH 2025 (£M)



TREASURY AND LIQUIDITY RISK

Poplar HARCA remains committed to robust and proactive management of treasury and liquidity risks to ensure long-term financial stability and operational efficiency. Our treasury strategy is designed to safeguard our financial health, support delivery of our strategic objectives, and maintain sufficient liquidity to meet obligations as they fall due. We take a risk-averse approach to treasury management, engaging in transactions solely for risk mitigation, never for speculative purposes.

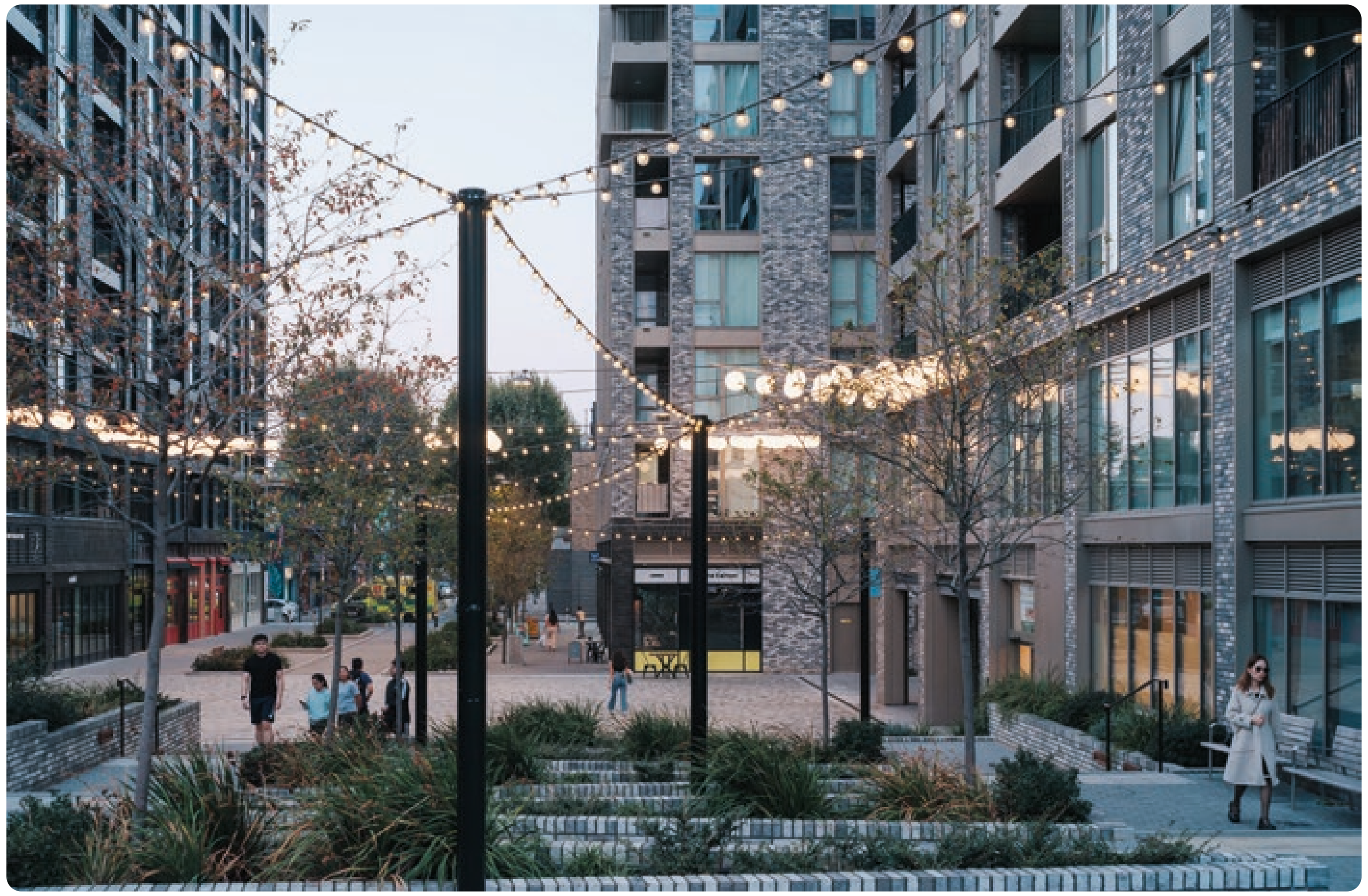
During the year, the Group successfully refinanced all £100m of its revolving credit facilities (RCFs), extending maturities to 2029. This refinancing ensures that sufficient resources are in place to deliver our business plan over the next five years and has strengthened covenant headroom in line with the Strong Foundations strategy. The refinancing also secured more favourable pricing and improved terms, allowing more resources to be directed towards services and investment that benefit our residents.

Following completion of the refinancing, the Group's capital structure remains broadly unchanged. Total debt funding at year-end stands at £426.8m, with the largest instrument being bonds carrying 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 2025, the group has £63 million of undrawn variable debt exposed to the risk of rising SONIA. Of the drawn debt, 10% pertains to variable rate RCFs, 15% to RPI-linked finance lease funding (£53.7 million), with RPI capped at 4%, and the remaining 75% 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.



INFLATION AND OTHER ECONOMIC RISKS

The Board continues to prioritise strategies that enhance financial resilience in response to sector-wide pressures, including persistently high inflation, rising repair and compliance costs, and broader geopolitical and macroeconomic uncertainty. The cost of maintaining and improving our homes remains elevated, particularly in the context of new consumer standards, building safety requirements, and the increasing regulatory focus on damp and mould. These pressures continue to influence our operational cost base.

Poplar HARCA's A- investment grade credit rating with a stable outlook from Fitch remains in place, reflecting confidence in our financial management and medium-term profile. This rating was retained during the year, despite wider sector downgrades, which is testament to our prudent approach to financial planning and risk management.

Strategic capital allocation remains a central focus. We are committed to continued investment in our homes to mitigate key risks while also enhancing our data and asset management capabilities. This dual focus will help manage increasing lifecycle costs and ensure we maximise long-term value from our stock.

The Group's primary exposure to market volatility in the short term is through shared ownership first tranche sales, with 96 new homes forecast to be sold within the next 24 months. While the current sales environment remains uncertain, the Group has not assumed market sale upside in its business plan, including for regeneration activity. The Group remains open to alternative funding approaches to support future regeneration while carefully managing 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.
- 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

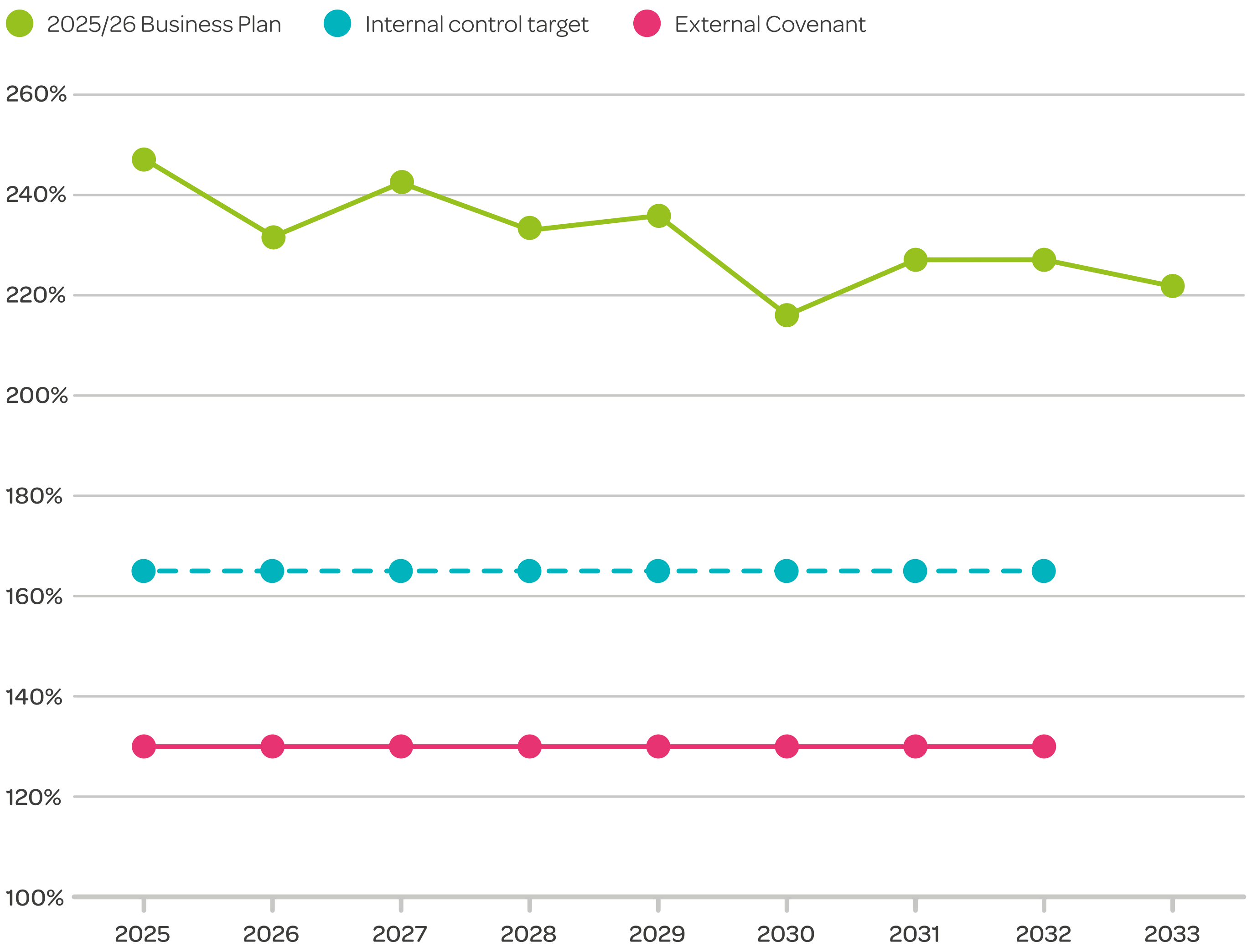
The chart below shows our projected interest cover from the year ending 31 March 2025 through to 2031/32, based on the current covenant definition. The base case reflects planned additional capital expenditure and wider investment to support regeneration schemes and ensure continued investment in our housing stock and services.

Following the successful refinancing of all £100 million of our revolving credit facilities (RCFs), Poplar HARCA has secured continued access to flexible, sustainable funding. This refinancing provides essential resources to support our ongoing investment programmes, maintain financial stability, and deliver on our long-term strategic objectives.

The covenant limit for interest cover stands at 130%, which excludes capital repairs and therefore does not directly restrict the Group's ability to invest in its stock. Covenant headroom has been substantially enhanced post-refinancing. The Board has set an internal target for interest cover within the financial control framework at 165%. The result for 2024/25 was 247% (2023/24: 203%), demonstrating a significant year-on-year improvement and underscoring the Board's commitment to maintaining financial resilience.

Our primary focus in stress testing and covenant monitoring remains interest cover. While base case projections show strong headroom against external covenants, we conduct multi-variant stress testing to ensure resilience against unforeseen challenges. These scenarios are deliberately severe, testing the impact of multiple simultaneous stresses that could threaten covenant compliance. Even under such conditions, only partial implementation of recovery measures would be required. This demonstrates Poplar HARCA's capacity to withstand financial shocks and navigate ongoing economic uncertainty.

INTEREST COVER FORECAST (BANK COVENANT DEFINITION)



Operational Performance and Satisfaction Levels

HOUSING MANAGEMENT

The ongoing cost of living crisis continues to have a significant impact on many of our residents. Despite these pressures, Poplar HARCA has maintained strong financial resilience across its resident base: 54.7% of tenants are currently receiving Universal Credit, yet overall arrears have remained stable — a clear indicator of effective tenancy sustainment and proactive support.

Our commitment to preventing financial hardship from escalating into homelessness remains absolute. This year, no cases were referred to Court due to financial difficulty — a direct result of our early intervention approach. We also saw a 23% increase in payment arrangements with leaseholders struggling to meet service charge obligations, ensuring that support remained accessible during difficult times.

We targeted support to those most vulnerable to financial stress, distributing over £2,000 in shopping vouchers to tackle food poverty, alongside additional funding to assist residents with fuel bills.

Demand for affordable housing in our community remains acute, with more than 29,477 applications on the Tower Hamlets Common Housing Register. Within our own portfolio, 1,106 Poplar HARCA tenant households are registered to move — 50.0% of whom are experiencing overcrowding, and 13.5% of whom require rehousing due to regeneration activity.

In 2024/25, we let 144 homes to applicants from the Common Housing Register: 88 households were facing overcrowding; 13 were under-occupying; and 18 had residents with long-term health conditions or disabilities.

Additionally, 123 Poplar HARCA tenant households were successfully housed. Among them, 58 families moved out of overcrowded conditions, 23 under-occupiers found more suitable homes, and another 23 households included members with disabilities who benefited from more appropriate accommodation. These figures reflect just part of the broader housing support provided.

We also expanded our commitment to the most vulnerable through our 'Housing First' programme, now supporting 24 individuals directly from street-sleeping into sustainable tenancies.

Resident voice remains at the heart of our work. Across our 12 estates, 124 Estate Board Members engaged in 41 meetings hosted by our Housing Officers, providing a direct forum for feedback, challenge, and co-production.

We also maintained momentum across tenancy management processes, administering 18 successions, facilitating 7 mutual exchanges, and welcoming 212 new tenants into their homes.

SAFEGUARDING

Safeguarding remains a top priority. Our Safeguarding Team supported 319 individuals this year, with 82 cases involving domestic abuse survivors.

Community safety remains critical to resident wellbeing. We logged 614 anti-social behaviour (ASB) reports, resolving most cases through informal interventions. Where necessary, enforcement escalated proportionately, resulting in: 52 ASB warnings; 294 sweeps recovering 46 weapons; 42 verbal and 36 written warnings; 4 Acceptable Behaviour Agreements; 5 injunctions and ; 2 evictions in response to extremely serious ASB. Early interventions positively diverted 47 young people away from enforcement pathways toward support and opportunity.

Together, these initiatives reflect our ongoing commitment to supporting residents, safeguarding communities, and building long-term resilience across all our neighbourhoods.

TECHNICAL AND ESTATE SERVICES

Resident satisfaction with repairs remains top quartile, with transactional surveys reporting 85.8% satisfaction. In the financial year we completed over 27,641 repairs (2024: 26,590) and carried out more than 12,000 safety checks. It takes on average 9 days (2024: 8.5 days) from the initial report to complete a repair, with 97.35% 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 talk to residents face-to-face when they are at home.

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.

DEVELOPMENT AND REGENERATION

Over the past year, our Development and Regeneration team has made significant progress in delivering new homes and revitalising communities, despite facing a particularly challenging operating environment. The UK's development and regeneration market has been under considerable pressure, impacted by a combination of rising construction costs, supply chain disruptions, statutory changes, planning system delays, and the broader economic uncertainty linked to inflation and interest rate volatility.

In the financial year April 2024 to March 2025, we completed 290 affordable homes.

The new village centre at Aberfeldy is now a thriving location with the retail offering fully open and operational including the GP surgery, a nursery, the Co-op mini-market, the Corner Bistro, Almari Café and the new pharmacy.

Detailed design and mobilisation for the next phase of construction is progressing with a targeted start on site winter 2025. In total the scheme will deliver circa 1550 new homes.

The planning application for Teviot Estate Regeneration project was submitted at the end of May 2024 and received planning approval on 8th June 2025. The scheme will deliver circa 1900 new homes together with new greenspaces, retail and commercial spaces, a new mosque and improved infrastructure. Start on site is anticipated 2026.

On Chrisp Street our developer partner Telford continue to develop the revised design in conjunction with local stakeholders and will submit a revised planning application in early 2026 and will target a start on site early 2027. The revised scheme will deliver circa 1100 new homes and associated commercial and retail spaces.

Our Stroudley Walk development continues to progress well with first handovers due in the coming months. Overall completion is expected early 2026. 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 One Thames Quay and continue to progress well at Poplar Riverside ahead of business plan targets.

Looking ahead the development landscape remains challenging, with high costs and a complex planning system still creating barriers however, we are committed to finding Our priority is, and always will be, providing great homes and strong communities for the people who need them most.

Our fire safety remedial works programme continues to progress well with all developers now engaged. We have 10 buildings still to be remediated. All schemes will be on site by late 2025 and all works are scheduled to be completed by 2027.

Our Building Safety team continue to work through the Building Safety Act requirements, all 39 High Risk buildings are now registered, and we are currently submitting Building Safety Cases for each block.

COMMUNITIES AND NEIGHBOURHOODS (CAN)

Our Communities and Neighbourhoods (CaN) programme is a key priority for us. In the year our total spends on Community Regeneration of £6.8m (2024: £6.3m) was partially offset by external funding of £3.0m (2024: £3.0m) resulting in a net investment by Poplar HARCA of £3.8m for the year (2024: £3.3m).

SPOTLIGHT 24-25 OPEN TO INSPIRE

SPOTLIGHT YOUTH SERVICES – OPEN TO INSPIRE

Spotlight continues to champion young people's voice, creativity, safety and total wellbeing across Tower Hamlets. With young people leading the way, our programmes and services have expanded to inspire and engage 5,232 of them in 2024-2025 across arts, music, drama and sports, as well as employability, and other targeted interventions.

GET CREATIVE

Some 370 young people explored their talents and passions through our creative programming. During the Easter Programme, young people teamed up with our partner R-Urban to design and construct bird boxes, now proudly displayed in the local community. Fashion Innovation flourished through a partnership with Dr Cloth, where participants learned crochet upcycling techniques—merging sustainability with style.

Our Youth Theatre team brought "Lost Island" to life, a heartfelt production navigating exam pressures and the journey into adulthood. Creativity also shone during the Games Room relaunch, where young people collaborated with artist Olivia Rose to design a vibrant mural that now welcomes all visitors.

In August, we celebrated Spotlight's 10-year anniversary, where over 200 people attended including young people, families and the local community. Together with staff and volunteers, the young people showcased their skills, passion and creativity.

Winter culminated in Winterfest 2024, an inspiring showcase led by young people across music, theatre, and visual art. In music development, we introduced 1:1 guitar and drumming sessions, that enabled some participants to work towards their music grades free of charge.

A major highlight was our Motion Capture Workshops, where youngsters examined themes of serious youth violence and youth mattering through performance and digital art, in partnership with Theatre Tèmoin and Queen Mary University. We were thrilled that our Community Heroes Mural project won the Young Tower Hamlets Arts Group Award—recognising the power of youth-led public art.

We will continue The Apex artist development programme and support young people in planning more arts events in 2025-2026.

GET ACTIVE

Our sports programme saw 800 young people participate in dynamic physical activities designed for fun, fitness, and skill-building. New sessions in Basketball, Dodgeball, and Calisthenics proved especially popular. Adventurous outings included Climbing, Foot Golf, and Go Ape. Fit Club workouts meanwhile were further energised by a live DJ.

Limehouse Boxing Academy celebrated success at the Horsham Show, with young boxers bringing home winners' trophies. We also grew our partnership with Steel Warriors, delivering specialised calisthenics and fitness coaching for NEET YPs.

We launched Spotlight Skates, giving young people brand-new skateboards from o3e charity, and inclusive sports sessions led by Independent You engaged 73 young people with SEND in multisport activities.

HEALTH & WELLBEING

Youth health remains central to our mission. Throughout the year, Health spot has recorded 142 appointments, with 45 young people served at Langdon Park alone. Mental health initiatives deepened as 15 young people co-produced content and events with Mental Health UK. We selected our third cohort of 70 Wellbeing Ambassadors, who were trained and accredited. We received a total of 116 applicants from across 10 schools.

Campaigns like "N2O: Know the Risks" reached 30 participants, and Fit Club supported 27 youth in improving their physical and mental wellness. The Girls' Club grew to over 50 participants, with standout sessions tackling VAWG, boxing fitness, and a collaboration with the Women's Inclusive Team.

YOUTH VOICE, VOLUNTEERING & EMPLOYABILITY

Through its innovative work with the Youth Empowerment Board (YEB), Spotlight has developed a regular cohort of young people as strong leaders and advocates for their peers for issues that matter to them.

In the year, 18 new members joined the YEB, connecting and engaging directly with leaders and decision-makers. They participated in high-level meetings with LBTH councillors, the Canary Wharf Group, and professionals across sectors. They also contributed to the Metropolitan Police Service's (Met) new Children's Strategy and represented Spotlight at Queen Mary University and multiple borough-wide events. Projects included youth-led policy reviews, mental health research, and the evaluation of digital communications affecting young people.

Volunteering has also helped young people build career pathways and important community links. Throughout 24-25, a total of 33 YPs took up volunteering roles, six of whom developed social justice Zines at an event in Cody Dock. Twelve YPs completed employability training including CV workshops, mock interviews, and application guidance.

Success stories included: 6 completed the Well-grounded Barista Course (Level 2); 1 secured a formal apprenticeship; 3 NEET YPs referred for SIA licensing; one received full accreditation and 2 hired as youth work coaches through Department for Work and Pension (DWP), one of whom has since secured permanent employment in youth work.

DETACHED YOUTH OFFER & TARGETED INTERVENTIONS

In early 2024, our detached youth teams recorded 684 attendances from 214 young people, including 149 new contacts. A total of 37 accredited outcomes were achieved across SIA, Food Safety, and other qualifications. Interventions included trips to Go Ape and Foot Golf, and targeted Nitrous Oxide workshops in response to school referrals. At Phoenix Heights, 42 YPs participated in regular focused sessions, furthering trust and access to support.

CENTRE-SPECIFIC HIGHLIGHTS

Across the Spotlight Centres, young people have been actively engaging in a vibrant mix of educational, cultural, and recreational programmes. At our main building in Langdon Park, the Girls' Club has grown, now welcoming 58 regular attendees. A standout moment was when Mental Health UK filmed a participant's personal journey for the Your Resilience programme, while lunchtime drop-ins successfully encouraged more Langdon Park students to join evening activities. The centre has also set up an inclusive after-school club at which now supports 22 students every week.

Thirty-five (35) pupils from Langdon Park School gained valuable skills through a week-long work experience placement, and 17 young people were supported through social prescribing referrals. The centre also hosted a memorable Spotlight Iftar, drawing 33 attendees for a shared meal and a live performance by Ayan Aden.

St Paul's Way has been buzzing with activity as well, with 12 young women completing their Level 3 Emergency First Aid qualification. Outdoor programmes and cultural workshops have thrived, and three young participants have been trained and onboarded as support volunteers, improving their engagement and leadership skills.

Over at the Linc Centre, young people participated in 154 sessions that included Laser Tag, Escape Rooms, and Go-Karting, offering a balance of fun and teamwork. Additionally, 33 students from Bow and Stepney completed meaningful work placements, while football sessions and food hygiene training proved to be particularly popular. Eastside has become a creative hub, with 33 young musicians engaging in 65 studio sessions.

Quiz nights and work experience opportunities have drawn consistent interest, and the launch of the Spotlight Rep volunteering programme has opened new pathways for training in music and youth work.

We hosted multiple Spotlight Iftars and celebrated South Asian Heritage Month with young people, families, and staff across the centres.

PARTNER ENGAGEMENT

Spotlight's prominence as a centre of excellence in youth work continues to rise, with staff getting regularly invited to speak at conferences, consultations and other high-level gatherings of important partners, stakeholders and policymakers.

Examples of these include being: a speaker alongside the Mayor of London, Sadiq Khan where they highlighted the importance of long-term investment in youth work; a panellist and speaker at the National Housing Federation's Customer Experience and Resident Engagement Conference to showcase Spotlight's youth offer; and a guest speaker at the Tower Hamlets Voluntary and Community Sector Awards where they spoke about the instrumental role grassroots organisations/services play in Tower Hamlets. They also provided real life case studies and touched on their lived experiences.

Throughout 24-25, our staff have shared the Spotlight model both locally and nationally drawing interest from stakeholders as strategic as senior government officials from the Cabinet Office.

One of our staff has also been awarded an Honorary Doctorate from the University of London in November 2024, for his exemplar work with young people through Spotlight. HRH Princess Anne presented the award in the presence of Her Majesty the Queen.

EMPLOYMENT AND TRAINING - PAVING THE WAY INTO THE WORLD OF WORK

Our Employment & Training Service Hub – The Hive – as it is known, is one of the cornerstones of the Communities and Neighbourhoods Directorate. The awards and recognition that it has received through the years are testaments to its exceptional impact despite its modest size and limited resources. It's a vital support system for residents, engaging with over 2,000 jobseekers and trainees each year—individuals striving to improve their economic circumstances through skill development and meaningful employment opportunities.

With an annual target of supporting 200 residents into jobs, the team also plays a crucial role in preparing hundreds more with the confidence and competencies necessary to pursue successful job applications. The 2024–2025 period brought a string of notable achievements, reflecting the team's hard work and dedication.

SUPPORTING JOBSEEKERS

Throughout 2024-2025, the employment & training team has supported 250 people into jobs, most of whom faced multiple barriers to employment.

Funding from the London Borough of Tower Hamlets (LBTH) Council has enabled us to expand our services, allowing us to assist more vulnerable residents.

A high number of self-referrals came through our drop-in service at The Hive, followed closely by trainees in our existing courses, including Hospitality & Catering, Security, and Health Care, many of whom have successfully transitioned into employment.

From September 2024 onwards, we have made our employment support services exclusively available to Poplar HARCA residents, learners enrolled in our courses, and others involved in special projects funded by the Council or our partner, East End Community Foundation (EECF). This strategic shift ensures that resources are directed towards young people and individuals facing significant employment challenges. Consequently, we have referred many jobseekers to the Borough's Employment Services for alternative support.

Our continued commitment to help individuals in their employment journey is reflected in the heartfelt feedback from a resident. "I just wanted to say thank you for your incredible support a few years ago. I appreciated it then, but even more now, seeing how much you went above and beyond. Your faith in me, even when I lacked it myself, made a lasting impact on my confidence and career. I'm now an Integration Officer at Local London, hosted by Redbridge Council. It feels surreal, and I remind myself to appreciate how far I've come. I'll always be grateful for the role you played in my journey."

SUPPORTING LEARNERS

Towards the second half of 2024, we have intensified our efforts to assist clients with Special Educational Needs and Disabilities (SEND). In collaboration with LBTH, we provided training to SEND learners, helping them update their CVs and explore employment opportunities. These learners had secured paid placements and made significant progress. We remain optimistic about their transition into permanent employment. Additionally, our ongoing support for Poplar HARCA residents and course participants has yielded positive feedback, including from a participant in the Barts Health NHS programme who regained confidence after suddenly losing their job. "I was unexpectedly let go from my previous job, which left me feeling distressed and hopeless. But with your team's support, I've regained my confidence. My career is progressing steadily, and I've even been offered an interview with the Finance Department at Canary Wharf, with the possibility of joining Barts Trust at Band 4."

Our learning programmes continue to achieve remarkable success, particularly for vulnerable learners. A total of 711 individuals gained at least 1 accredited qualification in the year. Collectively, they have achieved a total of 847 qualifications, reflecting their dedication and the effectiveness of our trainers and our training approach. Tutors and support staff have played a crucial role beyond academic support, providing learners with energy vouchers, free laptops, internet connections, and food vouchers to help address personal challenges. Many of our learners have been inspired to pursue higher-level qualifications, furthering their educational and professional growth.

One learner praised the clarity and engagement of our training sessions, emphasising how one of our tutors created an interactive learning environment that made concepts easy to understand. "The course provided valuable insights into mental health and workplace dynamics, equipping participants with essential skills for professional settings".

To ensure digital access, we have distributed 69 laptops received through the Good Things Foundation, with some devices allocated to SEND learners who lack access to personal technology. We also gifted laptops to learners who are unable to complete their coursework due to lack of a personal device.

PARTNERSHIPS

We maintain a strong partnership with LBTH, which has resulted in additional funding and commissioned projects as mentioned earlier. We secured £42,000 to support NEET young people and have been commissioned to deliver employability and digital skills training for residents securing work placements, benefiting 15 participants. Additionally, we provided Digital Skills Training for SEND individuals on work placements with the Council, delivered pre-placement training for residents accepting placements through the local authority, and offered interview preparation training for Somali community members seeking NHS employment. We also partner with the Supported Employment Team to train care leavers in budgeting, self-defence, drama, music, employability, and digital skills.

Barts Health NHS Trust remains a key employment partner, particularly for entry-level Health Care Assistant roles. We presented our work to the Trust's Senior Management team, receiving positive feedback and ongoing support.

In collaboration with Principle Clean (PC), we supported 50 employees, mostly with professional qualifications from abroad, by delivering English training. Caf Rail has been providing employability tips and guest speakers, including recruitment heads, and we are awaiting bid outcomes to collaborate further on community support initiatives.

The East End Community Foundation (EECF) has provided us with over £100,000 in funding for our youth employment support over the next three years. As part of this initiative, we visit a number of their corporate partners who host the young people we support through workshops on topics such as how to use LinkedIn professionally, how to write an effective CV, how to register and use agencies as well as one to one interview practice. We presented our work at the Life Chances programme launch and the EECF Board meeting, receiving positive feedback.

Through our partnership with the Department for Work and Pensions (DWP), we support claimants transitioning from legacy benefits to Universal Credit with digital skills training at our community centres. We submitted a successful funding bid to support claimants who want to gain NHS entry level Health Care jobs by delivering Health and Care and Mental Health First Aid training.

We also engaged with the Greater London Authority (GLA) in research on employment barriers for Pakistani and Bangladeshi women hoping to raise awareness of the complex issues they face in gaining employment.

Key events and additional partnerships have been instrumental in expanding our reach. We hosted a job fair at the Feldy Centre in collaboration with the Job Centre, facilitating employer connections for SIA course graduates. Additionally, we represented Poplar HARCA at job fairs, including those for NEET young people and individuals with mental health challenges. We conducted digital skills taster sessions at the Feldy Centre during Get Online Week and welcomed international visitors, including the Academie van de Stad, while introducing our work to new Board members.

Further support has come from the TED LLP Community Chest Fund, which provided a £10,000 grant to deliver digital skills training. We continue to engage in borough-wide initiatives such as the Employability Forum and Growth and Economic Development Partnership Board. Additionally, we collaborated with Canary Wharf Group to submit 60 CVs for security officer roles at a new hotel.

To promote our services, we have participated in multiple outreach events, including the John Smith Centre Coffee Morning, DWP outreach events, the Asthma and Lung Outreach Event, Langdon Park School's parent meetings, and the Money Matters event at the Feldy Centre.

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 2024 to 31 March 2025:

Organisation	2025 £	2024 £
Action Funder	3,000	-
Active Communities Network	5,000	-
Arc'teryx Equipment	5,000	-
After School Club	-	5,000
Barts Health NHS Trust	38,000	98,052
Big Lottery Fund (Reaching Communities)	-	70,704
Boy Blue Room hire		12,100
British Canoeing	2,000	10,130
Bikeworks	-	4,167
Clarion Housing	5,000	
Common Ground Co	-	12,212
East End Community Foundation	31,800	30,900
European Social Fund	280,120	272,936
The Greater London Authority	410,711	570,000
Mammoth Screen Limited	-	18,066
Groundwork	9,491	-
London Borough of Tower Hamlets	776,274	692,838
London Marathon Fund	91,250	26,750
London Sport	-	8,000
London VRU	114,683	121,742
LPS Recharge	-	104,092
Mayor's Fund for London	5,500	4,000
Active Communities Network	-	15,000
AEG Present	-	1,500
Morgan Stanley	-	600
Mount Anvil	-	10,000
National Lottery	55,222	
Need to Succeed	-	8,180
East London Foundation NHS Trust	80,000	51,620
Paddle UK	2,615	-
Port of London Authority	4,500	-
Queen Mary University of London	967	7,700
Rangoonwala Foundation	7,500	22,500
Refugio Project	-	4,500
The Royal London Hospital	74,736	-
Safe East Room Recharge	-	11,250
South Gloucestershire College	61,065	81,510
SPWC Nursery	-	51,395
Sureserve Foundation	-	10,000
Sustrans	-	3,510
Sport England	10,000	-
TED LLP – Community Chest Fund	16,000	41,000
GP Care Group CIC	43,289	-
Youth Social Prescriber	-	60,597
University of East London	-	9,229
	2,133,723	**2,451,780**

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 explains how we target and monitor value for money 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 & Investment 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.

Looking ahead, the Value for Money Strategy and targets will be refreshed from 2026/27 to align with the five-year Corporate Strategic Plan ending in 2031. This update will ensure they remain closely aligned to the Board's strategic priorities and responsive to the evolving operating environment for the social housing sector. The revised strategy and targets will underpin our focus on financial resilience, support the delivery of our long-term ambitions, and maximise social value across our communities.

		2021 target for 2026	2023 target for 2026	2025 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	519	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	622	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	1.4 ratio	Target met
5	Social housing cost per unit	£5,200	£6,000	£9,610	£10,344
6	Management cost per unit	£1,600	£1,600	£1,969	£2,411
7	EBITDA MRI	150%	150%	126%	74%
8	Gearing	50%	55%	59%	53%
9	Operating margin	20%	25%	25%	26%
10	Social housing cost per unit excluding the impact of capital works	*	£5,300	£6,649	£6,189

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

While we are on track to broadly meet or exceed Board-specific targets that support VFM through risk mitigation and stock rationalisation, persistent sector-wide cost pressures mean several VFM metrics are now projected to exceed their planned thresholds by 2026.

- **Mixed Income Tenure Strategy (MITS)**
  This programme has delivered strongly, achieving the 2026 target two years early in 2024. The strategy has diversified income streams and reduced financial risk. The Board continues to monitor lettings closely to ensure sufficient capacity and resilience to deliver our wider corporate objectives.

- **Recycling Assets, Creating Opportunity (RACO)**
  The initial RACO programme met its target of 525 disposals in 2024, generating £138.5m in proceeds. These disposals addressed the income gap caused by rent reductions, removed uneconomic stock, and funded or facilitated Section 106 new builds at a ratio of 1.4 new homes for every unit sold. To date, RACO has funded 845 new homes, including 78% of schemes under construction at the balance sheet date. Around 59 further disposals are required from April 2025 to fund the remaining homes identified for the RACO programme. The Board is continuing to monitor RACO's performance and impact on delivering affordable homes.

- **Social housing cost per unit**
  This is forecast to exceed both the original target and the adjusted measure excluding capital works. The main driver is higher-than-anticipated investment in existing stock. The asset management programme aligns with the stock condition survey and also includes a risk buffer for unforeseen works. Alongside sector-wide cost pressures, these factors have contributed to an increase in overall costs. The Group continues to actively pursue efficiency measures to mitigate these pressures and remains committed to allocating resources towards delivering new affordable homes and sustaining long-term investment in the local community.

- **Management cost per unit**
  The target was intentionally left unchanged in 2023 despite high inflation to maintain ambition. Achieving it will be challenging, but we continue to drive efficiencies where possible without compromising service delivery, which remains central to maintaining our top Consumer Standards regulatory grading.

- **EBITDA MRI**
  This improved slightly to 126% from 122% last year but is forecast to dip below 100% in 2025/26 due to sustained investment in existing homes. The ratio is expected to recover from 2026/27 as major one-off programmes conclude, although the original 150% target is unlikely to be achieved in 2026. Over the mid-term horizon, it is forecast to remain near or above 150%.

- **Gearing**
  Gearing is projected to fall from a high of 59% this year to reach 53% and meet the 55% target in 2026. This reduction reflects the anticipated completion of Stroudley Walk, which will drive an increase in housing assets by 12%, while drawn debt is projected to rise by just 3%, with much of the scheme funded through asset sales.

- From 2026, a refreshed strategy will be required to make the best use of resources in a markedly different macroeconomic and regulatory environment than envisaged when the current strategy was set in 2021

Value For Money Scorecard

The table on the following page is the Poplar HARCA Value for Money Scorecard that compares performance against a 2024 peer group average (the 2025 peer group data was unavailable when this report was written). The performance measures are set by the Board and include 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 and the South East 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 Tenant Satisfaction Measures survey completed in September 2024 and residents satisfied 82% with our overall services.

Operating margin excluding surplus on disposals was 24.88% which is higher than the peer group average. The operating margin from social housing lettings (SHL) is 8.65% and operating margin from social housing lettings (excluding depreciation) 29.26 % higher than the peer group average.

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 24/25, The group invested in communities 21p of every £1 generated from operations same as last year.

SECTOR SCORECARD	PH Group 2025	PH Group 2024	Peer Group 2024
Business health			
Operating margin excluding surplus on disposals	24.82%	26.95%	12.35%
Operating margin- social housing lettings	8.65%	8.22%	8.32%
EBITDA MRI % interest cover	125.62%	121.69%	13.82%
Development - capacity and supply			
New supply delivered (absolute)			
• Units developed social housing units	214	76	-
• Units developed non-social housing units	-	-	-
New supply delivered (as % of units owned)			
• Units developed social housing units	3.84%	1.38%	0.65%
• Units developed non-social housing units	-	-	0.00%
Gearing	59.14%	58.77%	38.78%
Outcomes delivered			
Resident satisfaction with services provided by landlord	84%	83%	-
Reinvestment %	6.54%	12.66%	5.75%
Investment in Communities (spend in year)	£6.8m	£6.3m	-
£s invested in Communities for every £ generated from operations	0.21	0.21	-
Effective asset management			
Return on capital employed	3.78%	3.62%	1.39%
Occupancy	99.2%	99.6%	-
Ratio of responsive repairs to planned maintenance	0.4	0.4	-
Operating efficiencies			
Headline social housing cost per unit without capitalised major repairs works	£6,849	£6,687	£6,412
Headline social housing cost per unit with capitalised major repairs works	£9,610	£9,473	£8,538
• Management cost per unit	£1,969	£2,163	£2,060
• Service charge cost per unit	£1,944	£1,694	£1,670
• Maintenance cost per unit	£1,956	£1,851	£2,123
• Major works cost per unit without capitalised major repairs works	-	-	£413
• Major works cost per unit with capitalised major repairs works	£2,762	£2,786	£2,126
• Lease costs per unit	£359	£331	£38
• Other social housing cost per unit	£620	£648	£108
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:

- **Market Sales Value**
  A significant fall in market sales values poses a risk to development returns and cross-subsidy, with potential knock-on effects on the business plan. This includes reduced liquidity, lower financial returns, increased debt levels, and a weakened pipeline for future schemes. Mitigations in place include the use of up-to-date market intelligence, delivering products aligned with current demand, transferring or sharing sales risk through developer-led delivery and joint ventures, and applying prudent assumptions within the business plan. Stress testing scenarios include a 20% drop in market values and a 12-month sales delay. Assurance measures include quarterly reporting to the Finance & Investment Committee, stress testing and recovery plan reporting every June to the Board, and external audit reviews.

- **Pension Costs and Deficits**
  Rising pension costs, unexpected funding deficits, or triggering cessation debts could result in material liabilities and place strategic constraints on the business plan. Mitigations include offering new staff access to the SHPS defined contribution scheme, maintaining a stable base of PH members within SHPS, and regularly reviewing the affordability of the pension offer. The business plan also incorporates increased SHPS past service deficit contributions, and an LPFA funding agreement is under consideration to improve certainty. Assurance measures include regular monitoring, full disclosure to FGP and the Board, closure of the SHPS Growth Plan, settlement of historic liabilities, and transparent reporting in line with FRS 102.

- **Design Failure**
  Issues with design, including the use of combustible materials, can lead to significant impacts such as bad PR, resident disruption, compensation claims, increased insurance costs, and potential long-term carbon tax. Mitigations include scheme review checks, updated Employers Requirements, design checks, a fire safety remedial programme, regular reporting, and a £11 million resource for EWS remedial works. Cladding issues are being addressed, with completion expected by Q4 2026. Assurance measures include EWS1 certification, fire risk assessments, and compliance with the Building Safety Act.

- **Business Continuity**
  Business interruption due to failure of continuity or recovery can impact service provision, resident satisfaction, reputation, regulatory compliance, lender confidence, income, health and safety, and potential compensation or damages claims. Mitigations include a Business Continuity Plan, Disaster Recovery Plan, local workforce, enabled hybrid working, and Cyber Essentials accreditation, which has been achieved. This area was internally audited in March 2025, providing reasonable assurance to the Board and Committee that controls for this risk are suitable, effective, and consistently applied. Assurance measures include disaster recovery testing and internal audits.

- **Breach of Loan Agreements/Covenants**
  Breaching loan agreements or covenants could lead to catastrophic impacts such as cross-default provisions, regulatory requirements, repossession of charged assets, and likely regulator action. Mitigations include clear accountability and proactive management of compliance, ensuring operational teams are aware of their obligations, annual stress testing and recovery planning, informing business strategies with loan compliance requirements, automatic covenant compliance reporting in the business plan system, an annual budget, increasing financial resilience, and strategic stock disposal. Assurance measures include quarterly compliance reporting, a Financial Control Framework, compliance requirements in Financial Regulations, and key issues reported to the Audit and Risk Committee as part of the Director of Finance report.

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 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 GOVERNANCE

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 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 2025 will provide an updated view.

Three board members served 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. Two of the three have now retired in September 2024. The Chair, who is the final member, will retire in March 2025 and formally step down from the role in June 2025, following a transition period with the newly appointed Chair

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 underwent an in-depth assessment by the regulator for social housing (RSH) late 2024/early 2025 and have been provided a new rating to include the new 'C' (Consumer) grade. This assesses a landlord›s performance against new consumer standards, including tenant satisfaction, service quality, and transparency. In April 2025 RSH published Poplar HARCA's rating to be G1 for governance, V2 for viability and C1 for Consumer.

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's governance structure is described below.

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)- Retiring June 2025
- Jon Lord – Appointed March 2025 to Board, and appointed as new Chair in June 2025
- Tanya Martin (ex-Vice Chair) - (retired September 2024)
- Momtaz Ajid
- Naz Hussain
- Sade Koiki
- Simon Turek (Retired September 2024)
- Alexandra Woolmore
- Kyle Rosevear
- Shabana Yousaf (Vice Chair)
- Susmita Sen – Appointed September 2024
- Razia Nizamuddin – Appointed November 2024

As of 1st April 2024, it was recommended and approved that all Board and Committee members will be remunerated. Fee levels vary according to member roles shown in the table below. All members are paid quarterly and in arrears.

DIRECTORS APPOINTMENTS, DIVERSITY & INCLUSION, SUCCESSION PLANNING, BOARD EVALUATION

Poplar HARCA operates a community focused Board model, which means when vacancies arise we first search for candidates who are Poplar HARCA residents, then search further across Poplar and Tower Hamlets, and finally to the wider community to fulfil particular skill requirements. Of our ten active 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 31st March 2025 the Board had a gender balance of 60% female, 40% male, and a broad distribution of members across age brackets (as below).

18-25	26-45	46-64	65+
0	5	4	1

We remain committed to increasing the Board's ethnic diversity. At present, the Board includes four White British members, three British Asian-Bangladeshi, one British Asian-Pakistani, one British Asian-Indian and one Black British member.

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 2025 for all Committee members, with Board member appraisals to be completed in June 2025. A full skills audit of all members will be completed late 2025.

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 2025.

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 and Investments 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 recruited five new committee members across our committees. They will observe June 2025 committee meetings and will formally be appointed in September 2025.

  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)**
  Poplar HARCA's Youth Empowerment Board (YEB) is a dynamic group of young voices at the heart of Poplar HARCA's decision making process. As a part of our governance structure, YEB members aged 15-19 (and up to 25 with SEND) from Poplar, Bow and neighbouring areas help shape the future of east London.

  YEB members influence key areas including sustainability, local regeneration and accessibility while gaining valuable personal and professional development opportunities. Through monthly meetings in exciting locations and direct collaboration with staff and committees, YEB members create meaningful change in their community while building skills and connections for their future.

- **Estate Boards and Joint Estate Panel**
  There are eleven 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.

RELATED PARTY DISCLOSURES

Two 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

Elizabeth Williams
Director of Strategic Asset Management

Daniel Rose
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 (2023/2024: £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 2024 with the scope to complete Q3 2025.

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 eight full years of audit and will cease services when their contract ends on 31 March 2025. The Audit & Risk Committee reviewed their continued engagement and concluded they remained impartial when delivering internal audit services.

Our Internal Auditors delivered their annual report for 2024-25 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.

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.

In November 2024, Beever & Struthers were successfully procured to draft and deliver Poplar HARCA's three-year strategic internal audit plan. They will deliver all internal audits and officially succeed RSM on 1 April 2025.

AUDITOR

The auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

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

STRATEGIC AND DIRECTOR'S REPORT

The strategic report and statement of the Board's responsibilities was approved on 16 September 2025.

By order of the Board

155 East India Dock Road, Poplar, London, E14 6DA

Jon Lord
Chair

Date: 16 September 2025

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 2025, 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 2025 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 35, 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 assess 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 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: 30 September 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

Financial Statements

Statement of Comprehensive Income: Group and Association

for the year ended 31 March 2025

	Notes	GROUP 2025 £'000	GROUP 2024 £'000	ASSOCIATION 2025 £'000	ASSOCIATION 2024 £'000
Turnover	*2a*	98,698	89,272	97,455	87,958
Cost of sales	*2a*	(7,238)	(3,726)	(7,238)	(3,726)
Operating costs	*2a*	(66,963)	(61,489)	(63,129)	(57,408)
Share of operating (loss)/surplus of joint ventures	*2a, 16*	(376)	(530)	-	-
Write down of investment in joint ventures	*16*	-	-	-	-
Gain /(Loss) on disposal of fixed assets and investment property	*2a, 5*	2,787	1,460	2,787	1,460
Change in value of investment property	*14*	1,238	-	881	-
Operating surplus	*2a*	**28,146**	**24,987**	**30,756**	**28,284**
Gift aid received		-	-	232	-
Surplus before Interest		28,146	24,987	30,988	28,284
Interest receivable and similar income	*6*	1,187	1,295	1,344	1,464
Interest payable and similar charges	*7*	(13,264)	(11,110)	(13,315)	(11,110)
Surplus before tax	*4*	**16,069**	**15,172**	**19,017**	**18,638**
Tax on surplus on ordinary activities	*10*	(220)	(191)	-	-
Surplus for the year		**15,849**	**14,981**	**19,017**	**18,638**
Gift Aid donation				(3,341)	(3,500)
Other comprehensive income					
Re-measurement of pension schemes	*8*	1,724	227	1,724	227
Total comprehensive income for the year		**17,573**	**15,208**	**17,400**	**15,365**

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

Jon Lord
Chair

Shabana Yousaf
Vice Chair

Simran Soin
Company Secretary

Statement of Financial Position: Group and Association

as at 31 March 2025

	Notes	GROUP 2025 £'000	GROUP 2024 £'000	ASSOCIATION 2025 £'000	ASSOCIATION 2024 £'000
Fixed assets					
Housing properties	*11*	608,143	581,903	608,143	581,903
Other fixed assets	*12*	10,397	11,827	10,397	11,827
Intangible assets	*13*	424	431	424	431
Investment in commercial properties	*14*	63,233	59,848	57,707	54,679
Investment in subsidiaries	*15*	-	-	50	50
Joint ventures	*16*	745	1,396	-	-
		682,942	**655,405**	**676,721**	**648,890**
Current assets					
Stock	*17*	10,146	12,084	10,146	12,084
Debtors falling due within one year	*18*	17,886	14,621	23,666	23,401
Debtors due after more than one year	*18*	23,005	17,920	25,828	21,495
Short term investment	*20*	-	6,603	-	6,603
Cash and cash equivalents	*19*	2,165	4,879	1,466	874
		53,202	**56,107**	**61,106**	**64,457**
Creditors: amounts falling due within one year	*23*	(24,210)	(22,062)	(23,853)	(21,672)
Net current assets		**28,992**	**34,045**	**37,253**	**42,785**
Total assets less current liabilities		711,934	689,450	713,974	691,675
Creditors: amounts falling due after more than one year	*24*	(488,878)	(481,453)	(488,768)	(481,355)
Provisions for liabilities	*25*	2,451	(63)	2,451	(63)
Net Assets		**225,507**	**207,934**	**227,657**	**210,257**
Reserves					
Income and expenditure reserve		221,507	203,934	223,657	206,257
Revaluation reserve		4,000	4,000	4,000	4,000
Total reserves		**225,507**	**207,934**	**227,657**	**210,257**

These financial statements were approved by the Board of Directors on 16 September 2025 and were signed on its behalf by:

Jon Lord
Chair

Shabana Yousaf
Vice Chair

Simran Soin
Company Secretary

Statement of Changes in Equity: Group and Association

for the year ended 31 March 2025

GROUP

	Notes	Called up share capital £'000	Revaluation reserve £'000	Income and expenditure reserve £'000	Total equity £'000
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
Surplus for the year after tax		-	-	15,849	15,849
Re-measurement of pension scheme	*8*	-	-	1,724	1,724
Balance at 31 March 2025		**-**	**4,000**	**221,507**	**225,507**

ASSOCIATION

	Notes	Called up share capital £'000	Revaluation reserve £'000	Income and expenditure reserve £'000	Total equity £'000
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
Surplus for the year after tax		-	-	19,017	19,017
Gift aid payment		-	-	(3,341)	(3,341)
Re-measurement of pension scheme	*8*	-	-	1,724	1,724
Balance at 31 March 2025		**-**	**4,000**	**223,657**	**227,657**

Consolidated Cash Flow Statement

for the year ended 31 March 2025

	Notes	2025 £'000	2024 £'000
Net cash received from operating activities	*21*	**32,688**	**29,676**
Cash flows from investing activities			
Cash paid for construction and purchase of housing properties		(37,861)	(58,656)
Purchase of other fixed assets		(356)	(696)
Purchase of Investment properties		(3,446)	-
Proceeds from sale of housing properties		5,558	3,451
Proceeds from sale of other fixed assets		32	-
Proceeds from short term investment		6,615	-
Distribution received from the joint venture		275	352
Loan paid and returned from joint ventures		(3,528)	(6,684)
Grant repaid		(5,513)	(297)
Grants received		1,184	7,194
Interest received		1,176	630
Net cash flows from investing activities		**(35,864)**	**(54,706)**
Cash flows from financing activities			
Interest paid		(14,419)	(12,425)
Interest element of finance lease rental payments		(2,416)	(2,437)
Capital element of finance lease rental payments		(374)	(348)
Repayment of borrowing		(35,000)	-
New borrowing		52,000	20,000
Arrangement fee amortised /paid		671	(36)
Net cash paid in financing activities		**462**	**4,754**
Net cash (decrease)/increase in cash and cash equivalents		(2,714)	(20,276)
Cash and cash equivalents at beginning of year		4,879	25,155
Cash and cash equivalents at end of year	*22*	**2,165**	**4,879**

Notes to the Financial Statements for the year ended 31 March 2025

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 2025/26 and forecast for future years and based on normal strategic business planning and control procedures, and following the 16 September 2025 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.

BASIS OF CONSOLIDATION (CONTINUED)

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 of the cash flow statement only.

FIXED ASSETS AND DEPRECIATION

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

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

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

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

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

HOUSING PROPERTIES

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

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

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

DEPRECIATION

Component Useful life

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

The estimated useful lives are as follows:

Component	Useful Life (Assets capitalised prior to 1 April 2015)	Useful Life (Assets capitalised from 1 April 2015)
Kitchen	15 years	20 years
Bathrooms	35 years	30 years
Electrical	40 years	40 years
Heating system	15 years	20 years
Windows and doors	30 years	30 years
Roofs	40 years (pitched) or 15 years (flat)	40 years (pitched) or 20 years (flat)
Lifts	20 years	25 years
Door entry system	15 years	15 years

DEPRECIATION (CONTINUED)

Component	Useful Life (Assets capitalised prior to 1 April 2015)	Useful Life (Assets capitalised from 1 April 2015)
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 & Communities enhancements	N/A	20 years
CCTV Security	N/A	10 years
Door entry system	N/A	10 years
***Balcony**	N/A	25 years
***Flooring**	N/A	10 years
***Guttering & Drainage**	N/A	15 years
***Heat meter and heat interface units**	N/A	10 years
***Water supply tanks**	N/A	50 years
***Mechanical ventilation heat recovery**	N/A	10 years

*A new component balcony, flooring, guttering & drainage, heat meter and heat interface units, water supply tanks and mechanical ventilation heat recovery 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.

The Interest capitalised for the year ended 31 March 2025 was calculated using an incremental borrowing rate of 6.1% (2024: 6.5%), reflecting the cost of funds drawn specifically under the Group's revolving credit facilities to finance housing property developments.

Other fixed assets

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

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

Freehold land is not depreciated.

INTANGIBLE ASSETS

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

SOCIAL HOUSING GRANT AND OTHER CAPITAL SUBSIDIES

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

Poplar HARCA used the Government's Job retention scheme (furlough) to ensure that colleagues whose work dried up in early part of pandemic were financially supported. Government grants relate 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 properties 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 guaranteed 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 2025 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 2025, 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 2025 – External professional valuation
  - 31 March 2024 – Directors' valuation
  - 31 March 2023 – Directors' valuation

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

- **Intangible assets**

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

- **Provision for doubtful debt**

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

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

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

TAX

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

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

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

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

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

VALUE ADDED TAX

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

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

GROUP	2025					2024				
	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	47,578	-	(45,235)	-	2,343	44,598	-	(43,137)	-	1,461
Shared ownership	4,078	-	(850)	-	3,228	3,812		(589)		3,223
	51,656	**-**	**(46,085)**	**-**	**5,571**	**48,410**	**-**	**(43,726)**	**-**	**4,684**
Amortised government grants	2,581	-	-	-	2,581	3,114	-	-	-	3,114
Refurbishment administration	-	-	(6,206)	-	(6,206)	-	-	(6,158)	-	(6,158)
Refurbishment administration costs capitalised	-	-	2,747	-	2,747	-	-	2,594	-	2,594
	54,237	**-**	**(49,544)**	**-**	**4,693**	**51,524**	**-**	**(47,290)**	**-**	**4,234**
Other social housing activities										
Shared ownership sales – First tranche	10,277	(5,574)	-	-	4,703	2,019	(1,113)	-	-	906
Current assets sales	10,281	(1,664)	-	-	8,617	16,781	(2,613)	-	-	14,168
Gain(loss) on disposal of fixed assets and investment property	-	-	-	2,787	2,787	-	-	-	1,460	1,460
	20,558	**(7,238)**	**-**	**2,787**	**16,107**	**18,800**	**(3,726)**	**-**	**1,460**	**16,534**
Non-social housing activities										
Community regeneration	-	-	(3,682)	-	(3,682)	-	-	(3,293)	-	(3,293)
Garages and commercial properties	1,142	-	(143)	-	999	1,229	-	(210)	-	1,019
Market rent	3,504	-	(375)		3,129	3,081	-	(267)	-	2,814
Other	10,099	-	(4,414)	-	5,685	7,541	-	(2,781)	-	4,760
leaseholders	9,158	-	(8,805)		353	7,097	-	(7,648)	-	(551)
Change in value of investment property	-	-	-	1,238	1,238	-	-	-	-	-
Share of operating surplus/(loss) of joint ventures	-	-	-	(376)	(376)	-	-	-	(530)	(530)
	23,903	**-**	**(17,419)**	**862**	**7,346**	**18,948**	**-**	**(14,199)**	**(530)**	**4,219**
Total	**98,698**	**(7,238)**	**(66,963)**	**3,649**	**28,146**	**89,272**	**(3,726)**	**(61,489)**	**930**	**24,987**

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

ASSOCIATION	2025					2024				
	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	47,578	-	(45,235)	-	2,343	44,598	-	(43,137)	-	1,461
Shared ownership	4,078	-	(850)	-	3,228	3,812	-	(589)	-	3,223
	51,656	**-**	**(46,085)**	**-**	**5,571**	**48,410**	**-**	**(43,726)**	**-**	**4,684**
Amortised government grants	2,581	-	-	-	2,581	3,114	-	-	-	3,114
Refurbishment administration	-	-	(6,206)	-	(6,206)	-	-	(6,158)	-	(6,158)
Refurbishment administration costs capitalised	-	-	2,747	-	2,747	-	-	2,594	-	2,594
Refurbishment administration recharged to Group Company	94	-	-	-	94	131	-	-	-	131
	54,331		**(49,544)**		**4,787**	**51,655**		**(47,290)**		**4,365**
Other social housing activities										
Shared ownership sales – First tranche	10,277	(5,574)	-	-	4,703	2,019	(1,113)	-	-	906
Current assets sales	10,281	(1,664)	-	-	8,617	16,781	(2,613)	-	-	14,168
Gain(loss) on disposal of fixed assets and investment property	-	-	-	2,787	2,787	-	-	-	1,460	1,460
	20,558	**(7,238)**	**-**	**2,787**	**16,107**	**18,800**	**(3,726)**	**-**	**1,460**	**16,534**
Non-social housing activities										
Community regeneration	-	-	(321)		(321)	-	-	-		-
Garages and commercial properties	899	-	13		912	786	-	(91)		695
Market rent	3,504	-	(375)		3,129	3,081	-	(267)		2,814
Other	9,005	-	(4,097)		4,908	6,539	-	(2,112)		4,427
Leaseholders	9,158	-	(8,805)		353	7,097	-	(7,648)		(551)
Change in value of investment property	-	-	-	881	881	-	-	-	-	-
	22,566	**-**	**(13,585)**	**881**	**9,862**	**17,503**	**-**	**(10,118)**	**-**	**7,385**
Total	**97,455**	**(7,238)**	**(63,129)**	**3,668**	**30,756**	**87,958**	**(3,726)**	**(57,408)**	**1,460**	**28,284**

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

GROUP	General Needs £'000	Shared Ownership £'000	2025 Total £'000	2024 Total £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges and void losses	40,532	3,034	43,566	40,500
Service income	7,046	1,044	8,090	7,910
Amortisation of social housing and other capital grants	2,581	-	2,581	3,114
Total income from social housing lettings	**50,159**	**4,078**	**54,237**	**51,524**
Expenditure on lettings				
Services	(10,644)	(202)	(10,846)	(9,327)
Management	(10,745)	(240)	(10,985)	(11,908)
Responsive maintenance	(9,059)	(408)	(9,467)	(9,806)
Planned maintenance	(1,443)	-	(1,443)	(386)
Lease costs	(2,003)	-	(2,003)	(1,819)
Rent and service charges losses from bad debts	(164)	-	(164)	79
Depreciation of social housing properties	(11,177)	-	(11,177)	(10,558)
Refurbishment administration net of capitalised costs	(3,459)	-	(3,459)	(3,565)
Total expenditure on social housing lettings	**(48,694)**	**(850)**	**(49,544)**	**(47,290)**
Operating surplus on social housing letting activities	**1,465**	**3,228**	**4,693**	**4,234**
Rent losses from voids			(326)	(300)

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

ASSOCIATION	General Needs £'000	Shared Ownership £'000	2025 Total £'000	2024 Total £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges and void losses	40,532	3,034	43,566	40,500
Service income	7,046	1,044	8,090	7,910
Amortisation of social housing and other capital grants	2,581	-	2,581	3,114
Administration recharged to group companies	94	-	94	131
Total income from social housing lettings	**50,253**	**4,078**	**54,331**	**51,655**
Expenditure on lettings				
Services	(10,644)	(202)	(10,846)	(9,327)
Management	(10,745)	(240)	(10,985)	(11,908)
Responsive maintenance	(9,059)	(408)	(9,467)	(9,806)
Planned maintenance	(1,443)	-	(1,443)	(386)
Lease costs	(2,003)	-	(2,003)	(1,819)
Rent and service charges losses from bad debts	(164)	-	(164)	79
Depreciation of social housing properties	(11,177)	-	(11,177)	(10,558)
Refurbishment administration net of capitalised costs	(3,459)	-	(3,459)	(3,565)
Total expenditure on social housing lettings	**(48,694)**	**(850)**	**(49,544)**	**(47,290)**
Operating surplus on social housing letting activities	**1,559**	**3,228**	**4,787**	**4,365**
Rent losses from voids			(326)	(300)

3. Housing stock

	GROUP	
	2025 No.	2024 No.
Social housing accommodation		
General needs housing	**4,618**	**4,788**
Affordable rent	**510**	**369**
Low-cost home ownership	**431**	**329**
Intermediate market rent	**19**	**19**
Total social housing managed	**5,578**	**5,505**
Non-social housing managed		
Leaseholders	**4,304**	**4,238**
Market rent	**417**	**357**
Non-social other	**260**	**238**
Total non-social housing managed	**4,981**	**4,833**
Total units managed	**10,559**	**10,338**
Housing units in development pipeline	**340**	**551**

The group added 214 new social units under management (2024: 76 units), 81 units were converted to non-social (2024: 22 units) tenancies in line with Mixed Income Tenure Scheme strategy, and 46 units were sold (2024: 72 units) as part of Recycling Assets Creating Opportunity strategy

4. Surplus on ordinary activities before tax

	GROUP		ASSOCIATION	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Is stated after charging:				
Depreciation:				
• Social housing properties	11,177	10,558	11,177	10,558
• other fixed assets	679	841	679	841
Auditor's remuneration (excluding VAT):	105	79	105	79
Current service charges for pension scheme	76	74	76	74
Gain/(Loss) on disposal of fixed assets and investment property	2,787	1,460	2,787	1,460

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

	GROUP		ASSOCIATION	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Disposal proceeds	2,940	1,329	2,940	1,329
Shared Ownership Subsequent Tranche proceeds	1,768	1,301	1,768	1,301
Cost of disposals	(1,921)	(1,170)	(1,921)	(1,170)
	2,787	**1,460**	**2,787**	**1,460**

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 (2024: £nil) was attributed to disposal proceeds.

6. Interest receivable and similar income

	GROUP		ASSOCIATION	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bank interest receivable	255	279	252	273
Other interest receivable	932	1,016	146	368
Interest received from group companies	-	-	946	823
	1,187	**1,295**	**1,344**	**1,464**

7. Interest payable and similar charges

	GROUP		ASSOCIATION	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Interest expense and finance costs on liabilities at amortised cost	16,680	15,002	5,947	4,201
Interest payable to group companies	-	-	10,784	10,801
Interest on Recycled Capital Grant Fund	7	15	7	15
Interest on pension scheme liabilities	(16)	30	(16)	30
Interest capitalised in fixed assets	(3,407)	(3,937)	(3,407)	(3,937)
	13,264	**11,110**	**13,315**	**11,110**

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.

The Interest capitalised into fixed assets for the year ended 31 March 2025 was calculated using an incremental borrowing rate of 6.1% (2024: 6.5%), reflecting the cost of funds drawn specifically under the Group's revolving credit facilities to finance housing property developments.

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	
	2025 No.	2024 No.	2025 No.	2024 No.
Administration	70	61	70	61
Development	9	9	9	9
Housing, maintenance and estate services	203	194	203	194
	282	**264**	**282**	**264**
Community regeneration	82	85	82	85
	364	**349**	**364**	**349**

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	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Administration				
Wages and salaries	4,372	3,786	4,372	3,786
Social security	500	441	500	441
Pension costs	225	199	225	199
	5,097	**4,426**	**5,097**	**4,426**
Development				
Wages and salaries	749	711	749	711
Social security	91	88	91	88
Pension costs	63	62	63	62
	903	**861**	**903**	**861**
Housing				
Wages and salaries	8,880	7,426	8,880	7,426
Social security	949	798	949	798
Pension costs	475	430	475	430
	10,304	8,654	10,304	8,654
	16,304	**13,941**	**16,304**	**13,941**
Community regeneration				
Wages and salaries	3,716	3,857	3,716	3,857
Social security	384	417	384	417
Pension costs	171	173	171	173
	4,271	**4,447**	**4,271**	**4,447**
	20,575	**18,388**	**20,575**	**18,388**

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	2025 No.	2024 No.
£60,000 to £70,000	20	11
£70,001 to £80,000	9	14
£80,001 to £90,000	12	10
£90,001 to £100,000	10	8
£100,001 to £110,000	7	4
£110,001 to £120,000	2	1
£120,001 to £130,000	-	1
£130,001 to £140,000	-	-
£140,001 to £150,000	1	1
£150,001 to £160,000	-	1
£160,001 to £170,000	1	2
£170,001 to £180,000	3	1
£180,001 to £190,000	-	-
£190,001 to £200,000	-	-
£200,001 to £300,000	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 ASSETS AND LIABILITIES	2025 £'000	2024 £'000
LGPS defined benefit scheme	4,528	3,046
SHPS defined benefit scheme	(2,077)	(3,109)
Net Pension Assets/ (liabilities)	**2,451**	**(63)**

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 2023. This valuation revealed a deficit of £693m. 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 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 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 past service 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 2025 £'000	31 March 2024 £'000
Fair value of plan assets	12,997	13,516
Present value of defined benefit obligation	(15,074)	(16,625)
Surplus (deficit) in plan	(2,077)	(3,109)
Total defined benefit liability to be recognised	**(2,077)**	**(3,109)**

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2025 £'000	Period ended 31 March 2024 £'000
Defined benefit obligation at start of period	16,625	16,561
Current service cost	3	-
Expenses	11	11
Interest expense	803	798
Member contributions	32	34
Actuarial losses due to scheme experience	147	(91)
Actuarial losses due to changes in demographic assumptions	-	(170)
Actuarial losses due to changes in financial assumptions	(1,990)	(134)
Benefits paid and expenses	(557)	(384)
Total defined benefit obligation at end of period	**15,074**	**16,625**

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

	Period ended 31 March 2025 £'000	Period ended 31 March 2024 £'000
Fair value of plan assets at start of period	13,516	13,524
Interest income	669	668
Experience on plan assets (excluding amounts included in interest income)- gain(loss)	(1,431)	(1,056)
Contributions by the employer	768	730
Member contributions	32	34
Benefits paid and expenses	(557)	(384)
Total fair value of plan assets at end of period	**12,997**	**13,516**

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was (£762,000).

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

	Period from 1st April 24 to 31 March 2025 £'000	Period from 1st April 2023 to 31 March 2024 £'000
Current service cost	3	-
Expenses	11	11
Net interest expense	134	130
Total defined benefit costs recognised in statement of comprehensive income (SoCI)	**148**	**141**

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2025 £'000	Period ended 31 March 2024 £'000
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	(1,431)	(1,056)
Experience gains and losses arising on the plan liabilities – gain (loss)	(147)	91
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	0	170
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	1990	134
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable)- gain (loss)	412	(661)
Total amount recognised in Other Comprehensive Income- gain (loss)	**412**	**(661)**

ASSETS

	31 March 2025 £'000	31 March 2024 £'000
Global Equity	1,456	1,347
Absolute Return	-	528
Distressed Opportunities	-	476
Credit Relative Value	-	443
Alternative Risk Premia	-	429
Liquid Alternatives	2,410	-
Emerging Markets Debt	-	175
Risk Sharing	-	791
Insurance-Linked Securities	40	70
Property	651	543
Infrastructure	2	1,365
Private Equity	12	11
Real Assets	1,556	-
Private Debt	-	532
Opportunistic Illiquid Credit	-	528
Private Credit	1,591	-
Credit	497	-
Investment Grade Credit	400	-
High Yield	-	2
Cash	176	267
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	4	87
Secured Income	217	404
Liability Driven Investment	3,936	5,500
Currency Hedging	21	(5)
Net Current Assets	28	23
Total assets	**12,997**	**13,516**

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 2025 % per annum	31 March 2024 % per annum
Discount Rate	5.85	4.91
Inflation (RPI)	3.09	3.14
Inflation (CPI)	2.79	2.78
Pensionable earnings increases	3.79	3.78
Allowance for cash commutation retirement	75% of maximum allowance	75% of maximum allowance

THE MORTALITY ASSUMPTIONS ADOPTED AT 31 MARCH 2025 IMPLY THE FOLLOWING LIFE EXPECTANCIES:

	31 March 2025 Life expectancy at age 65 (years)	31 March 2024 Life expectancy at age 65 (years)
Male retiring	20.5	20.5
Female retiring	23.0	23.0
Male retiring in 2045	21.7	21.8
Female retiring in 2045	24.5	24.4

The average duration of the defined benefit obligation at the period ended 31 March 2025 is 15 years.

PRINCIPAL FINANCIAL ASSUMPTIONS USED

Discount Rate

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 2024/25 disclosures, Single equivalent discount rate derived using the UK Mercer Yield Curve (expanded dataset) for AA corporate bond yields and sample cashflows with appropriate duration. 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

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 2023/24-month end by adjusting the gild market-implied RPI rate for 2024/25 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 2024/25 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 2024/25 disclosures, The Association maintained the same approach as 2023/24. 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. This methodology is consistent with the methodology adopted for previous years.

Earnings increases

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 CPI plus 1.0% p.a. This methodology is consistent with the methodology adopted for previous years.

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.

Pension increases
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.

PRINCIPAL DEMOGRAPHIC ASSUMPTIONS USED

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
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 no allowance for pre-retirement and 117% of S3PxA for post-retirement.

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
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 but updated for the latest CMI_2023 model.

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 2023.

Allowance in made for new notional cash commutation factors used for triennial valuations.

Retirement
As per the most recent Technical Provisions assumptions, all members over the assumed retirement age at the valuation date will be assumed to retire in 1 years' time for both past service liabilities and future services.

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 2025, 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 2025 without completing a full valuation. However, we are satisfied that the approach of rolling forward the previous valuation data to 31 March 2025 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 (PUM) of valuation as required under FRS102 accounting standard.

Valuation of the Employer's assets
Asset return can be very volatile from year to year and will vary by LGPS fund.

To calculate the asset share we have rolled forward the assets allocated to the each employer at the latest valuation date 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 2025	31 March 2024
	% p.a.	% p.a.
Discount rate	5.75%	4.85%
Pension increases (CPI)	2.95%	2.90%
RPI inflation	3.30%	3.30%
Salary increases	3.95%	3.90%

These assumptions are set with reference to market conditions at 31 March 2025.

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.

The Sample cashflows are prepared by Barnett Waddingham on a triennial basis. Employers are group together into 'maturity brackets' based on the duration of their cash flows. Each maturity bracket is linked to a term on the yield curve, up to the 30-year point, resulting in 30 sets of sample cashflows. All employers in the same maturity bracket share the same set of sample cashflows which is used at each accounting date to set the relevant financial assumptions.

In carrying out this derivation we use the annualised Merrill Lynch AA rated corporate bond yield curve and assume the curve is flat beyond the 30 year point.

The new yield curve at the accounting date is used to discount the sample cashflows to calculate a single equivalent discount rate proposed for use in the Association 's accounting valuation.

The sample cashflows are used to set the assumption used, however when calculating the change in financial assumption item on the association 's balance sheet we discount the employer's unique cashflow profile with the new single equivalent discount rate. The impact of a change in the discount rate compared with the previous accounting date will therefore vary by employer depending on their own unique cashflow profile.

Cashflow profiles were derived as at the last full triennial valuation date and are assumed to have remained unchanged since then.

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)

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)

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 2025-page 73 and Re-measurement in other comprehensive income-page 74 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. The next triennial valuation date is as at the accounting date, 31 March 2025. The results of the 2025 valuation will not be finalised at the time of signing the accounts. An update to base mortality tables will follow next year as part of 31 March 2026 reporting.

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 2025	31 March 2024
Retiring today		
Males	20.3	20.4
Females	23.4	23.4
Retiring in 20 years		
Males	21.6	21.6
Females	24.2	24.2

EMPLOYER DURATION

The estimated Macaulay duration of the Employer as at the accounting date, using the assumptions set above is 13 years

OTHER DEMOGRAPHIC ASSUMPTIONS

Commutation

Members will exchange pension to get 50% of the maximum available cash on retirement. For every £1 of pension that members commute, they will receive a cash payment of £12 as set out in the Regulations

Normal retirement

Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age

50:50 take up

The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

ADDITIONAL REQUIREMENTS

Experience items allowed for since the previous accounting date

Full valuation update

The next triennial valuation date is 31 March 2025. The results of the 2025 valuation will not be finalised at the time which 31 March 2025 year end accounting reports are prepared. The statutory deadline for completion of the 2025 valuation is 31 March 2026, after which time the results can be allowed for in employer accounting reports.

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 2025, as shown in in Asset and benefit obligation reconciliation for the year ended 31 March 2025-page 73 and Re-measurement in other comprehensive income-page 74.

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 2025.

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 2025.

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.

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 2025

Net pension liability as at	31 March 2025 £'000	31 March 2024 £'000
Present value of the defined benefit obligation	(13,395)	(15,174)
Fair value of Fund assets (bid value)	17,923	18,220
Net defined benefit Assets	**4,528**	**3,046**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

The amounts recognised in the Statement of Comprehensive Income:	2025 £'000	2024 £'000
Current Service cost	73	74
Net interest on the defined benefit liability/(asset)	(150)	(100)
Administration expenses	5	5
Total Expenditure	**(72)**	**(21)**

ASSET AND BENEFIT OBLIGATION RECONCILIATION FOR THE YEAR ENDED 31 MARCH 2025

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	2025 £'000	2024 £'000
Opening defined benefit obligation	**15,174**	**15,056**
Current service cost	73	74
Interest cost	713	710
Change in financial assumptions	(1,555)	(8)
Change in demographic assumptions	(31)	(169)
Experience gain on defined benefit obligation	(36)	55
Estimated benefits paid net of transfers in	(967)	(567)
Contributions by Scheme participants	24	23
Closing defined benefit obligation	**13,395**	**15,174**

Reconciliation of opening and closing balances of the fair value of Fund assets	2025 £'000	2024 £'000
Opening fair value of Fund assets	**18,220**	**17,097**
Interest on assets	863	810
Return on assets less interest	(310)	766
Other actuarial gains/(losses)	-	-
Administration expenses	(5)	(5)
Contributions by employer	98	96
Contributions by Fund participants	24	23
Estimated benefits paid plus unfunded net of transfers in	(967)	(567)
Closing fair value of Fund assets	**17,923**	**18,220**

Asset Breakdown	£'000	2025 %	£'000	2024 %
Equities	10,572	59%	11,032	61%
Target Return Portfolio	3,255	18%	3,143	17%
Infrastructure	2,044	12%	2,093	11%
Property	1,633	9%	1,667	9%
Cash	419	2%	285	2%
Total	**17,923**	**100%**	**18,220**	**100%**

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2025 is 3.114% (2024:9.34%) as advised by the Fund. The Employer's share of the assets of the Fund is approximately 0.22%. (2024:0.23%)

SENSITIVITY ANALYSIS

	£'000	£'000	£'000
Adjustments to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	13,232	13,395	13,562
Projected service cost	59	61	62
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	13,401	13,395	13,389
Projected service cost	61	61	61
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	13,560	13,395	13,233
Projected service cost	62	61	59
Adjustment to life expectancy assumptions	+1 year	1 Year	-1 Year
Present value of total obligation	13,817	13,395	12,986
Projected service cost	63	61	59

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)	2025 £'000	2024 £'000
Return on Fund assets in excess of interest	(310)	766
Other actuarial gains(losses) on assets	-	-
Change in financial assumptions	1,555	8
Change in demographic assumptions	31	169
Experience gain on defined benefit obligation	36	(55)
Total actuarial gain (losses)- recognised in other comprehensive income	**1,312**	**888**

PROJECTED PENSION EXPENSE FOR THE YEAR TO 31 MARCH 2026

Projections for the year to 31 March 2026	2026 £'000
Service cost	61
Net interest on the defined liability and (asset)	(264)
Administration expenses	5
Total loss/Profit	**(198)**
Employer contributions	96

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2025. These projections are based on the assumptions as at 31 March 2025, 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

	2025 £'000	2024 £'000
Re-measurement of the net assets/(defined liability) – Social Housing Pension Scheme	412	(661)
Re-measurement of the net assets/(defined liability) – Local Government Pension Scheme	1,312	888
Total Re-measurement of the (defined liability)/net assets recognised in Other Comprehensive Income	**1,724**	**227**

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

The Member of the Board is an employee of Poplar HARCA or received emoluments during the period as follows:

Aggregate emoluments payable to the Board Members	2025 £'000	2024 £'000
Remuneration fee	71	-
Employers national insurance contribution	1	-
Pension contributions	-	-
Benefit in kind	-	-
Total emoluments	**72**	**-**

MEMBERS OF THE CORPORATE MANAGEMENT TEAM

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

Aggregate emoluments payable to the Corporate Management	2025 £'000	2024 £'000
Salaries including bonuses	816	832
Employers national insurance contribution	103	109
Pension contributions	6	19
Benefit in kind	2	4
Total emoluments	**927**	**964**
Emoluments payable to the highest paid employee		
Salary including bonus	223	215
Employers national insurance contribution	26	29
Benefit in kind (car allowance)	2	4
Total emoluments	**251**	**248**

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 2025, the Chief Executive was an ordinary member of the LGPS scheme. Poplar HARCA did not pay into an individual pension arrangement (including a personal pension plan) for the Chief Executive.

10. Taxation

Analysis of charge in period

CURRENT TAX	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
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	89	178		
Adjustment in respect of prior period	131	-	-	-
Deferred tax recognised on losses	-	-	-	-
	220	**178**	**-**	**-**
Tax on surplus on ordinary activities	**220**	**191**	**-**	**-**

The tax charge for the Group and Association is at 25% (2024: 25%), the standard rate of corporation tax in the UK as explained below.

TAX RECONCILIATION	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Surplus/(deficit) on ordinary activities before tax	16,069	15,172	19,017	18,638
Current tax at 25% (2024: 25%)	4,017	3,793	4,754	4,660
Effects of:				
Expenses not deductible for corporation tax	3	27	-	-
Income not taxable for tax purpose	(8)	(9,088)	-	(10,131)
Adjustments to brought forward values	-	62	-	62
Losses eliminated	-	5,409	-	5,409
Group relief surrender (claimed)	-	-	-	-
Gift aid payment	-	(42)		
Movement in deferred tax not recognised	-	-	-	-
Exempt distribution received	-	(88)		
Adjustment in respect of prior periods (deferred tax)	131	13		
Movement in deferred tax not recognised	-	105		
Other movements	(3,923)	-	(4,754)	-
Total tax charge recognised in the Statement of Comprehensive Income	**220**	**191**	**-**	**-**

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 2025, the group had tax losses of £1.6m in Poplar HARCA Projects Limited 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 Developments Limited has recognised a deferred tax liability of £151,664 in the year end 31 March 2025 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 £606,657.

The deferred tax movement in the year of £220,442 consists of the movement on the deferred tax liability in respect of a potential future chargeable gain arising on disposal of William Cotton Place of £357,000 (@25% 89,250) and the prior year adjustment of £131,192 in respect of the utilisation of brought forward property losses and management expenses per the submitted computation of Poplar HARCA Projects Limited for FY2024.

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 2024	111,215	41,330	8,737	469,453	46,555	28,455	705,745
Reclassification of opening balance	7,172	(7,172)	-	-	-	-	-
Acquisitions and new build	20,228	3,694	429	-	-	-	24,351
Capitalised repairs	-	-	-	15,216	-	188	15,404
Reclassification from OFA	-	-	-	-	-	969	969
Disposals – voluntary sales	-	-	-	(4,277)	(982)	-	(5,259)
Components written off	-	-	-	(633)	-	-	(633)
Transfer to completed housing properties	(39,449)	(21,574)	(5,864)	39,449	21,574	5,864	-
At 31 March 2025	**99,166**	**16,278**	**3,302**	**519,208**	**67,147**	**35,476**	**740,577**
Depreciation							
At 1 April 2024	-	-	-	112,163	3,524	8,155	123,842
Charge for the period	-	-	-	9,729	671	919	11,319
Disposals – voluntary sales	-	-	-	(2,370)	(91)	-	(2,461)
Components written off	-	-	-	(266)	-	-	(266)
At 31 March 2025	**-**	**-**	**-**	**119,256**	**4,104**	**9,074**	**132,434**
Net book value							
At 31 March 2025	**99,166**	**16,278**	**3,302**	**399,952**	**63,043**	**26,402**	**608,143**
At 1 April 2024	111,215	41,330	8,737	357,290	43,031	20,300	581,903

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 2024	111,215	41,330	8,737	469,453	46,555	28,455	705,745
Reclassification of opening balance	7,172	(7,172)	-	-	-	-	-
Acquisitions and new build	20,228	3,694	429	-	-	-	24,351
Capitalised repairs	-	-	-	15,216	-	188	15,404
Reclassification from OFA	-	-	-	-	-	969	969
Disposals – voluntary sales	-	-	-	(4,277)	(982)	-	(5,259)
Components written off	-	-	-	(633)	-	-	(633)
Transfer to completed housing properties	(39,449)	(21,574)	(5,864)	39,449	21,574	5,864	-
At 31 March 2025	**99,166**	**16,278**	**3,302**	**519,208**	**67,147**	**35,476**	**740,577**
Depreciation							
At 1 April 2024	-	-	-	112,163	3,524	8,155	123,842
Charge for the period	-	-	-	9,729	671	919	11,319
Disposals – voluntary sales	-	-	-	(2,370)	(91)	-	(2,461)
Components written off	-	-	-	(266)	-	-	(266)
At 31 March 2025	**-**	**-**	**-**	**119,256**	**4,104**	**9,074**	**132,434**
Net book value							
At 31 March 2025	**99,166**	**16,278**	**3,302**	**399,952**	**63,043**	**26,402**	**608,143**
At 1 April 2024	111,215	41,330	8,737	357,290	43,031	20,300	581,903

Included in Group's acquisitions during the year is capitalised interest of £3,407k (2024: £3,937k). The amount of cumulative interest capitalised in housing properties is not separately identifiable.

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 2025 therefore no impairment cost on housing properties was recognised for the current financial year (2024: 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 2024	11,275	1,446	10,094	1,844	951	25,610
Additions	6	-	213	31	106	356
Disposals	-	-	-	(32)	-	(32)
Reclassification to FA	-	-	-	-	(969)	(969)
Reclassification to Statement of Comprehensive Income	-	-	-	-	(132)	(132)
Transfer to completed assets	11	-	-	-	(11)	-
At 31 March 2025	**11,292**	**1,446**	**10,307**	**1,843**	**(55)**	**24,833**
Depreciation						
At 1 April 2024	1,559	1,378	9,307	1,539	-	13,783
Charge for the period	262	25	244	148	-	679
Disposal	-	-	-	(26)	-	(26)
At 31 March 2025	**1,821**	**1,403**	**9,551**	**1,661**	**-**	**14,436**
Net book value						
At 31 March 2025	**9,471**	**43**	**756**	**182**	**(55)**	**10,397**
At 1 April 2024	9,716	68	787	305	951	11,827

13. Intangible assets

GROUP AND ASSOCIATION	£'000
Cost	
At 1 April 2024	493
Franchise licence fee	-
At 31 March 2025	**493**
Amortisation	
At 1 April 2024	62
Charge for the period	7
At 31 March 2025	**69**
Net book value	
At 31 March 2025	**424**
At 1 April 2024	431

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

GROUP 2025	Total £'000
Balance at 1 April 2024	59,848
Additions	3,446
Transfer to Stock	(1,299)
Disposals	-
Change in fair value	1,238
Balance at 31 March 2025	**63,233**

ASSOCIATION 2024	Total £'000
Balance at 1 April 2023	54,679
Additions	-
Disposals	-
Change in fair value	-
Balance at 31 March 2024	**54,679**

ASSOCIATION 2025	Total £'000
Balance at 1 April 2024	54,679
Additions	3,446
Transfer to Stock	(1,299)
Disposals	-
Change in fair value	881
Balance at 31 March 2025	**57,707**

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 during the financial year for the Stroudley Walk and Poplar others, 2a Ettrick Street, Medical Centre, St Paul way's Shops and William Cotton Place by Exigen 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 £14,718k 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. During the year 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 shorthold Tenancies (MV-T).

At the reporting date the fair value of the private residential units was measured at £48,515k (2024: £46,460k). The historical costs of investment were £44,700k (2024: £44,700k).

15. Investment in subsidiary companies

ASSOCIATION	2025 £'000	2024 £'000
Poplar HARCA Capital PLC	50	50
	50	**50**

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.

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

16. Joint ventures

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

ABERFELDY NEW VILLAGE LLP

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

BALFRON TOWER DEVELOPMENTS LLP

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

TEVIOT ESTATE DEVELOPMENTS LLP

This is a joint venture between Poplar HARCA Projects Limited and Hill Residential Limited for the regeneration of the Teviot Estate with future profits to be shared equally. The LLP issued 2 shares of £1 each, 1 of which are owned by Poplar HARCA Projects Limited.The amounts included in respect of the Group's share of joint ventures comprise the following:

16. Joint ventures (continued)

2025	Aberfeldy £'000	Balfron £'000	Teviot Estate £'000	Total £'000
Share of loss from joint ventures	**(376)**	**-**	**-**	**(376)**
Share of:				
Gross assets	7,842	17,805	4,780	30,427
Gross liabilities	(7,097)	(17,805)	(4,780)	(29,682)
Net assets	**745**	**-**	**-**	**745**
As at 1 April 2024	1,396	-	-	1,396
Share of profit/(loss) from joint ventures	(376)	-	-	(376)
Distribution paid during the year	(275)	-	-	(275)
Investment in joint ventures	**745**	**-**	**-**	**745**

2024	Aberfeldy £'000	Balfron £'000	Teviot Estate £'000	Total £'000
Share of 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**

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 2025 no indicator of impairment was identified. In 2024 there was £8.8m reclassification of investment in joint venture in Poplar HARCA Developments Ltd to Affordable housing properties in Parent company, Poplar HARCA.

17. Stocks

	GROUP		ASSOCIATION	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Leaside Properties	1,299	-	1,299	-
Shared ownership completed	3,394	1,144	3,394	1,144
Shared ownership under construction	5,453	10,940	5,453	10,940
	10,146	**12,084**	**10,146**	**12,084**

18. Debtors

	GROUP		ASSOCIATION	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Debtors falling due within one year:				
Rent and service charge arrears	10,466	8,462	9,675	7,757
Less: provision for bad and doubtful debts	(2,913)	(2,780)	(2,445)	(2,359)
	7,553	**5,682**	**7,230**	**5,398**
Other debtors and prepayments	10,333	8,939	10,022	8,696
Amounts owing from subsidiaries	-	-	6,414	9,307
	17,886	**14,621**	**23,666**	**23,401**
Debtors due after more than one year:				
Amounts owing from subsidiaries	-	-	23,630	20,197
Amounts owed by joint venture	20,807	16,491	-	-
	20,807	**16,491**	**23,630**	**20,197**
Other debtors	528	455	528	455
Deferred tax asset	-	131	-	-
Leaseholder refurbishment debtors	2,057	1,121	2,057	1,121
Less: provision for bad and doubtful debts	(387)	(278)	(387)	(278)
	23,005	**17,920**	**25,828**	**21,495**
	40,891	**32,541**	**49,494**	**44,896**

Included in the amounts owing from subsidiaries was a loan of £4,262k (2024: £4,345k) provided to Poplar HARCA (Developments) Limited, a wholly owned subsidiary, on an arms-length basis.

A further £7,556k (2024: £6,551k) 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 £18,128k (2024: £15,461k) to Poplar HARCA Projects Limited, a wholly owned subsidiary, on an arms-length basis.

Poplar HARCA Projects ltd then on lent £8,551k (2024: £6,304k) to Balfron Tower Developments LLP, in which it has a 50% interest and £4,700k (2024: £3,636k 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	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash and cash equivalents	2,165	4,879	1,466	874
	2,165	**4,879**	**1,466**	**874**

20. Short term investment

	GROUP		ASSOCIATION	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Amounts held in escrow	-	6,603	-	6,603
	-	**6,603**	**-**	**6,603**

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	2025 £'000	2024 £'000
Cash flow from operating activities		
Surplus for the year	16,069	15,172
Tax on ordinary activities	220	191
Adjustment for non-cash items:		
Depreciation and amortisation of assets	12,005	11,588
Grant amortisation	(3,324)	(3,661)
Bad debts and release of provisions	203	(572)
Pension costs less contributions payable	(774)	(617)
Cost less depreciation on components written off	367	271
Loan fee paid and amortisation	73	(72)
Bond premium amortisation	(1,447)	(1,402)
Share of profit or loss from joint ventures	376	530
Change in the value of investment properties	(1,238)	-
Written down investment in joint ventures	132	-
Gain on disposal of fixed assets and investment property	(2,787)	(1,460)
Net financing costs	12,076	9,815
Corporation and deferred tax	(220)	(191)
Adjustments for working capital movement:		
(Increase)/decrease in stocks	3,237	(1,499)
(Increase)/decrease in trade and other debtors	(5,155)	111
Increase/(decrease) in trade and other creditors	2,875	1,472
Cash generated by operations	**32,688**	**29,676**

22. Analysis of change in net debt

	At 1 April 2024 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 March 2025 £'000
Cash and cash equivalents				
Cash	4,879	(2,714)	-	2,165
Total cash and cash equivalents	**4,879**	**(2,714)**	**-**	**2,165**
Borrowings				
Debt due with 1 year	(374)	(15)	-	(389)
Debt due more than 1 year	(295,405)	(15,553)	-	(310,958)
Finance lease more than 1 year	(53,273)	390	-	(52,883)
Total borrowings	(349,052)	(15,178)	-	(364,230)
Net Debts	**(344,173)**	**(17,892)**	**-**	**(362,065)**

23. Creditors: amounts falling due within one year

	GROUP		ASSOCIATION	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade creditors	2,179	3,414	2,179	3,414
Corporation and other taxes	460	449	427	412
Other creditors and accruals	18,441	14,803	18,117	14,357
Current lease liability	389	374	389	374
Amount owing to subsidiaries	-	-	-	93
Grant on housing properties (note 27)	2,741	3,022	2,741	3,022
Recycled Capital Grant Fund (note 26)	-	-	-	-
	24,210	**22,062**	**23,853**	**21,672**

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

	GROUP		ASSOCIATION	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bond finance and financing costs	248,743	248,670	-	-
Bond Premium	23,958	25,405	-	-
Loan less arrangement fee and amortisation	35,827	19,497	35,827	19,497
Loan from group company	-	-	272,743	274,039
Long term lease liability	52,883	53,273	52,883	53,273
Grant on housing properties (note 27)	127,140	134,411	127,140	134,411
Recycled Capital Grant Fund (note 26)	175	135	175	135
Deferred tax on revaluation of investment properties	152	62	-	-
	488,878	**481,453**	**488,768**	**481,355**

As of 31 March 2025, the Group's total facilities included £100 million of revolving credit facilities (2024: £100 million), of which £37 million (2024: £20 million) had been drawn. The cost of the facilities ranges from 100 bps to 120 bps over the bank reference rate following the refinancing which completed in 2024. The Group's facilities also include RPI-linked finance lease funding (£50.2 million) with RPI capped at 4%. The Group is currently maintaining 75% 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. 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	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
In one year or less	389	374	389	374
Between one and two years	405	389	405	389
Between two and five years	1,304	1,260	1,304	1,260
In more than five years	338,175	321,624	338,175	321,624
	340,273	**323,647**	**340,273**	**323,647**

25. Provisions for liabilities

	GROUP AND ASSOCIATION		
	Pension liability - SHPS £'000	Pension liability - LGPS £'000	2025 Total £'000
At beginning of period	3,109	(3,046)	63
Provision for the year	(1,032)	(1,482)	(2,514)
At end of period	**2,077**	**(4,528)**	**(2,451)**

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

26. Recycled capital grant fund

	GROUP AND ASSOCIATION	
	2025 £'000	2024 £'000
At beginning of period	135	392
Amount paid in from shared ownership sales	-	26
Amount paid in from right to acquire sales	33	-
Interest accrued	7	14
Amount utilised for new build programme	-	(297)
At end of period	**175**	**135**
Amounts to be utilised within a year	-	-
Amounts that may be utilised after more than one year	175	135
	175	**135**

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	
	2025 £'000	2024 £'000
At beginning of period	137,434	133,901
Grant received in the year	1,184	7,194
Grant paid in the year	(5,513)	
Released to income in the year	(3,224)	(3,661)
At end of period	**129,881**	**137,434**
Amounts to be utilised within a year	2,741	3,022
Amounts that may be utilised after more than one year	127,140	134,412
	129,881	**137,434**

28. Financial assets and liabilities

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

		GROUP		ASSOCIATION	
	Notes	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial assets measured at amortised cost					
Cash and cash equivalents	*19*	2,165	4,879	1,466	874
Short term investment	*20*	-	6,603	-	6,603
Debtors	*18*	40,891	32,541	49,494	44,896
		43,056	**44,023**	**50,960**	**52,373**
Financial liabilities measured at amortised cost					
Trade creditors	*23*	2,179	3,414	2,179	3,414
Loans and borrowings	*23 & 24*	308,528	293,572	308,570	293,629
		310,707	**296,986**	**310,749**	**297,043**

29. Capital commitments

	GROUP		ASSOCIATION	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Capital expenditure contracted less certified that has not been provided for in the Financial Statements	63,253	85,094	63,253	85,094
Capital expenditure that has been authorised by the Board but has not yet been contracted for	34,949	3,900	34,949	3,900
	98,202	**88,994**	**98,202**	**88,994**
Financed by:				
Social Housing Grants	2,845	3,245	2,845	3,245
Receipts from sale of assets	64,465	71,422	64,465	71,422
Unutilised loan facilities & available funds	30,892	14,327	30,892	14,327
	98,202	**88,994**	**98,202**	**88,994**

The Group's development pipeline as at 31 March 2025 had an estimated cost of £98m (2024: £89m) 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

Poplar HARCA Limited entered into a 20-year operating lease agreement with Funding Affordable Homes House Association (FAHHA). As at 31 March 2025, 173 properties were leased under this agreement, comprising 109 at London Affordable Rent, 33 at Tower Hamlets Living Rent, 31 Shared Ownership Properties and 35 Landmark Pinnacle properties were leased, and they are all shared ownership.

	GROUP AND ASSOCIATION	
	2025 £'000	2024 £'000
Not later than one year	2,112	1,866
Later than one year and not later than five years	9,177	7,892
Later than five years	28,885	25,881
Lease payments recognised as an expense	2,003	1,819

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 rental income from these properties are captured by Poplar Projects Ltd.

During the 2025 year a £nil (2024: £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 (2024: £nill) for the year. Poplar HARCA Projects will receive a £8,551k equity loan on the sale of the flats once sales commence.

As at 31 March 2025 Poplar HARCA Projects owed Poplar HARCA Ltd a balance of £18,128k (2024: £15,461k).

Poplar HARCA Projects ltd then on lent £8,551k (2024: £6,304k) to Balfron Tower Developments LLP and £4,700k (2024: £3,635k) 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 2025 Poplar HARCA Capital PLC has a long-term debtor balance of £272,743k (2024: £274,039k) with parent Poplar HARCA Ltd (note 24).

As at 31 March 2025 Poplar HARCA Capital PLC has a short-term debtor balance of £nil (2024: £93k) 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 2025 this intercompany creditor balance to Poplar HARCA is £11,622k (2024: £10,715k) and will be repaid on sale of the remaining commercial units.

As at 31 March 2025 the long-term balance of £7,360k (2024: 6,370k) 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 £275k (2024: £352k) 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 £3.3m(2024: £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:

	2025 £'000	2024 £'000
Interest charged by Poplar HARCA to DevCo	682	608
Management fees charged by Poplar HARCA to DevCo	11	8
Interest charged by Poplar HARCA to Projects	264	215
Management fees charged by Poplar HARCA to Projects	85	120
Operating lease charges by Poplar HARCA to Projects	5,651	4,391
Interest charged by the Capital Plc to Poplar HARCA	(10,733)	(10,801)
Gift aid donation paid to CaN Trust	(3,341)	(3,500)
Recharge by Poplar HARCA to CaN Trust	3,341	3,293
	(4,040)	**(5,666)**

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 £528k as at 31 March 2025 (2024: £455k). Poplar HARCA charged GeoCapita a total of £18k (2024: £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 £186k as at 31 March 2025 (2024: £127k).

32. Subsequent events

The directors are of the opinion that the judgements taken within the financial statements as at 31 March 2025 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 2025 and the sign off date of this report which will impact the financial statements.

poplarharca.co.uk