

Annual Report and Consolidated Financial Statements

For the year ended 31 March 2026



Contents

Review of the year by the Chair of Poplar HARCA	4
Report of the Board including Strategic report	6
Statement of Board’s responsibilities in respect of the Board’s report and the financial statements	37
Independent auditor’s report, MHA, to the members of Poplar Housing and Regeneration Community Association Limited	40
Statement of Comprehensive Income: Group and Association	44
Statement of Financial Position: Group and Association	45
Statement of Changes in Equity: Group and Association	46
Consolidated Cash Flow Statement	47
Notes to the Financial Statements	48



Chair's Welcome and Introduction

It is a privilege to introduce Poplar HARCA's Annual Report for 2025/26 at an important and exciting moment in our organisation's journey.

This year has not only been one of strong performance and continued delivery, but also the beginning of a bold new chapter shaped by our new Corporate Strategic Plan 2026–2031.

Rooted firmly in our East End heritage and values, our new strategy sets out a clear and ambitious vision for the future — one centred on creating fairer futures through high-quality homes, thriving neighbourhoods, and stronger opportunities for local people. It reinforces our commitment to being a community-led organisation that places residents at the heart of decision-making, service delivery, and regeneration.

Throughout the year, we have continued to demonstrate resilience, ambition, and operational excellence in an increasingly challenging economic and social environment. Our strong governance and financial discipline have enabled us to maintain our C1/G1/V2 regulatory rating, while continuing to invest in homes, communities, and services that make a meaningful difference to people's lives.

This year, our wider regeneration programme has continued to transform neighbourhoods through investment in new homes, public spaces, health and community infrastructure, and opportunities for local

businesses to grow and succeed. During 2025/26, Poplar HARCA was also recognised nationally for delivering one of the country's largest increases in new home completions, reflecting both the scale of our ambition and our commitment to creating successful, inclusive places for future generations. Supporting the ambitions set out in our new Corporate Strategic Plan, we have also continued to develop plans to improve pedestrian and transport connections to neighbouring areas to the south and west of Poplar, creating better links to employment, education and essential services and helping to build more connected, accessible neighbourhoods. Alongside this, we are making important progress in shaping the future of Crisp Street, working with partners to move closer to a viable regeneration programme that will revitalise this historic town centre, strengthen its role as the heart of the local community, and unlock long-term economic and social benefits for residents, businesses and the wider neighbourhood.

Alongside investment in homes and places, we have continued to strengthen our social impact across the communities we serve. During 2025/26, our employment and training programmes supported hundreds of residents into jobs, apprenticeships, and skills development opportunities, with additional



targeted support provided to young people and residents facing barriers to employment. Through The Hive and our wider community partnerships, we have continued to invest in digital inclusion, youth services, health and wellbeing initiatives, and community-led activities that help local people benefit directly from regeneration and economic growth. These achievements reflect our belief that housing associations must do more than provide homes — they must help communities thrive.

Innovation and sustainability also remain central to our approach. Through the continued rollout of IoT technology across more than 4,000 homes, we are improving energy efficiency, enhancing resident safety, and using smarter data to shape responsive services that meet changing needs.

Most importantly, we remain proud that our residents continue to recognise the quality of our services. Our latest Tenant Satisfaction Measures show that 80% of tenants are satisfied with the services we provide, placing Poplar HARCA ahead of many local housing providers and reflecting our continued commitment to delivering resident-focused services. The survey also highlighted strong performance in key areas including communication, fairness, neighbourhood management,

and complaints handling, with 83% of tenants saying they are treated fairly and with respect, and 81% satisfied with the way complaints are handled. These results reflect the dedication of our staff, the strength of resident engagement, and our determination to continue listening, learning, and improving the services we provide to our communities.

As Chair, I am proud of what we have achieved together over the past year and optimistic about the future ahead. While the challenges facing the housing sector remain significant, Poplar HARCA is strategically well-positioned to continue delivering impact, innovation, and inclusive growth for the communities we serve.

On behalf of the Board, I would like to thank our residents, colleagues, partners, and stakeholders for their continued trust, support, and collaboration. Together, we will continue to create more opportunities for our communities.

Chair, Jon Lord

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 28 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 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 10,555 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

Our people are central to Poplar HARCA’s purpose and to our vision for Creating Opportunities, Together. We employ 363 (2025: 364 FTE) individuals who continue to deliver on our shared vision through skills, commitment and care to their work, supporting residents, strengthening services and helping to deliver lasting change across our communities.

Resident trust and satisfaction are shaped every day by the quality of our interactions, the reliability of our services and the values we demonstrate. The dedication of our workforce is reflected in this year’s satisfaction results, with 80% of tenants and 78% of homeowners (2025) reporting satisfaction with Poplar HARCA as their landlord.

We continue to listen to our colleagues and act on what they tell us. Strong engagement scores show that our people feel proud of the work they do, supported by their managers and able to prioritise their wellbeing:



8.7
Employee Pride
National average 7.9



8.6
Manager Support
National average 7.8



8.0
Employee Wellbeing
National average 7.2

Our People Strategy sets out how we will continue to build a workplace where everyone can contribute, develop and be themselves. Progress is reported to the Board, providing oversight and ensuring that our culture, leadership and workforce practices remain aligned with our values and the needs of the communities we serve.

As part of our succession planning and talent management approach, and in recognition of the importance of resilient, representative leadership, we have introduced a new senior management structure

that increasingly reflects the diversity, lived experience and aspirations of Poplar.

By investing in our people, we strengthen the services our residents rely on while creating the conditions for innovation, accountability and continuous improvement. Our workforce remains one of Poplar HARCA’s greatest strengths, enabling us to deliver on our commitments with professionalism, compassion and pride.

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:



TOWER HAMLETS CIVIC AWARD
Dave Tull, our Engagement Manager, was honoured with a Tower Hamlets Civic Award for outstanding voluntary service to the community.



WOMEN IN HOUSING INNOVATOR OF THE YEAR
Chief Operations Officer, Liz Williams was recognised for her pioneering work to lead the rollout of smart technology in tenants’ homes at scale.



HOUSING TODAY’S TOP 30 HOUSING CHAMPION 2025
Our Volunteering Partnerships Manager, Sabiha Khanam, was recognised



GET THE NATION LEARNING
Our Employment and Training team was recognised with the Stronger Communities Award for creating inclusive, supportive spaces where local people can learn, connect and belong.

Creating Opportunities Together 2025/26

As we report on the final year of Creating Opportunities Together, our 2021–2026 Corporate Strategic Plan, we do so with pride in what has been achieved and with gratitude to the residents, partners, colleagues and Board members who have helped turn our ambitions into action.

Over the past five years, the plan has guided our work to strengthen communities, improve homes and services, create opportunities, and make our area a place where people can thrive.

We are pleased to report on the achievements of the final year of Creating Opportunities Together and the progress made against the ambitious targets set by the Board through the CEO’s Key Performance Indicators. These achievements reflect the resilience of our organisation, the commitment of our people, and our continued focus on turning strategy into meaningful outcomes for residents and communities.



Service Satisfaction

Annual Target	Achieved
500 primary care wellbeing appointments for young people.	✓
Reach 1,000 people with 50 health and wellbeing activities.	✓
200 people qualified in accredited courses on Mental Health First aid and Understanding Autism.	✓
Audit 25% of social tenancies.	✓
Audit 100% rehousing applications.	✓
No failed social tenancies through enhanced early intervention.	✓
Implement ‘follow-on’ resident-led repair redesign recommendations.	✓
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	✓



Strong Foundations

Annual Target	Achieved
Implement MyHARCA case management module.	✓
Increase the profile of PH’s hyper-local community model.	✓
Report to Board on phase 1 feasibility study of ‘pipes and ducts’.	✓
Implement Service Charge maturity assessment recommendations.	✓
Deliver the key performance metrics of the 2025/26 budget.	✓
Report the social value of the contract and procurement framework.	✓



Successful Places

Annual Target	Achieved
Develop tailored emergency plans for at-risk resident in 18m+ blocks.	✓
100% social tenants’ homes physically inspected.	✓
With residents, develop and implement green infrastructure plan.	✓



Committed Workforce

Annual Target	Achieved
Deliver Year 1 People Strategy actions.	✓
With Staff Executive, develop new induction programme.	...
With Staff Executive, develop action plan responding to staff survey.	✓

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 and Poplar HARCA (Developments) Ltd.

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.

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 £27.4m (2025: £28.1m) was driven by £4.2m, gain on disposal of fixed assets (2025: £2.8m), gain on current assets sales of £5.6m (2025: £8.6m), surplus on shared ownership sales £1.7m (2025: £4.7m), a surplus on social housing lettings of £8.7m (2025: £4.7m). Joint venture activity resulted in a gain of £0.2m (2025: loss of £0.4m) in the year.

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 £23.0m (2025: £24.5m). The lower core-operating surplus is principally due to reduced current asset sales of £5.6m (2025: £8.6m) and a reduced surplus from shared ownership sales £1.7m (2025: £4.7)

	2026 £000s	2025 £000s
Turnover £k	97,244	98,698
Operating surplus £k	27,418	28,146
Operating margin %	28.2%	28.5%
Core operating surplus £k ¹	22,995	24,497
Core operating margin	23.6%	24.8%
Surplus on 1 st tranche sales £k	1,736	4,703
Surplus on current assets sales	5,580	8,617
Net assets £k	235,248	225,507

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

OTHER COSTS AND ACTIVITIES

Interest payments of £14.0m for the year were up on year ended 2025 £13.3m.

GROUP STATEMENT OF FINANCIAL POSITION

The Group statement of financial position has strengthened as shown by the increase in net assets of £9.74m due to the £14.58m surplus after tax, offset slightly by a £4.84m loss recognised in Other Comprehensive Income. 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 2026 business plan results in 398 new affordable homes over the next 11 years. All homes have been committed by the Board.

Including uncommitted capital expenditure, net debt for the Group averages approximately £401m over the 5 years to 2030 peaking at £412m in 2028.

Our plans and priorities are regularly reviewed and updated to reflect the opportunities and risks in our operating environment, and to ensure they remain aligned with Poplar HARCA’s Corporate Strategic Plan, asset management strategy, environmental commitments and long-term business plan. This helps us focus investment where it has the greatest impact for residents, while maintaining financial resilience and supporting our wider ambitions for regeneration, sustainability and community impact. Key areas of focus include:

- ▶ Keeping residents safe in their homes through effective building safety, fire safety, compliance and hazard management.
- ▶ Improving the quality, energy efficiency and long-term sustainability of our homes, including action to reduce carbon emissions and progress towards EPC C.
- ▶ Delivering regeneration and investment plans in a way that supports resident priorities, community benefit and long-term financial resilience.



Environmental Impact

A streamlined energy and carbon report (SECR) showing the carbon impact and energy use 2025/26 will be available in Quarter 2 (2026/27)

The report will show the carbon emissions of the Group itself, which covers the head office, community centres and communal areas of residential blocks.

With regards the homes owned by the Group, there is a £8.5m programme that will fund works to achieve an EPC of C and above for all homes owned by 2030.

A programme to capture missing EPC data about our homes is being run, this will complete in November 2026. The data captured will be used to build our retrofit programme in 2027/28 to achieve a minimum EPC rating of C in all our homes.

The new Sustainability Strategy is being presented to Board on the 15 September 2026.

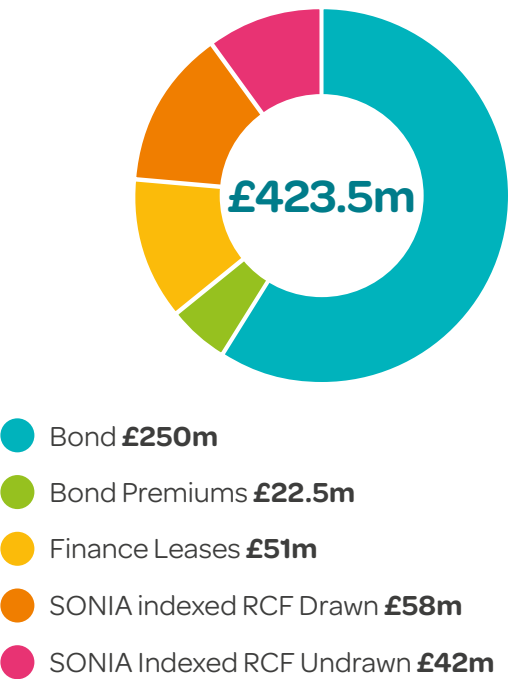


Treasury Management

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 2026 (£m)

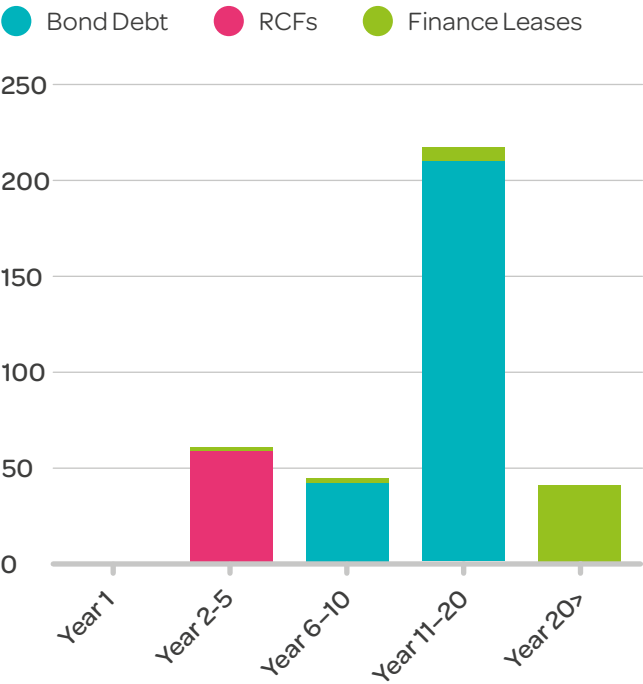


TREASURY AND LIQUIDITY RISK

Poplar HARCA remains committed to robust and proactive management of treasury and liquidity risks. Our treasury strategy supports long-term financial resilience, safeguards liquidity, and ensures we can meet our obligations as they fall due while continuing to invest in homes, services and regeneration. We take a risk-averse approach to treasury management and only enter into transactions for risk management purposes, not for speculation.

Following the refinancing of the Group’s £100m revolving credit facilities in the prior year, maturities now extend to 2029, if extension options aren’t exercised. These facilities continue to provide flexible liquidity to support the delivery of the business plan, including investment in existing homes, building safety, asset management and regeneration. The refinancing also strengthened covenant headroom and improved the terms of the Group’s bank facilities.

DEBT MATURITY PROFILE 31 MARCH 2026 (£m)



The Group’s capital structure remains broadly unchanged. Debt funding is primarily long dated, with the largest instrument being the Group’s bond finance. All debt facilities are secured and charged against housing properties valued on a mix of EUV-SH and MV-STT bases.

The Group continues to manage interest rate risk prudently. The majority of drawn debt is fixed rate, with the remaining exposure relating to variable rate revolving credit facilities and RPI-linked finance lease funding, where RPI is capped. This remains within the Group’s treasury policy, which requires 50% to 80% of outstanding net debt to be held at fixed rates.

The Group does not currently hold any interest rate hedging instruments. Available debt funding and liquidity are considered sufficient to meet current capital commitments in the development and asset management programmes, based on the latest approved business plan.



INFLATION AND OTHER ECONOMIC RISKS

The Board continues to prioritise financial resilience in response to sector-wide pressures, including elevated repair and compliance costs, higher investment requirements for existing homes, and continuing geopolitical and macroeconomic uncertainty. Conflict and instability in the Middle East and other regions continue to create risk for energy prices, supply chains, investor confidence and the wider inflation outlook. 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 and are reflected in our latest business plan and stress testing.

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. The Board continues to monitor liquidity, covenant headroom and interest cover closely, supported by regular treasury reporting, stress testing and recovery planning.

Strategic capital allocation remains a central focus. We are prioritising investment in existing homes, safety, energy efficiency and data-led asset management, while continuing to support regeneration and community outcomes where this remains affordable and deliverable. This approach is aligned with the Corporate Strategic Plan 2026-2031 and the long-term business plan.

The Group’s primary short-term exposure to market volatility remains shared ownership first tranche sales. While the sales environment remains uncertain, the Group continues to take a prudent approach and does not rely on speculative 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 maintain financial resilience, Poplar HARCA has:

- ▶ undertaken multi-scenario stress testing of its long-term financial plan;
- ▶ maintained a risk-averse treasury strategy with regular reporting to the Board and Finance & Investment Committee;
- ▶ preserved liquidity headroom through committed bank facilities and long-dated debt;
- ▶ continued to use RACO and other asset management approaches to reduce peak debt and support investment in homes; and
- ▶ kept development and regeneration commitments under review to ensure they remain affordable, deliverable and aligned with the business plan.

LOAN COVENANTS

The table below shows projected covenant performance over the 10-year forecast period, based on the latest approved business plan. The base case reflects planned investment in existing homes, building safety, asset management and regeneration, while maintaining prudent headroom against the Board’s internal control target and external loan covenant requirements.

Performance remains comfortably above the Board’s internal target of 165% throughout the forecast period, and well above the external covenant requirement of 130%. The forecast starts from an actual position of 303% in 2025/26 and remains above 190% in every year of the plan, ranging between 192% and 225% before improving to 217% by 2035/36.

This provides assurance that the Group has sufficient financial capacity to deliver its investment priorities while maintaining covenant headroom. The Board continues to monitor performance through regular treasury reporting, business plan updates and stress testing, including the potential impact of cost inflation, sales risk, investment requirements and wider 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: 61% 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 — any tenant who expressed concern over their finances were signposted to support or advice as required. There were also a total of 341 arrangements set up with tenants in arrears to support those in need to manage their arrears effectively. 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 £1,000 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 31,367 applications on the Tower Hamlets Common Housing Register. Within our own portfolio, 1,092 Poplar HARCA tenant households are registered to move- 50.0% of whom are experiencing overcrowding, and 13.2% of whom require rehousing due to regeneration activity.

In 2025/26 we let 154 homes to applicants from the Common Housing Register: 66 households were facing

overcrowding; 28 were under-occupying; and 31 had residents with long-term health conditions or disabilities.

Additionally, 75 Poplar HARCA tenant households were successfully housed. Among them, 38 families moved out of overcrowded conditions, 16 under-occupiers found more suitable homes, and another 11 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, expanding the partnerships we have with Spitalfields Crypt Trust and Connection at St Martins. We are currently supporting 22 individuals who had previously been street homeless.

Resident voice remains at the heart of our work. Across our 12 Housing Estates, Estate Board Members, comprising 110 residents, engaged in 47 meetings hosted by our Housing Officers, providing a direct forum for service feedback, challenge, and co-production. Our ASB Policy was also reviewed by a panel of 5 residents.

We also continue to commit to carrying out our tenancy management processes, administering 19 successions, managing 16 Death of Tenant cases, facilitating 18 mutual exchanges, and welcoming 162 new tenants into their homes.

SAFEGUARDING

Safeguarding remains a top priority. Our Safeguarding Team supported 243 individuals this year, with 106 cases involving domestic abuse survivors. Parkguard conducted 184 welfare checks.

Community safety remains critical to resident wellbeing. We logged 456 anti-social behaviour (ASB) reports, resolving most cases through informal interventions. Where necessary, enforcement escalated proportionately, resulting in: 878 ASB warnings; 500 sweeps recovering 31 weapons; 8 verbal and 11 written warnings; 2 Acceptable Behaviour Agreements; 3 injunctions and; 3 evictions in response to extremely serious ASB.

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 94.9% satisfaction. In the financial year we completed over 27,481 responsive repairs (2025: 27,641) and carried out more than 10,864 safety checks. It takes on average 10 days (2025: 9 days) from the initial report to complete a repair, with 97.99% completed in target.

The estate teams visited in excess of 380 properties for the year as part of the ‘Estate Ambassador’ programme. Estate Ambassadors deliver useful information leaflets and booklets and will talk to residents’ face to face if they are in at the time of the visit.

In 2023, new regulations were introduced for the disposal of most soft furnished items. We initially saw a spike in our costs for bulk waste removal due to increased disposal costs for these items as they needed to be incinerated. We have been increasingly using a tipping facility that does not charge a premium for disposal of soft furnished items, and as such, have reduced our tipping costs almost to pre-2023 levels. Our estate management team have been key in maintaining relationships at this facility since early 2024.



DEVELOPMENT AND REGENERATION

Over the past year, our Development and Regeneration team continues to make significant progress in delivering new homes and revitalising communities, despite continuing to face local, national and global challenges. 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 and planning delays, and the broader economic uncertainty linked to inflation and interest rate volatility.

In this financial year April 2025 to March 2026, we completed 82 social rented homes with a further 33 Shared Ownership homes due to handover in April 2026.

At Aberfeldy Estate the new village centre retail offering continues to thrive. Enabling works commenced for the next phase with demolition due to start in May and main construction works will start in the autumn.

In total the scheme will deliver circa 1550 new homes.

In the year excellent progress has been made at Teviot Estate, and we have now achieved planning permission to allow works to start on site in the summer 2026. The scheme will deliver circa 1900 new homes together with new green spaces, retail and commercial spaces, a new mosque and improved infrastructure.

On Chrisp Street our developer partner Telford continue to develop the revised design in conjunction with local stakeholders and will now submit a revised planning application in 2027 and will target a start on site in 2028. The revised scheme will deliver circa 1100 new homes and associated commercial and retail spaces.

First buildings have been handed over at the Stroudley Walk development with 82 social rent homes completed and occupied. The remaining 33 shared ownership homes will handover in May, and we have over 50% of the homes reserved off plan. Overall completion is expected in May. Overall, the project will deliver a total of 274 new homes of which 50% will be affordable.

As last year, looking ahead the development landscape in the UK remains extremely challenging, with high costs and a complex planning system and statutory legislation still creating barriers however, we are committed to finding solutions jointly with our various partners to ensure our programme remains on track to deliver much needed homes for our community.

Our fire safety remedial works programme continues to progress well with all developers. We have 9 buildings still to be remediated. All schemes will be on site by the end of this year and all works are scheduled to be completed by late 2027.

Our Building Safety team continue to work through the Building Safety Act requirements, all 42 High Risk buildings are now registered, and we are currently submitting Building Safety Cases for each block. To date we have received Building Safety certificates for 4 buildings and submitted a total of 8 building safety cases.

COMMUNITIES AND NEIGHBOURHOODS (CaN)

Our Communities and Neighbourhoods (CaN) programme is a key priority for us. In the year our total expenditure on Community Regeneration of £6.9m (2025: £6.8m) was partially offset by external funding of £3.2m (2025: £3.0m) resulting in a net investment by Poplar HARCA of £3.7m for the year (2025: £3.8m).



SPOTLIGHT 25-26: LEADERSHIP, CONFIDENCE & SUCCESS

Over the past year, Spotlight has continued to provide a vital space where young people can grow, connect and thrive. Through a combination of safe environments, trusted relationships and meaningful opportunities, the service has supported long-term positive change across the community. By integrating sports, creative programming, targeted intervention and wellbeing support, Spotlight engaged 2,462 young people across its main and satellite hubs, alongside a further 1,700 through partnerships with other youth service providers.

The outcomes achieved this year demonstrate both the breadth and depth of Spotlight’s impact. Many young people progressed into employment, apprenticeships and further education, while others gained qualifications or successfully re-engaged with learning. Across all programmes, there has been a consistent focus on building confidence, resilience and aspiration.

Get Active

Over the last 12 months, young people accessed a wide range of opportunities designed to improve physical and mental wellbeing while developing teamwork and confidence. A standout highlight saw 12 young

participants selected as ball assistants at West Ham FC’s final home game of the season—an unforgettable experience that broadened their horizons.

Individual achievements have also been notable. Boxer Billy Macey won the National Amateur Championships (NAC) title at 48kg and was named Boxer of the Tournament. His success reflects the strength of the Diploma in Sporting Excellence (DiSE) programme delivered in partnership with Limehouse Boxing Club, which continues to nurture talented athletes and positive role models.

At grassroots level, participation remained strong. Weekly girls-only boxing sessions engaged 24 participants, with three progressing to complete the England Boxing Leaders Course. Swimming sessions supported nine beginners, five of whom successfully learned to swim—gaining essential life-saving skills. Enrichment trips, including paddle boarding, go-karting and football experiences, introduced young people to new challenges and opportunities.

During the summer, the Sports Fun 4 All programme provided four weeks of structured coaching alongside nutritious meals, reinforcing the connection between physical health and wellbeing.



Get Creative

Spotlight significantly expanded its creative offer this year, delivering projects that combine arts, health and social action. A major milestone was the launch of the HEART Project, funded by a Place Partnership National Lottery grant from Arts Council England. This two-year initiative addresses health inequalities among young people in Tower Hamlets by exploring the link between creative engagement and wellbeing.

Delivered in partnership with Queen Mary University of London and Kazzum Arts, the project will generate insights into how creative health services can better support young people, particularly those facing socioeconomic challenges. It aims to build confidence, resilience and self-awareness, helping participants become healthy, fulfilled adults.

Creative programming has included a range of impactful activities. During the Easter Holiday programme, 16 young people worked with Do Things Differently to produce a film showcasing their work. Participants also collaborated with Daylight Studios, specialists in SEND music provision, to create an original track performed live in April 2025.

In another project, 11 young people partnered with artists BRIGHTBLACK and Queen Mary University's public health team to explore the theme of "Freedom" through virtual reality, animation, game design and music. The project culminated in a playable outcome and documentary released in June 2025.

Spotlight also completed a successful partnership with Tower Hamlets focused on inclusive programming for young people with SEND. Working alongside Mile End Community Foundation, participants created an animation reflecting their experiences of local services, premiered at BLOC Cinema in May 2025.

Creativity and Wellbeing Week in May provided further opportunities for engagement through activities in the

Spotlight café space. A film capturing young people's perspectives on how the arts support their wellbeing is due for release.

Dance participation has grown significantly under the leadership of the new Dance Partnerships Producer, Omar Ansah-Awuah, with a 220% increase in engagement and 34 regular attendees at weekly sessions. Additional highlights include Winterfest, which attracted 151 participants, Black History Month's Art of Defiance programme, and a fully subscribed free music tuition initiative.



Get Supported: Health and Wellbeing

Beyond activities, Spotlight has played a critical role in supporting young people and families affected by the cost-of-living crisis. Over the year, 800 food bags were distributed to 493 families, while 150 young people accessed the free Brunch Club, which provides 25 meals daily. These initiatives not only address food insecurity but also create safe, welcoming spaces.

Community cohesion has been strengthened through events such as the Spotlight Eid Celebration, attended by over 60 young people and families.

Health and wellbeing programmes have continued to grow. The Girls' Club recorded 93 attendances from 39 participants, while additional engagement included 32 young people in boxing and 33 in Fit Club activities.

The Health Spot model remains a key innovation, offering accessible and confidential GP services. At Langdon Park alone, 165 young people attended 820 appointments. The service has been widely praised for its accessibility and confidentiality, and its success has led to expansion into the London boroughs of Newham and Hackney. Spotlight was also invited to present the model at the NHS Violence Reduction Academy Symposium, highlighting its wider significance.

Youth Voice, Volunteering and Employability

Young people have played an active role in shaping services and influencing decision-making. The Youth Empowerment Board (YEB) contributed to consultations and strategic discussions throughout the year.

In September, 29 young people attended the launch of the new YEB cohort. Members provided feedback on Poplar HARCA's Corporate Strategic Plan (2026–2031), supporting its focus on inclusive and empowered communities. They also contributed to the national "Deliver You" youth strategy campaign, sharing their priorities with government stakeholders.

Engagement extended to consultations with organisations such as Canary Wharf Group, where young people shared ideas on strengthening youth voice in East London.

Meanwhile, up to 70 Wellbeing Ambassadors completed the Royal Society for Public Health Level 2 Award: Young Health Champions. They have begun applying their training in schools, supporting peers experiencing stress and mental health challenges.

The volunteering programme has also supported employability, offering clinics for UCAS applications, CV writing and job preparation. Six young people with SEND completed a Barista training course, while Community Heroes participated in environmental and community improvement activities, including litter picking along the Thames and refurbishing the Langdon Park Café.

Volunteers were recognised at a winter celebration event, and Spotlight joined the Historic Royal Palaces Community Access Scheme, expanding opportunities for young people.

Detached Youth Work and Targeted Intervention

Targeted intervention work has remained central to Spotlight's mission, supporting young people most at risk through mentoring, creative opportunities and consistent adult guidance.

The MyEnds programme has engaged 118 young people in Bethnal Green and the Isle of Dogs, delivering sports, employability support and intervention work. Outcomes include young people securing jobs, apprenticeships and volunteering roles, demonstrating the impact of sustained, personalised support.

Creative projects have enabled participants to explore themes such as identity and freedom through film, music, animation and virtual reality, providing platforms for self-expression and storytelling.

School-based mentoring supported 35 young people at risk of exclusion, helping them re-engage with education. Their progress was celebrated through group trips, recognising their achievements and personal growth.

Workshops addressing the dangers of nitrous oxide use reached over 50 young people across five centres, responding to growing concerns among families.

Spotlight has also contributed to wider discussions on youth violence and community safety. Senior Manager Nahim Ahmed participated in a panel at the London School of Economics, emphasising the importance of investing in trusted adults and community-based support rather than relying solely on research.



Satellite Centres

Across three satellite centres, young people engaged in a variety of activities that built skills, confidence and connections.

At Bow East – Eastside, 115 individuals attended 26 sessions, generating 362 attendances. Activities included games, arts, music and educational quizzes, with 43 young people participating in music sessions and up to 10 accessing Health Spot consultations.

Bromley South – Linc Centre recorded 349 attendances from 75 participants across 22 sessions. The programme combined recreational activities with personalised one-to-one support and contributed to the development of future youth workers through volunteer opportunities.

St Paul's Way Centre reached 91 individuals across 21 sessions, with a focus on sports and social engagement. Football sessions were particularly popular, helping participants develop teamwork and confidence.

Across all centres, key achievements included 21 young people attending workshops on Violence Against Women and Girls, 41 gaining Level 2 Food Hygiene qualifications, 62 completing work experience placements and 13 participating in music production sessions.



**EMPLOYMENT AND TRAINING:
SKILLS, JOBS AND NEW OPPORTUNITIES**

A Winning Formula

The past year has been truly special for our Employment & Training (E&T) team, marked by both strong outcomes for residents and national recognition for the impact of our work. Most notably, the team won the Stronger Communities Award at the 2025 Get the Nation Learning Awards—one of the most prestigious celebrations of lifelong learning in England.

These awards recognise individuals and organisations that are transforming lives through adult education, contributing to healthier futures, stronger communities, increased opportunity, and regional growth. Delivered as part of the Get the Nation Learning campaign by the Learning and Work Institute, the initiative is supported by over 100 major organisations, including Channel 4, the National Housing Federation, and Make UK. Winning this award highlights the real difference our team has made in supporting residents to build skills, confidence, and sustainable futures.

Reflecting on this achievement, Tanzeem Ahmed, our Assistant Director for Training & Employment, said:

“This award reflects the everyday moments we get to witness – someone walking into a centre unsure of themselves, and walking out with a new skill, a job offer, or simply a sense of belonging. That’s what makes our work so powerful.”

Further recognition was given to our Digital Skills Service, as Finalist in the Internet Services Provider’s Association (ISPA UK) Awards 2025, in the category of Digital Inclusion Champions for Charities and Communities. This acknowledgment reinforces the importance of our work in tackling digital exclusion and ensuring residents can fully participate in modern life.

Through The Hive, our community centres, and a wide network of partnerships across East London, we have supported hundreds of residents to gain new skills, access employment, and grow in confidence. These achievements are a testament to the dedication, creativity, and care our team brings to its work every day.

Supporting Jobseekers

Over the past year, our Employment Advisors have delivered intensive, personalised support to residents seeking employment. A total of 384 new clients registered with the service, and 1,450 appointments were delivered, ensuring individuals received tailored guidance at every stage of their journey.

This support has translated into 249 job outcomes, demonstrating the effectiveness of our approach. Residents have progressed into a range of roles, including Health & Care trainees moving into NHS pathways and Security learners securing employment with employers in Canary Wharf. We have also facilitated access to targeted recruitment opportunities, including concierge roles for new hotels in the area.

Our work with young people has also been impactful. A referral from Spotlight, our youth service, successfully transitioned into employment with the LBTH Council, highlighting the strength of our internal pathways and collaborative approach.

Through our work with the East End Community Foundation, clients have benefited from corporate-led training sessions focused on CV writing, LinkedIn, and interview preparation. These sessions provide invaluable insight into employer expectations and help build confidence. One such opportunity—a paid internship at the Association of British Insurers—was successfully secured by a client, demonstrating the tangible outcomes of these collaborations.

The impact of our work is best reflected in the voices of those we support. One resident shared:

“I’d been applying for jobs for months without luck. The team helped me build my confidence and now I’ve started a new role—I feel like I’ve got my future back.”

Performance across the service has remained consistently strong. We continue to exceed targets and outperform many other providers in job outcomes, a success that has been recognised through increased funding. This enables us to further expand our reach and maintain the high quality of support we provide.



Supporting Learners

Alongside employment support, the E&T team has delivered a comprehensive and responsive training offer designed to meet the needs of local residents and employers. Over the past year, 822 learners have achieved a combined total of 1,220 accredited qualifications, reflecting both strong demand and effective delivery, with learners always leaving very appreciative feedback.

“Being a learner at The Hive is a positive and supportive experience. The environment is welcoming, and the staff are always friendly, patient, and willing to help.

The trainers explain things clearly and make learning enjoyable and easy to understand.”

Our course offer includes both accredited and non-accredited programmes across a wide range of areas, including Security Industry Authority (SIA) training, digital skills, English, Health & Care, Mental Health, First Aid, Employability, Food Safety, Customer Service, and Health & Safety. The SIA qualification remains particularly popular, providing a clear pathway into employment within the security sector.

Digital inclusion continues to be a major focus of our work. Over the year, we secured 80 smartphones for community distribution, with 40 already allocated to residents in need. In addition, 144 laptops (donated via The Good Things Foundation and the Poplar HARCA IT Team), were distributed, significantly improving access to online learning and job opportunities.

Our digital skills training has also delivered measurable outcomes. A total of 77 residents gained digital skills accreditation, while 50 completed basic skills training, equipping them with essential capabilities for both employment and everyday life. Additional funding has been secured to further expand this programme and reach more residents across the borough.

Partnerships

Partnership working remains at the heart of our success, enabling us to extend opportunities and deliver more impactful outcomes for residents.

We continue to work closely with the London Borough of Tower Hamlets (LBTH) Council’s Employment Support Unit. Over the past year, they have commissioned us to deliver targeted programmes for Care Leavers, individuals with Special Educational Needs and Disabilities (SEND), and those who are long-term unemployed. These programmes combine employability training with practical skills development, helping participants overcome barriers to work.

Our collaboration with the Council also includes targeted support for NEET (Not in Education, Employment, or Training) young people. We engaged 31 young people over the year, many of whom completed Licence to Practice qualifications such as CCTV (SIA), alongside customer service training. These programmes provide a structured pathway into employment for young people who may otherwise struggle to access opportunities.

Our partnership with the East End Community Foundation has continued to unlock valuable connections with the corporate sector. Through this collaboration, residents have accessed training, mentoring, and employment opportunities within the specialist insurance industry.

As a result, five young people secured fixed-term roles with companies including Enstar, Sirius, and Velonetic, with a second cohort already in development. The successful placement of a client into a paid internship at the Association of British Insurers further highlights the strength of this partnership.

We are also expanding pathways into the finance sector. Residents have participated in employer visits, skills workshops, and networking opportunities with leading organisations. This includes visits to Dentons, where participants received interview coaching, and Barings, where ten young people gained insight into careers in finance. We are also exploring opportunities to strengthen links with Standard Chartered Bank to create apprenticeship pathways.

Our relationship with Canary Wharf Group has reached a new milestone, with Poplar HARCA now recognised as an official community recruitment agency. This partnership supports residents to access graduate roles, apprenticeships, and entry-level opportunities across a range of sectors.

Healthcare remains another key area of collaboration. Our partnership with Barts Health NHS Trust has delivered particularly strong outcomes, with 48 residents supported into paid three-month placements, and 10 progressing into permanent roles so far. In addition, three pre-employment programmes have prepared 27 individuals for entry-level NHS roles. Due to the success of this initiative, Barts is planning to fund a second cohort, further expanding opportunities for residents.



We have also secured funding to deliver a 12-week NEET programme supporting 50 young people to gain qualifications in CCTV, CSCS, Customer Service, and Stewarding. This initiative will provide structured pathways into employment for participants, particularly in sectors experiencing high demand.

Across all partnerships, we continue to work closely with employers, the Department for Work and Pensions (DWP), and local stakeholders to deliver sector-based training and recruitment opportunities, particularly in hospitality, security, and customer service.

Looking Ahead

The year ahead presents further opportunities for growth and impact. The Chartered Institute of Housing (CIH) has granted us approved provider status for Housing qualifications, and we are currently in the process of developing and accrediting course content. We aim to begin delivery in the second quarter of 2026, opening up new pathways into new qualifications for housing officers.

Building on our strong foundation, the Employment & Training team will continue to seek additional funding and partnerships to expand our reach. Our focus remains clear: to deliver high-quality support that enables residents to gain skills, build confidence, and secure sustainable employment.

Through a combination of personalised support, targeted training, and strong partnerships, we will continue to create opportunities and strengthen communities—ensuring that more residents can access the tools they need to succeed.

CHARITABLE GRANTS AND OTHER COMMUNITY REGENERATION INCOME

Poplar HARCA has received grants and other income from several 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 2025 to 31 March 2026:

Organisation	2026 £	2025 £
Action Funder	-	3,000
Active Communities Network	19,375	5,000
Arc'teryx Equipment	-	5,000
Arts Council	91,000	-
Barts Health NHS Trust	323,846	38,000
Better Youth Spaces	99,492	-
British Canoeing	-	2,000
Canal and River Trust	60,000	-
Clarion Housing	500	5,000
Department of Work and Pensions	10,000	-
East End Community Foundation	34,000	31,800
East London Foundation NHS Trust	54,046	80,000
European Social Fund	-	280,120
The Greater London Authority	535,157	410,711
The Trinity Buoy Wharf Trust	15,000	-
GP Care Group CIC	46,652	43,289
Groundwork	-	9,491
Jack Petchey Foundation	2,700	-
London Borough of Tower Hamlets	459,753	776,274
London Marathon Fund	166,488	91,250
London Cycle Campaign	2,500	-
London Sport	12,000	-
London VRU	121,448	114,683
Lottery Fund	13,255	-
Mayor's Fund for London	4,000	5,500
National Lottery	116,137	55,222
Paddle UK	-	2,615
Port of London Authority	-	4,500
Queen Mary University of London	7,500	967
Rangoonwala Foundation	-	7,500
The Royal London Hospital	-	74,736
South Gloucestershire College	61,064	61,065
Sport England	-	10,000
TED LLP – Community Chest Fund	5,000	16,000
Well Grounded	2,500	-
	2,263,413	2,133,723

Our Value for Money Strategy

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

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

Our VFM Strategy sets how we target and monitor VFM at every level of the organisation. The Board sets and monitors our VFM action plan annually which includes “Achieving the Vision Strategy” targets. The Finance & 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.

Delivery against the five-year targets is shown in the table below. The table now reflects the completed 2021-2026 target period and compares the final 2025/26 outturn with the Board-approved 2026 targets.

		2026 Target*	2026 Actual
1	Annual cost saving efficiency on service costs per year	1%	Embedded into 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	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	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	1.4 ratio
5	Social housing cost per unit	£6,000	£9,138
6	Management cost per unit	£1,600	£2,497
7	EBITDA MRI	150%	125%
8	Gearing	55%	57%
9	Operating margin	25%	24%
10	Social housing cost per unit excluding the impact of capital works	£5,300	£6,655

* 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.

The 2021-2026 Value for Money target period has now concluded. Overall, the programme delivered important gains in stock rationalisation, income diversification and reinvestment in affordable housing. The MITS target was exceeded, with 567 homes let at local housing allowance or market rent against a target of 425. The RACO disposal target was also exceeded, with 649 homes sold against a target of 525. However, several financial and cost-based targets were not met, mainly because the operating environment changed significantly after the targets were set in 2021, with higher inflation, increased building safety and compliance costs, greater investment needs in existing homes, higher interest rates and continued pressure on construction costs. In line with the Value for Money Standard, the Board has considered these areas of underperformance, the reasons for them and the actions needed through the refreshed 2026-2031 strategy.

► **Targets met or exceeded:**
The MITS target was met, with 567 homes against the target of 425. The RACO disposal target was also met, with 649 disposals against the target of 525. These outcomes supported income diversification, reduced exposure to uneconomic stock and released resources for reinvestment in affordable homes.

► **RACO replacement ratio:**
The target of 1.5 new affordable homes for every property sold was not fully met, with a final ratio of 1.4. This shortfall was driven by lower sales values and higher construction costs than assumed when the target was originally set.

► **Social housing cost per unit:**
This was £9,138 against a target of £6,000, and £6,655 against the £5,300 target when excluding the impact of capital works. The variance reflects increased investment in existing homes, building safety, compliance, damp and mould, energy efficiency and wider asset management activity. These costs were necessary to maintain safe, good quality homes and support compliance with consumer standards, but they have affected headline efficiency measures.

► **Management cost per unit:**
This was £2,497 against a target of £1,600. The target was deliberately retained in 2023 to preserve ambition, but inflation, service demand and regulatory expectations increased costs above the original benchmark. It will remain a key KPI as we move into the new 2026-2031 Value for Money framework period, where new targets have been set.

► **EBITDA MRI:**
EBITDA MRI was 125% against a target of 150%. This reflects higher investment in existing homes and increased financing costs. The Board continues to monitor EBITDA MRI, interest cover and liquidity through treasury reporting, business planning and stress testing, with recovery linked to the completion of major investment programmes and continued control of operating costs.

► **Gearing:**
Gearing was 57% against a target of 55%. This was slightly above target, reflecting the timing of investment and debt funding. The business plan continues to prioritise debt control, asset recycling and capital allocation decisions that protect covenant headroom and maintain financial resilience.

► **Operating margin:**
Operating margin was 24% against a target of 25%. Although marginally below target, performance remained broadly resilient given cost pressures and continued investment in homes and services. The refreshed strategy will include updated performance measures that reflect the current operating environment while retaining a clear focus on efficiency and financial sustainability.

LOOKING AHEAD

The 2026-2031 Value for Money Framework provides a clear basis for addressing shortfalls, with updated targets aligned to the Corporate Strategic Plan and regular oversight by the Finance & Investment Committee and Board. This will ensure performance is monitored, underperformance is explained and actioned, and investment decisions continue to balance efficiency, resident safety, service quality and long-term financial resilience.



Value for Money Scorecard

The table on the following page is Poplar HARCA’s Value for Money Scorecard. It compares 2025/26 performance with the 2024/25 Poplar HARCA Group position and the 2025 peer group average, as 2026 peer group data was not available when this report was prepared. The measures are set by the Board and include those required to be published annually under the Regulator of Social Housing’s Value for Money Standard.

The peer group is the L12 group of medium-sized housing providers in London and the South East, which face similar operating pressures and are comparable in size, location and stock profile.

Several measures align directly with Poplar HARCA’s Corporate Strategic Plan and are referenced elsewhere in this report. The Tenant Satisfaction Measures survey completed in September 2025 showed that 80% of residents were satisfied with the overall services provided by Poplar HARCA.

The scorecard shows continued financial resilience. Operating margin excluding surplus on disposals was 23.65%, compared with a peer group average of 6.56%, and operating margin from social housing lettings was

15.23%, compared with 6.78% for peers. EBITDA MRI interest cover was 124.88%, remaining above the peer group average, although the peer benchmark is affected by one outlier.

The scorecard also reflects Poplar HARCA’s continued investment in homes and communities. Reinvestment was 6.81%, above the peer group average of 5.56%, and £6.9m was invested in communities during the year. Headline social housing cost per unit remained below the peer average, both with and without capitalised major repairs, although management cost per unit increased to £2,497. This remains a key area of focus under the new 2026-2031 Value for Money Framework, alongside continued monitoring of gearing, cost control, service quality and long-term financial resilience.

THE TABLE

Business health

Operating margin excluding surplus on disposals
 Operating margin- social housing lettings
 EBITDA MRI % interest cover

PH Group 2026	PH Group 2025	Peer Group 2025
23.65%	24.82%	6.56%
15.23%	8.65%	6.78%
124.88%	125.62%	10.00%

Development - capacity and supply

New supply delivered (absolute)

- Units developed social housing units
- Units developed non-social housing units

 New supply delivered (as % of units owned)

- Units developed social housing units
- Units developed non-social housing units

 Gearing

101	214	47
-	-	1
1.83%	3.84%	0.84%
-	-	0.06%
57.45%	59.14%	38.57%

Outcomes delivered

Resident satisfaction with services provided by landlord
 Reinvestment %
 Investment in Communities (spend in year)
 £s invested in Communities for every £ generated from operations
 Effective asset management
 Return on capital employed
 Occupancy
 Ratio of responsive repairs to planned maintenance

82%	84%	-
6.81%	6.54%	5.56%
£6.9m	£6.8m	-
0.19	0.21	-
3.62%	3.78%	1.17%
98.9%	99.2%	-
0.5	0.4	0.31

Operating efficiencies

Headline social housing cost per unit without capitalised major repairs works
 Headline social housing cost per unit with capitalised major repairs works

- Management cost per unit
- Service charge cost per unit
- Maintenance cost per unit

 Rent collected

£6,655	£6,849	£9,409
£9,138	£9,610	£11,538
£2,497	£1,969	£2,667
£1,600	£1,944	£1,671
£2,178	£1,956	£2,182
100.2%	99.4%	-



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 Executive Leadership 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, funding deficits or cessation debt risk could create material liabilities and reduce financial flexibility within the business plan. Mitigations include offering new staff access to the SHPS defined contribution scheme, regularly reviewing the affordability of the pension offer, and reflecting known deficit contributions in the business plan. Further certainty is being considered through an LPFA funding agreement. Assurance is provided through regular monitoring, reporting to Finance & Investment Committee and the Board, settlement of historic liabilities where appropriate, and transparent financial reporting in line with FRS 102.

► **Design Failure:**

Deficiencies in design, specification or materials, including historic use of combustible materials, could result in resident disruption, remediation costs, compensation claims, reputational damage and increased insurance costs. Mitigations include scheme review checks, updated Employer’s Requirements, independent design assurance, fire safety remediation programmes, regular reporting and dedicated resources for external wall system remedial works. Cladding-related issues are being addressed through the planned remediation programme.

Assurance is supported through EWS1 certification where required, 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 Executive Director of Finance’s reporting to Board.





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 and Service Committees, which reports to our Board.

Building and fire safety across our residential stock is still a priority with work ongoing to prepare Building Safety Case reports for our 42 High Rise Buildings (HRBs) for submission to the Building Safety Regulator (BSR) as required by the Building Safety Act 2022. We have submitted 8 Building Safety case reports to the BSR and received 4 Building Assessment certificates. We aim to have a draft Building Safety case report for all our HRBs by the 31 December 2027.

Work to manage out the risks in line with the recommendations of the fire risk assessment reports continues. Fire safety performance is presented to the Services and Health and Safety Committees quarterly.

Our fire remediation work programme continues, we have nine blocks outstanding for remediation. Seven of these buildings are being remediated directly by the developer/contractor and two are being procured directly by Poplar HARCA. Four blocks are due for completion by December 2026.

The deadline for completing cladding remediation works under the government’s pledge is the end of 2029 (buildings 18m +) and the end of 2031 (buildings 11 - 18m) Poplar HARCA are on course to complete all works by December 2028.

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 twelve 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 previously agreed that the six-year tenure requirement will not apply to any members appointed on or before March 2021. This is because the Board was of the opinion that it has a successful model of governance that has allowed an effective and diverse board to flourish. The nature of many of Poplar HARCA’s projects means long lead and implementation times. Initial conception to final delivery can take more than six years and a collective understanding and memory of how projects have been considered and developed over time is important for the ongoing of vision of Poplar HARCA, especially in its role as a place maker. Poplar HARCA has achieved great success with involving people with lived experiences on the committees and Board. It has been able to achieve this by recognising that some local people will require support, development opportunities and time to get used to and gain confidence in a board room setting whilst others have the skills and experience of a professional board and are able to hit the ground running on appointment. The committees have also provided environments for members to develop their understanding of the organisation and build their skills before potentially moving on to the Board. The Board will keep its decision on tenure requirements under review. An external review of governance in November 2025 provided independent assurance that our governance arrangements are effective.

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. In January 2026 a stability check was completed where Poplar HARCA maintained its grading.

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 Executive

Leadership Team attend all meetings.

DIRECTORS AND DIRECTORS' INTERESTS

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

- ▶ Paul Brickell (Chair)- Retired June 2025
- ▶ Jonathan Lord – Appointed March 2025 to Board, and appointed as new Chair in June 2025
- ▶ Momtaz Ajid- Retiring in September 2026
- ▶ Naz Hussain
- ▶ Sade Koiki- Retired June 2026
- ▶ Alexandra Woolmore
- ▶ Kyle Rosevear
- ▶ Shabana Yousaf (Vice Chair)
- ▶ Susmita Sen
- ▶ Razia Nizamuddin
- ▶ Gelina Menville – Appointed June 2025
- ▶ Peter Edwards – Appointed June 2025

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.

Role	Annual Remuneration (£) (1st April 2025 – 31st March 2026)
Chair	15,375.00
Vice-Chair	9,993.75
Committee Chair	8,584.38
Board Member	6,150.00
Independent Committee Member	3,587.50

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. We have previously engaged external recruitment consultants to broaden the search for Board members, helping to attract high-calibre candidates whose values align with the organisation and who bring the skills and experience needed to strengthen the Board.

During the financial year, the Board had a gender balance of 64% female, 36% male, and a broad distribution of members across age brackets (as below).

18-25	26-45	46-64	65+
0	5	6	1

We remain committed to increasing the Board’s ethnic diversity. During the year, the Board member ethnic diversity consisted of five White British, one White-Black Caribbean, one Black British, three British Asian-Bangladeshi, one British Asian-Pakistani and one British Asian-Indian.

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. A full skills audit was completed in November 2025 resulting in a governance action plan identifying areas of skills improvement for Board and Committee Members. The Governance Committee (formerly 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 2028.

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 Investment 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.

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

- ▶ **Governance Committee**
The Governance 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 Executive Leadership 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.

EXECUTIVE LEADERSHIP TEAM

The members of the Executive Leadership Team who served during the year were:



Stephen Stride
Chief Executive



Elizabeth Williams
Chief Operating
Officer



Simran Soin
Chief Financial
Officer



Paul Dooley
Chief Development
Officer



Babu Bhattacharjee
Chief Communities
Officer

Members of the Executive Leadership 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 Executive Leadership Team. The Executive Leadership 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 (2024/25: £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 November 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 Executive Leadership 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. Menzies (Formerly Beever and Struthers) were formally appointed to deliver Poplar HARCA’s strategic internal audit plan from 1 April 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 2025-26 in which they found that “Based on the work undertaken and subject to the weaknesses identified and reported in our internal audit reports, the Board can be provided with a reasonable level of assurance that there is an effective framework of governance, risk management and controls at Poplar HARCA.”
- 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.

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 Companies Act 2006, the auditor will be deemed to be reappointed and MHA Audit Services LLP trading as MHA as auditors will therefore continue office.

STRATEGIC AND DIRECTOR’S REPORT

The strategic report and statement of the Board’s responsibilities was approved on 15 September 2026.

By order of the Board

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



Jonathan Lord

Date: 15 September 2026

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 2026, 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 2026 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 directors’ 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 directors 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 directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Directors’ 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 Directors’ Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the 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 Directors’ Report.

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

- ▶ adequate accounting records have not been kept by the 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 directors’ remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE DIRECTORS

As explained more fully in the Directors’ Responsibilities Statement set out on page 37, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend 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: 22 September 2026

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 2026

	Notes	GROUP		ASSOCIATION	
		2026 £'000	2025 £'000	2026 £'000	2025 £'000
Turnover	2a	97,244	98,698	95,755	97,455
Cost of sales	2a	(3,255)	(7,238)	(3,255)	(7,238)
Operating costs	2a	(70,995)	(66,963)	(67,311)	(63,129)
Share of operating (loss)/surplus of joint ventures	2a, 16	195	(376)	-	-
Write down of investment in joint ventures	16	-	-	-	-
Gain /(Loss) on disposal of fixed assets and investment property	2a, 5	4,229	2,787	4,229	2,787
Change in value of investment property	14	-	1,238	-	881
Operating surplus	2a	27,418	28,146	29,418	30,756
Gift aid received		-	-	627	232
Surplus before Interest		27,418	28,146	30,045	30,988
Interest receivable and similar income	6	1,125	1,187	1,268	1,344
Interest payable and similar charges	7	(13,965)	(13,264)	(13,965)	(13,315)
Surplus before tax	4	14,578	16,069	17,348	19,017
Tax on surplus on ordinary activities	10	-	(220)	-	-
Surplus for the year		14,578	15,849	17,348	19,017
Gift Aid donation		-	-	(3,399)	(3,341)
Other comprehensive income					
Re-measurement of pension schemes	8	(4,837)	1,724	(4,837)	1,724
Total comprehensive income for the year		9,741	17,573	9,112	17,400

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



Jon Lord
Chair



Shabana Yousaf
Vice Chair



Runa Ahmed
Company Secretary

Statement of Financial Position: Group and Association

as at 31 March 2026

	Notes	GROUP		ASSOCIATION	
		2026 £'000	2025 £'000	2026 £'000	2025 £'000
Fixed assets					
Housing properties	11	633,898	608,143	633,898	608,143
Other fixed assets	12	10,397	10,397	10,397	10,397
Intangible assets	13	416	424	416	424
Investment properties	14	64,532	63,233	59,006	57,707
Investment in subsidiaries	15	-	-	50	50
Joint ventures	16	987	745	-	-
		710,230	682,942	703,767	676,721
Current assets					
Stock	17	8,542	10,146	8,542	10,146
Debtors falling due within one year	18	17,219	17,886	22,651	23,666
Debtors due after more than one year	18	29,212	23,005	32,021	25,828
Cash and cash equivalents	19	17,020	2,165	16,197	1,466
		71,993	53,202	79,411	61,106
Creditors: amounts falling due within one year	22	(25,177)	(24,210)	(24,707)	(23,853)
Net current assets		46,816	28,992	54,704	37,253
Total assets less current liabilities		757,046	711,934	758,471	713,974
Creditors: amounts falling due after more than one year	23	(520,292)	(488,878)	(520,196)	(488,768)
Provision for liabilities	24	(1,506)	2,451	(1,506)	2,451
Net Assets		235,248	225,507	236,769	227,657
Reserves					
Income and expenditure reserve		231,248	221,507	232,769	223,657
Revaluation reserve		4,000	4,000	4,000	4,000
Total reserves		235,248	225,507	236,769	227,657

These financial statements were approved by the Board of Directors on 15 September 2026 and were signed on its behalf by:



Jon Lord
Chair



Shabana Yousaf
Vice Chair



Runa Ahmed
Company Secretary

Statement of Changes in Equity: Group and Association

for the year ended 31 March 2026

GROUP

		Called up share capital	Revaluation reserve	Income and expenditure reserve	Total equity
	Notes	£'000	£'000	£'000	£'000
Balance at 1 April 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
Surplus for the year after tax		-	-	14,578	14,578
Re-measurement of pension scheme	8	-	-	(4,837)	(4,837)
Balance at 31 March 2026		-	4,000	231,248	235,248

ASSOCIATION

		Called up share capital	Revaluation reserve	Income and expenditure reserve	Total equity
	Notes	£'000	£'000	£'000	£'000
Balance at 1 April 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
Surplus for the year after tax		-	-	17,348	17,348
Gift aid payment		-	-	(3,399)	(3,399)
Re-measurement of pension scheme	8	-	-	(4,837)	(4,837)
Balance at 31 March 2026		-	4,000	232,769	236,769

Consolidated Cash Flow Statement

for the year ended 31 March 2026

		2026 £'000	2025 £'000
Net cash received from operating activities	Notes 20	35,884	32,688
Cash flows from investing activities			
Cash paid for construction and purchase of housing properties		(42,890)	(37,861)
Purchase of other fixed assets		(687)	(356)
Purchase of Investment properties		-	(3,446)
Proceeds from sale of housing properties		7,068	5,558
Proceeds from sale of other fixed assets		-	32
Proceeds from short term investment		-	6,615
Distribution made/received from the joint venture		(47)	275
Loan paid and returned from joint ventures		(3,808)	(3,528)
Grant released to income/repaid	25/26	(3,332)	(5,513)
Grants received	26	15,107	1,184
Interest received		1,126	1,176
Net cash flows from investing activities		(27,463)	(35,864)
Cash flows from financing activities			
Interest paid		(11,761)	(14,419)
Interest element of finance lease rental payments		(2,416)	(2,416)
Capital element of finance lease rental payments		(389)	(374)
Repayment of borrowing		-	(35,000)
New borrowing		21,000	52,000
Arrangement fee amortised /paid		-	671
Net cash paid in financing activities		6,434	462
Net cash (decrease)/increase in cash and cash equivalents		14,855	(2,714)
Cash and cash equivalents at beginning of year		2,165	4,879
Cash and cash equivalents at end of year	19	17,020	2,165

Notes to the Financial Statements for the Year Ended 31 March 2026

1. Legal Status

The association is registered 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.

The association converted to a Community Benefit Society (CBS) from a Company Limited by guarantee on the 23rd of February 2018.

Poplar Housing and Regeneration Community Association Limited is the ultimate parent of the Poplar

HARCA Group. Poplar HARCA has seven subsidiaries: Poplar HARCA (Developments) Limited, Poplar HARCA Projects Limited, Communities & Neighbourhoods Trust, Poplar HARCA Capital PLC, Poplar Rise Limited, Poplar Renew Limited and Leaside Business Centre Management Limited.

The Communities & Neighbourhoods Trust registered with Charity Commission for England and Wales and rest six 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 Benefit Societies Act 2014, FRS 102, 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.

RESTATEMENT

Any restatement of figures from the prior year are disclosed in the relevant notes to the financial statements.

GOING CONCERN

After reviewing the Group’s budget for 2026/27 and forecast for future years and based on normal strategic business planning and control procedures, and following the 15 September 2026 Board meeting, the Board has a reasonable expectation that Poplar HARCA has adequate resources to continue in operational existence for the foreseeable future.

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

BASIS OF CONSOLIDATION

The consolidated accounts incorporate the financial statements of Poplar Housing and Regeneration Community Association Limited (“Poplar HARCA Limited”) and its subsidiary undertakings Poplar HARCA Projects Limited, formerly known as Poplar HARCA Refurbishments Limited, Poplar HARCA (Developments) Limited, Poplar HARCA Capital PLC, Communities & Neighbourhoods Trust, Poplar Rise Limited, Poplar Renew Limited and Leaside Business Centre Management Limited.

The Joint Venture investments in Aberfeldy New Village LLP, ANV Phase 4 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 lettings. Joint venture partner to Balfron Tower Developments LLP and Teviot Estate 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 and ANV Phase 4 LLP. Management of overages and mixed income tenures lettings.
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 Charity Commission for England and Wales	Provision of local communities’ services.
Poplar Rise Limited	11 December 2025	100%	Company limited by shares	No current activity
Poplar Renew Limited	5 February 2026	100%	Company limited by shares	No current activity

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.

BASIC FINANCIAL INSTRUMENTS (CONTINUED)

▶ Interest-bearing borrowings classified as basic financial instruments

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

▶ Investment in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

▶ Cash and cash equivalents

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

FIXED ASSETS AND DEPRECIATION

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

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

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

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

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

HOUSING PROPERTIES

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

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

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

DEPRECIATION

Component Useful life

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

The estimated useful lives are as follows:

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

Works to existing properties

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

Interest capitalised

Interest on borrowings is capitalised on housing properties during their construction period up to

the date of completion of each project. This includes interest on borrowings specifically intended to finance a project, as well as a portion of net borrowings that are considered to be financing a project. This treatment applies regardless of the original purpose for which the loan was obtained.

For the year ended 31 March 2026 was calculated using an incremental borrowing rate of 5% (2025: 6.1%), 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.

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 Shared Ownership and the Right to Acquire scheme are 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

- 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
- 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.

Non-financial assets (Continued)

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.

Social Housing Pension Scheme (Continued)

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.

OPERATING LEASE

Payments (excluding costs for services and insurance) made under operating leases are recognised in the Statement of Comprehensive income on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred.

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 the Statement of Comprehensive Income 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 the Statement of Comprehensive Income 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 2026 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 2026, 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 2026 – Directors’ valuation
- 31 March 2025 – External professional valuation
- 31 March 2024 – 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 asset.

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	2026					2025				
	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	49,578	-	(47,825)	-	1,753	47,578	-	(45,235)	-	2,343
Shared ownership	5,304	-	(869)	-	4,435	4,078	-	(850)	-	3,228
	54,882	-	(48,694)	-	6,188	51,656	-	(46,085)	-	5,571
Amortised government grants	2,561	-	-	-	2,561	2,581	-	-	-	2,581
Refurbishment administration	-	-	-	-	-	-	-	(6,206)	-	(6,206)
Refurbishment administration costs capitalised	-	-	-	-	-	-	-	2,747	-	2,747
	57,443	-	(48,694)	-	8,749	54,237	-	(49,544)	-	4,693
Other social housing activities										
Shared ownership sales – First tranche	3,958	(2,222)	-	-	1,736	10,277	(5,574)	-	-	4,703
Current assets sales	6,613	(1,033)	-	-	5,580	10,281	(1,664)	-	-	8,617
Gain(loss) on disposal of fixed assets and investment property	-	-	-	4,229	4,229	-	-	-	2,787	2,787
	10,571	(3,255)	-	4,229	11,545	20,558	(7,238)	-	2,787	16,107
Non-social housing activities										
Community regeneration	-	-	(4,087)	-	(4,087)	-	-	(3,682)	-	(3,682)
Garages and commercial properties	1,486	-	(950)	-	536	1,142	-	(143)	-	999
Market rent	3,471	-	(1,954)	-	1,517	3,504	-	(375)	-	3,129
Other	10,689	-	(4,459)	-	6,230	10,099	-	(4,414)	-	5,685
Leaseholders	13,584	-	(10,851)	-	2,733	9,158	-	(8,805)	-	353
Change in value of investment property	-	-	-	-	-	-	-	-	1,238	1,238
Share of operating surplus/(loss) of joint ventures	-	-	-	195	195	-	-	-	(376)	(376)
	29,230	-	(22,301)	195	7,124	23,903	-	(17,419)	862	7,346
Total	97,244	(3,255)	(70,995)	4,424	27,418	98,698	(7,238)	(66,963)	3,649	28,146

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

ASSOCIATION	2026					2025				
	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	49,578	-	(47,825)	-	1,753	47,578	-	(45,235)	-	2,343
Shared ownership	5,304	-	(869)	-	4,435	4,078	-	(850)	-	3,228
	54,882	-	(48,694)	-	6,188	51,656	-	(46,085)	-	5,571
Amortised government grants	2,561	-	-	-	2,561	2,581	-	-	-	2,581
Refurbishment administration	-	-	-	-	-	-	-	(6,206)	-	(6,206)
Refurbishment administration costs capitalised	-	-	-	-	-	-	-	2,747	-	2,747
Refurbishment administration recharged to Group Company	109	-	-	-	109	94	-	-	-	94
	57,552	(48,694)	-	-	8,858	54,331	(49,544)	-	-	4,787
Other social housing activities										
Shared ownership sales – First tranche	3,958	(2,222)	-	-	1,736	10,277	(5,574)	-	-	4,703
Current assets sales	6,613	(1,033)	-	-	5,580	10,281	(1,664)	-	-	8,617
Gain(loss) on disposal of fixed assets and investment property	-	-	-	4,229	4,229	-	-	-	2,787	2,787
	10,571	(3,255)	-	4,229	11,545	20,558	(7,238)	-	2,787	16,107
Non-social housing activities										
Community regeneration	-	-	(672)	-	(672)	-	-	(321)	-	(321)
Garages and commercial properties	1,098	-	(855)	-	243	899	-	13	-	912
Market rent	3,471	-	(1,954)	-	1,517	3,504	-	(375)	-	3,129
Other	9,479	-	(4,285)	-	5,194	9,005	-	(4,097)	-	4,908
Leaseholders	13,584	-	(10,851)	-	2,733	9,158	-	(8,805)	-	353
Change in value of investment property	-	-	-	-	-	-	-	-	881	881
	27,632	-	(18,617)	-	9,015	22,566	-	(13,585)	881	9,862
Total	95,755	(3,255)	(67,311)	4,229	29,418	97,455	(7,238)	(63,129)	3,668	30,756

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

GROUP	General Needs £'000	Shared Ownership £'000	2026 Total £'000	2025 Total £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges and void losses	41,821	3,555	45,376	43,566
Service income	7,757	1,749	9,506	8,090
Amortisation of social housing and other capital grants	2,561	-	2,561	2,581
Total income from social housing lettings	52,139	5,304	57,443	54,237
Expenditure on lettings				
Services	(8,444)	(369)	(8,813)	(10,846)
Management	(13,474)	(287)	(13,761)	(10,985)
Responsive maintenance	(11,787)	(213)	(12,000)	(9,467)
Planned maintenance	-	-	-	(1,443)
Lease costs	(2,093)	-	(2,093)	(2,003)
Rent and service charges losses from bad debts	15	-	15	(164)
Depreciation of social housing properties	(12,042)	-	(12,042)	(11,177)
Refurbishment administration net of capitalised costs	-	-	-	(3,459)
Total expenditure on social housing lettings	(47,825)	(869)	(48,694)	(49,544)
Operating surplus on social housing letting activities	4,314	4,435	8,749	4,693
Rent losses from voids.			(302)	(326)

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

ASSOCIATION	General Needs £'000	Shared Ownership £'000	2026 Total £'000	2025 Total £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges and void losses	41,821	3,555	45,376	43,566
Service income	7,757	1,749	9,506	8,090
Amortisation of social housing and other capital grants	2,561	-	2,561	2,581
Administration recharged to group companies	109	-	109	94
Total income from social housing lettings	52,248	5,304	57,552	54,331
Expenditure on lettings				
Services	(8,444)	(369)	(8,813)	(10,846)
Management	(13,474)	(287)	(13,761)	(10,985)
Responsive maintenance	(11,787)	(213)	(12,000)	(9,467)
Planned maintenance	-	-	-	(1,443)
Lease costs	(2,093)	-	(2,093)	(2,003)
Rent and service charges losses from bad debts	15	-	15	(164)
Depreciation of social housing properties	(12,042)	-	(12,042)	(11,177)
Refurbishment administration net of capitalised costs	-	-	-	(3,459)
Total expenditure on social housing lettings	(47,825)	(869)	(48,694)	(49,544)
Operating surplus on social housing letting activities	4,423	4,435	8,858	4,787
Rent losses from voids.			(302)	(326)

3. Housing stock

	GROUP	
	2026 No.	2025 No.
Social housing accommodation		
General needs housing	4,477	4,618
Affordable rent	589	510
Low-cost home ownership	425	431
Intermediate market rent	19	19
Total social housing managed	5,510	5,578
Non-social housing managed		
Leaseholders	4,320	4,304
Market rent	427	417
Non-social other	298	260
Total non-social housing managed	5,045	4,981
Total units managed	10,555	10,559
Housing units in development pipeline	398	340

The group added 101 new affordable units under management (2025: 214 units), including 19 social rented units which were acquired from another Registered Provider. 45 units were converted to non-social (2025: 81 units) tenancies in line with Mixed Income Tenure Scheme strategy, and 28 units were sold (2025: 46 units) as part of Recycling Assets Creating Opportunity strategy.

4. Surplus on ordinary activities before tax

	GROUP		ASSOCIATION	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Is stated after charging:				
Depreciation:				
• Housing properties	12,204	11,177	12,204	11,177
• other fixed assets	687	679	687	679
Auditor's remuneration (excluding VAT)	110	105	44	105
Current service charges for pension scheme	71	76	71	76
Gain/(Loss) on disposal of fixed assets and investment property	4,229	2,787	4,229	2,787

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

	GROUP		ASSOCIATION	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Disposal proceeds	5,257	2,940	5,257	2,940
Shared Ownership Subsequent Tranche proceeds	1,665	1,768	1,665	1,768
Cost of disposals	(2,693)	(1,921)	(2,693)	(1,921)
	4,229	2,787	4,229	2,787

6. Interest receivable and similar income

	GROUP		ASSOCIATION	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Bank interest receivable	114	255	114	252
Other interest receivable	1,011	932	76	146
Interest received from group companies	-	-	1,078	946
	1,125	1,187	1,268	1,344

7. Interest payable and similar charges

	GROUP		ASSOCIATION	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Interest expense and finance costs on liabilities at amortised cost	16,791	16,680	6,098	5,947
Interest payable to group companies	-	-	10,693	10,784
Interest on Recycled Capital Grant Fund	9	7	9	7
Interest on pension scheme liabilities	(162)	(16)	(162)	(16)
Interest capitalised in fixed assets	(2,673)	(3,407)	(2,673)	(3,407)
	13,965	13,264	13,965	13,315

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 2026 was calculated using an incremental borrowing rate of 5.0% (2025: 6.1%), 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	
	2026 No.	2025 No.	2026 No.	2025 No.
Administration	65	70	65	70
Development	13	9	13	9
Housing, maintenance and estate services	206	203	206	203
	284	282	284	282
Community regeneration	79	82	79	82
	363	364	363	364

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	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Administration				
Wages and salaries	4,310	4,372	4,310	4,372
Social security	577	500	577	500
Pension costs	232	225	232	225
	5,119	5,097	5,119	5,097
Development				
Wages and salaries	1,044	749	1,044	749
Social security	142	91	142	91
Pension costs	78	63	78	63
	1,264	903	1,264	903
Housing				
Wages and salaries	9,556	8,880	9,556	8,880
Social security	1,203	949	1,203	949
Pension costs	486	475	486	475
	11,245	10,304	11,245	10,304
	17,628	16,304	17,628	16,304
Community regeneration				
Wages and salaries	3,741	3,716	3,741	3,716
Social security	472	384	472	384
Pension costs	154	171	154	171
	4,367	4,271	4,367	4,271
	21,995	20,575	21,995	20,575

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	2026 No.	2025 No.
£60,000 to £70,000	26	20
£70,001 to £80,000	9	9
£80,001 to £90,000	12	12
£90,001 to £100,000	6	10
£100,001 to £110,000	9	7
£110,001 to £120,000	5	2
£120,001 to £130,000	-	-
£130,001 to £140,000	2	-
£140,001 to £150,000	-	1
£150,001 to £160,000	2	-
£160,001 to £170,000	1	1
£170,001 to £180,000	1	3
£180,001 to £190,000	1	-
£190,001 to £200,000	2	-
>£200,000	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	2026 £'000	2025 £'000
LGPS defined benefit scheme	-	4,528
SHPS defined benefit scheme	(1,506)	(2,077)
Net Pension Assets/ (liabilities)	(1,506)	2,451

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 2025. 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.

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

	31 March 2026	31 March 2025
	£'000	£'000
Fair value of plan assets	13,833	12,997
Present value of defined benefit obligation	(15,339)	(15,074)
Surplus (deficit) in plan	(1,506)	(2,077)
Total defined benefit liability to be recognised	(1,506)	(2,077)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2026	Period ended 31 March 2025
	£'000	£'000
Defined benefit obligation at start of period	15,074	16,625
Current service cost	18	3
Expenses	14	11
Interest expense	870	803
Member contributions	16	32
Actuarial gain due to scheme experience	(227)	147
Actuarial losses due to changes in demographic assumptions	123	-
Actuarial gain due to changes in financial assumptions	(103)	(1,990)
Benefits paid and expenses	(446)	(557)
Total defined benefit obligation at end of period	15,339	15,074

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

	Period ended 31 March 2026	Period ended 31 March 2025
	£'000	£'000
Fair value of plan assets at start of period	12,997	13,516
Interest income	769	669
Experience on plan assets (excluding amounts included in interest income)-gain(loss)	(238)	(1,431)
Contributions by the employer	735	768
Member contributions	16	32
Benefits paid and expenses	(446)	(557)
Total fair value of plan assets at end of period	13,833	12,997

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2025 to 31 March 2026 was £531,000.

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

	Period from 1st April 2025 to 31 March 2026	Period from 1st April 2024 to 31 March 2025
	£'000	£'000
Current service cost	18	3
Expenses	14	11
Net interest expense	101	134
Total defined benefit costs recognised in statement of comprehensive	133	148

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2026	Period ended 31 March 2025
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	(238)	(1,431)
Experience gains and losses arising on the plan liabilities – gain (loss)	227	(147)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	(123)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	103	1990
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable)- gain (loss)	(31)	412
Total amount recognised in Other Comprehensive Income-gain (loss)	(31)	412

ASSETS	31 March 2026	31 March 2025
	£'000	£'000
Global Equity	1,533	1,456
Absolute Return	-	-
Distressed Opportunities	-	-
Credit Relative Value	-	-
Alternative Risk Premia	-	-
Liquid Alternatives	2,463	2,410
Emerging Markets Debt	-	-
Risk Sharing	-	-
Insurance-Linked Securities	21	40
Property	675	651
Infrastructure	1	2
Private Equity	30	12
Real Assets	1,302	1,556
Private Debt	-	-
Opportunistic Illiquid Credit	-	-
Private Credit	1,670	1,591
Credit	551	497
Investment Grade Credit	813	400
High Yield	-	-
Cash	3	176
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	-	4
Secured Income	420	217
Liability Driven Investment	4,217	3,936
Currency Hedging	(1)	21
Net Current Assets	135	28
Total assets	13,833	12,997

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 2026	31 March 2025
	% per annum	% per annum
Discount Rate	6.08	5.85
Inflation (RPI)	3.31	3.09
Inflation (CPI)	3.03	2.79
Pensionable earnings increases	4.03	3.79
Allowance for cash commutation retirement	75% of maximum allowance	75% of maximum allowance

THE MORTALITY ASSUMPTIONS ADOPTED AT 31 MARCH 2026 IMPLY THE FOLLOWING LIFE EXPECTANCIES

	31 March 2026	31 March 2025
	Life expectancy at age 65 (years)	Life expectancy at age 65 (years)
Male retiring in 2026	20.9	20.5
Female retiring in 2026	23.2	23.0
Male retiring in 2046	22.2	21.7
Female retiring in 2046	24.6	24.5

The average duration of the defined benefit obligation at the period ended 31 March 2026 is 13 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 2025/26 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.

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”). For the 2025/26 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.

Retail Price Inflation (RPI)

Market practice in the UK has historically based the RPI inflation assumption on the gilt implied inflation yield curve, reflecting the duration of the pension plan cash flows in a consistent way to the discount rate. The gilt implied inflation yield curve is derived based on the market implied yields available from fixed-interest and index-linked Government bonds (‘gilts’) and represents the rate of RPI in the future that would give investors the same total return from these stocks. Judgements are required when fitting a ‘gilt market implied’ inflation curve, particularly with regard to durations where data is limited and any allowance made for RPI reform (see below), which can typically lead to differences of around 0.1% p.a. in the average ‘gilt market implied’ RPI rate.

The ‘gilt market implied’ rate is the starting point for the future RPI assumption. This approach results in a risk that the ‘market implied’ rate is different from actual expectations for future inflation. In particular, the market implied rate may be overstated because some investors are prepared to pay a premium to hedge their inflation risk, and due to the excess demand and short supply of inflation protection in the gilt market, artificially increasing the market’s perceived expectation of future inflation. The difference between market implied inflation expectations and actual (expected) inflation is known as an inflation risk premium.

For the 2025/26 disclosures, the Association 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 2025/26 disclosures, The Association maintained the same approach as 2024/25. 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.

Salary growth assumption

The salary growth assumption is generally set by reference to price inflation as, over the long term, there is evidence that general pay growth keeps up with increases in the cost of living. It is therefore common to set an assumption for salary increases relative to the price inflation assumption (this is known as “real salary growth”). Real salary growth could be considered by reference to RPI or CPI inflation.

Real salary growth is expected to be positive over the long term as it must take into account not only inflationary increases, but also promotional increases. Significant variation is possible in salary growth depending on industry sector specific factors and the extent of promotional increases.

The default earnings growth assumption was set at CPI plus 1.0% p.a.

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

Assumptions are required for pension indexation after retirement that are based on inflation and are subject to minimum and maximum amounts. Generally, for pension increases in payment the level of inflation is compared to the cap and / or collar in each individual year. To allow for this, the assumption is typically 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’s model was used to assume expected annual 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 ‘baseline’ assumption is typically set by reference to standard mortality tables for UK occupational pension schemes (e.g. the S4 tables) with an adjustment to reflect how the plan members differ to the population underlying the standards tables. These adjustments are often expressed as a percentage weighting of the table or an age rating deduction.

The adjustments are usually based on a plan specific mortality study carried out for the latest statutory funding valuation (excluding any prudence), although they can be determined more generally by reference to occupation, location or wealth of the members.

S4 base tables published on 26 February 2024 update the “currency” in which baseline tables are expressed but

are not expected to fundamentally change the baseline mortality assumption where this has previously been determined based on a scheme specific mortality study expressed in terms of S3 base tables. The association assumed no allowance for pre-retirement and 117% of S3PxA for post-retirement.

Future mortality improvements

The Continuous 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_2023 model using core parameters except A=0.25. Long-term rate of improvement of 1.25% p.a.

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.

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 2026, we have rolled forward the value of the liabilities calculated for the latest full funding valuation using financial assumptions compliant with FRS102.

The full actuarial valuation involved projecting future cashflows to be paid from the fund and placing a value on them. These cashflows 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.

The projected unit method (PUM) is used to calculate the future service cost. For accounting valuations, the control period is set to one year.

It is not possible to assess the accuracy of the estimated value of liabilities as at 31 March 2026 without completing a full valuation. However, we are satisfied that the approach of rolling forward the previous valuation data to 31 March 2026 should not introduce any undue distortions in the results provided that the

actual experience of the employer 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.

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 for an individual employer, we roll forward the notional assets allocated to 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 2026	31 March 2025
	% p.a.	% p.a.
Discount rate	6.00%	5.75%
Pension increases (CPI)	2.85%	2.95%
RPI inflation	3.30%	3.30%
Salary increases	3.85%	3.95%

These assumptions are set with reference to market conditions at 31 March 2026.

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 grouped 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. The SEIR adopted is such that the single assumed rate of inflation results in the same liability value as that resulting from applying the BoE implied inflation curve. The BoE implied inflation 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.

Our view remains that gilt-implied inflation rates are distorted by supply and demand factors. We allow for an IRP of 0.30% p.a. as a fixed deduction to the BoE implied inflation curve. This is a slight change from our approach at 31 March 2025, where we allowed for an IRP which varied by the term of the employer’s liabilities, with the resulting assumption falling between 0.00% p.a. and 0.25% p.a. (for terms ranging from 1 year up to 30 years). The update is a refinement to the pension increase assumption to reflect a slight change to our house view of best-estimate inflation.

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.

After the 2030 date, CPIH will become the index which is used. The association recognise that CPIH inflation is, over the longer term, expected to exceed the rate of CPI inflation in the UK. The association has therefore assumed a gap of 0.2% between market-implied inflation from the Bank of England inflation curve and CPI for the post-2030 period. This results in an assumed gap between the two inflation measures of between 0.35% p.a. and 0.75% p.a. depending on the term of the liabilities (for terms ranging from 30 years down to 5 years). This has been updated from our assumption at 31 March 2025, where we took the post-2030 market implied inflation as our CPI assumption, to reflect our latest views of long-term inflation expectations, informed by recent market developments and evolving economic insights.

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.

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.

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 2026-page 75 and Re-measurement in other comprehensive income -page 76 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 and we naturally have to refine our view on this over time.

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 standard approach is to update the mortality assumption to be based on those adopted for the fund’s 2025 actuarial valuation.

FUTURE IMPROVEMENTS TO MORTALITY

To project future improvements in mortality, we use a model prepared by the Continuous Mortality Investigation Bureau (CMI). The CMI update their model on an annual basis, incorporating the latest mortality data in the national population.

The mortality assumption will be updated to align with the recent 2025 actuarial valuation assumption –CMI 2024.

The default approach to preparing 31 March 2026 accounting reports is to incorporate the most up-to-date information which is readily available which is the CMI 2025 model released in March 2026.

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

<i>Life expectancy from age 65 (years)</i>	31 March 2026	31 March 2025
Retiring today		
Males	21.0	20.3
Females	24.1	23.4
Retiring in 20 years		
Males	22.9	21.6
Females	25.4	24.2

EMPLOYER DURATION

The estimated Macaulay duration of the Employer as at the accounting date, using the assumptions set above is 12 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

For 31st March 2026, we expect to make an allowance for the results of the 31 March 2025 full valuation of the relevant LGPS fund. The results of the 2025 valuation are expected to be finalised on or before 31 March 2026. 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. The experience item reflects how experience over the intervaluation period has differed from that assumed as part of the roll forward approach.

Allowance for inflation experience

Our default approach is to allow for actual pension increases which will apply at the accounting date as confirmed by the HM Treasury Order. In addition, we allow for actual inflation experience from September 2025 to the most recent known date available. Any difference between this and the pension increase previously assumed will give rise to an experience item.

The inflation experience to 31 March 2026 will allow for ONS CPI inflation observed over the year to 31 March 2026 or based on the latest data available when the report is prepared.

OTHER CONSIDERATION

Impact of McCloud/Sargeant judgement

Regulations in respect of the McCloud and Sargeant judgements came into force on 1 October 2023. These may affect the value of the liabilities in respect of accrued benefits and therefore an allowance may need to be included in an employer’s report. An allowance for the

McCloud remedy will have been made in the liabilities which is consistent with the method adopted at the last actuarial valuation.

Past service costs/gains

Past service costs arise if member benefits are introduced, withdrawn or changed. For example, an award of additional discretionary benefits 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 2026.

Curtailments

Over the year, we understand that no former employees became entitled to unreduced early retirement benefits.

Settlements

We are not aware of any liabilities being settled at a cost materially different to the accounting reserve during the year, which has been confirmed by the Fund.

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. We await further guidance from CIPFA and MHCLG on this. Whilst no guidance or data is available, our standard approach currently is to make no allowance to reflect this judgment.

Virgin Media Case

In very broad terms, the background to this case is that where the rules of a contracted-out defined benefit scheme were amended, the Scheme Actuary would provide a “section 37” confirmation that the scheme continues to meet the contracting-out requirements. The original court case in June 2023 decided that certain rule amendments were invalid in absence of the actuarial certification (potentially including cases where such a confirmation cannot now be located). The new clauses in the Pensions Schemes Bill (as amended in the Public Bill Committee) can be found in clauses 100 to 103. This section states that it is applicable to public service schemes, so the proposal is that it will apply to the LGPS. The bill is expected to receive Royal Assent in 2026.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

Net pension liability as at	31 March 2026 £'000	31 March 2025 £'000
Present value of the defined benefit obligation	13,929	13,395
Fair value of Fund assets (bid value)	(17,508)	(17,923)
Deficit / (Surplus)	(3,579)	(4,528)
Impact of asset ceiling	3,579	-
Net defined benefit liability / (Assets)	-	(4,528)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

The amounts recognised in the Statement of Comprehensive Income:	2026 £'000	2025 £'000
Current Service cost	53	73
Net interest on the defined benefit liability/(asset)	(263)	(150)
Administration expenses	17	5
Total Expenditure	(193)	(72)

ASSET AND BENEFIT OBLIGATION RECONCILIATION FOR THE YEAR ENDED 31 MARCH 2026

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Opening defined benefit obligation

Current service cost

Interest cost

Change in financial assumptions

Change in demographic assumptions

Experience gain on defined benefit obligation

Estimated benefits paid net of transfers in

Contributions by Scheme participants

Closing defined benefit obligation

	2026 £'000	2025 £'000
	13,395	15,174
	53	73
	744	713
	(531)	(1,555)
	191	(31)
	985	(36)
	(925)	(967)
	17	24
	13,929	13,395

Reconciliation of opening and closing balances of the fair value of Fund assets

Opening fair value of Fund assets

Interest on assets

Return on assets less interest

Other actuarial gains/(losses)

Administration expenses

Contributions by employer

Contributions by Fund participants

Estimated benefits paid plus unfunded net of transfers in

Closing fair value of Fund assets

	2026 £'000	2025 £'000
	17,923	18,220
	1,007	863
	(275)	(310)
	(307)	-
	(17)	(5)
	85	98
	17	24
	(925)	(967)
	17,508	17,923

Reconciliation of change in impact of asset ceiling

Opening impact of asset ceiling

Interest on impact of asset ceiling

Actuarial losses/ (gains)

Closing impact of asset ceiling

Year to 31st March 2026 £'000	Year to 31st March 2025 £'000
-	-
-	-
3,579	-
3,579	-

Asset Breakdown

Equities

Target Return Portfolio

Infrastructure

Property

Cash

Total

2026		2025	
£'000	%	£'000	%
9,367	54%	10,572	59%
3,689	21%	3,255	18%
2,057	12%	2,044	12%
1,805	10%	1,633	9%
590	3%	419	2%
17,508	100%	17,923	100%

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2026 is 4.2% (2025: 3.114%) as advised by the Fund. The Employer’s share of the assets of the Fund is approximately 0.21%. (2025:0.22%)

SENSITIVITY ANALYSIS

	£'000	£'000	£'000
Adjustments to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	13,778	13,929	14,083
Projected service cost	50	50	51
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	13,933	13,929	13,925
Projected service cost	50	50	50
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	14,089	13,929	13,796
Projected service cost	51	50	50
Adjustment to life expectancy assumptions	+1 year	1 Year	-1 Year
Present value of total obligation	14,378	13,929	13,495
Projected service cost	52	50	49

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)	2026 £'000	2025 £'000
Return on Fund assets in excess of interest	(275)	(310)
Other actuarial gains (losses) on assets	(307)	-
Change in financial assumptions	531	1,555
Change in demographic assumptions	(191)	31
Experience gain (losses) on defined benefit obligation	(985)	36
Changes in impact of asset ceiling	(3,579)	-
Total actuarial gain (losses) - recognised in other comprehensive income	(4,806)	1,312

PROJECTED PENSION EXPENSE FOR THE YEAR TO 31 MARCH 2027

Projections for the year to 31 March 2027	2027 £'000
Service cost	50
Net interest on the defined liability and (asset)	(2)
Administration expenses	16
Total loss/Profit	64
Employer contributions	67

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2026. These projections are based on the assumptions as at 31 March 2026, 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

	2026 £'000	2025 £'000
Re-measurement of the net assets/(defined liability) – Social Housing Pension Scheme	(31)	412
Re-measurement of the net assets/(defined liability) – Local Government Pension Scheme	(4,806)	1,312
Total Re-measurement of the (defined liability)/net assets recognised in Other Comprehensive Income	(4,837)	1,724

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	2026 £'000	2025 £'000
Remuneration fee	130	71
Employers national insurance contribution	8	1
Pension contributions	-	-
Benefit in kind	-	-
Total emoluments	138	72

MEMBERS OF THE EXECUTIVE LEADERSHIP TEAM

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

Aggregate emoluments payable to the Executive Leadership Team	2026 £'000	2025 £'000
Salaries including bonuses	1,027	816
Employers national insurance contribution	142	103
Pension contributions	36	6
Benefit in kind	1	2
Total emoluments	1,206	927

Emoluments payable to the highest paid director

Remuneration	226	223
Employers national insurance contribution	33	26
Benefit in kind (car allowance)	1	2
Total emoluments	260	251

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 2026, 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

Analysis of tax charge/(credit) for the period

	GROUP		ASSOCIATION	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Current tax				
UK Corporation tax at 25%(2025: 25%)	-	-	-	-
Deferred tax				
Origination and reversal of timing differences	-	89		
Adjustment in respect of prior period	-	131	-	-
	-	220	-	-
Tax on surplus on ordinary activities	-	220	-	-

Provision for deferred tax

	GROUP		ASSOCIATION	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Movement in provision:				
Provision at start of period	152	(68)	-	-
Deferred Tax Charge in the Profit and Loss Account for the period	-	220	-	-
Provision at end of period	152	152	-	-

The tax charge for the Group and Association is at 25% (2025: 25%), the standard rate of corporation tax in the UK as explained below.

TAX RECONCILIATION

	GROUP		ASSOCIATION	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Surplus/(deficit) on ordinary activities before tax	14,578	16,069	17,348	19,017
Current tax at 25% (2025: 25%)	3,645	4,017	4,337	4,754
Effects of:				
Expenses not deductible for corporation tax	12	3	-	-
Income not taxable for tax purpose	-	(8)	-	-
Group relief surrender (claimed)	-	-	(3)	-
Movement in deferred tax not recognised	709	-	-	-
Adjustment in respect of prior periods (deferred tax)	-	131	-	-
Other movements	(4,366)	(3,923)	(4,334)	(4,754)
Total tax charge recognised in the Statement of Comprehensive Income	-	220	-	-

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.

Poplar HARCA Developments Limited has recognised a deferred tax liability of £151,664 in the year end 31 March 2026 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.

11. Fixed assets - housing properties: Group

	PROPERTIES UNDER CONSTRUCTION			PROPERTIES HELD FOR LETTINGS			Total
	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	
Cost							
At 1 April 2025	99,166	16,278	3,302	519,208	67,147	35,476	740,577
Reclassification of opening balance	-	-	3,446	-	-	(3,446)	-
Acquisitions and new build	18,707	4,007	6,753	-	-	-	29,467
Capitalised repairs	-	-	-	13,681	-	-	13,681
Disposals – voluntary sales	-	-	-	(3,829)	(1,176)	-	(5,005)
Components written off	-	-	-	(2,679)	-	-	(2,679)
Transfer	-	-	-	133	2	(135)	-
Transfer to completed housing properties	(1,383)	-	(1,688)	3,071	-	-	-
At 31 March 2026	116,490	20,285	11,813	529,585	65,973	31,895	776,041
Depreciation							
At 1 April 2025	-	-	-	119,256	4,104	9,074	132,434
Charge for the period	-	-	-	10,631	715	858	12,204
Reclassification	-	-	-	167	-	(170)	(3)
Disposals – voluntary sales	-	-	-	(2,078)	(88)	-	(2,166)
Components written off	-	-	-	(326)	-	-	(326)
At 31 March 2026	-	-	-	127,650	4,731	9,762	142,143
Net book value							
At 31 March 2026	116,490	20,285	11,813	401,935	61,242	22,133	633,898
At 1 April 2025	99,166	16,278	3,302	399,952	63,043	26,402	608,143

11. Fixed assets - housing properties: Association

	PROPERTIES UNDER CONSTRUCTION			PROPERTIES HELD FOR LETTINGS			Total
	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	
Cost							
At 1 April 2025	99,166	16,278	3,302	519,208	67,147	35,476	740,577
Reclassification of opening balance	-	-	3,446	-	-	(3,446)	-
Acquisitions and new build	18,707	4,007	6,753	-	-	-	29,467
Capitalised repairs	-	-	-	13,681	-	-	13,681
Reclassification from OFA	-	-	-	-	-	-	-
Disposals – voluntary sales	-	-	-	(3,829)	(1,176)	-	(5,005)
Components written off	-	-	-	(2,679)	-	-	(2,679)
Transfer	-	-	-	133	2	(135)	-
Transfer to completed housing properties	(1,383)	-	(1,688)	3,071	-	-	-
At 31 March 2026	116,490	20,285	11,813	529,585	65,973	31,895	776,041
Depreciation							
At 1 April 2025	-	-	-	119,256	4,104	9,074	132,434
Charge for the period	-	-	-	10,631	715	858	12,204
Reclassification	-	-	-	167	-	(170)	(3)
Disposals – voluntary sales	-	-	-	(2,078)	(88)	-	(2,166)
Components written off	-	-	-	(326)	-	-	(326)
At 31 March 2026	-	-	-	127,650	4,731	9,762	142,143
Net book value							
At 31 March 2026	116,490	20,285	11,813	401,935	61,242	22,133	633,898
At 1 April 2025	99,166	16,278	3,302	399,952	63,043	26,402	608,143

Included in Group's acquisitions during the year is capitalised interest of £2,673k (2025: £3,407k). 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 2026 therefore no impairment cost on housing properties was recognised for the current financial year (2025: 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 2025	11,292	1,446	10,307	1,843	(55)	24,833
Additions	137	-	271	24	256	688
Disposals	-	(1)	-	-	-	(1)
Transfer to completed assets	-	-	4	-	(4)	-
At 31 March 2026	11,429	1,445	10,582	1,867	197	25,520
Depreciation						
At 1 April 2025	1,821	1,403	9,551	1,661	-	14,436
Charge for the period	252	16	323	96	-	687
Disposal	-	-	-	-	-	-
At 31 March 2026	2,073	1,419	9,874	1,757	-	15,123
Net book value						
At 31 March 2026	9,356	26	708	110	197	10,397
At 1 April 2025	9,471	43	756	182	(55)	10,397

13. Intangible assets

GROUP AND ASSOCIATION

	£'000
Cost	
At 1 April 2025	493
Franchise licence fee	-
At 31 March 2026	493
Amortisation	
At 1 April 2025	69
Charge for the period	8
At 31 March 2026	77
Net book value	
At 31 March 2026	416
At 1 April 2025	424

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 properties

GROUP 2025	Total £'000
Balance at 1 April 2024	59,848
Additions	3,446
Transfer of Stock	(1,299)
Disposals	-
Change in fair value	1,238
Balance at 31 March 2025	63,233
GROUP 2026	Total £'000
Balance at 1 April 2025	63,233
Additions	-
Transfer of Stock	1,299
Disposals	-
Change in fair value	-
Balance at 31 March 2026	64,532
ASSOCIATION 2025	Total £'000
Balance at 1 April 2024	54,679
Additions	3,446
Transfer of Stock	(1,299)
Disposals	-
Change in fair value	881
Balance at 31 March 2025	57,707
ASSOCIATION 2026	Total £'000
Balance at 1 April 2025	57,707
Additions	-
Transfer of Stock	1,299
Disposals	-
Change in fair value	-
Balance at 31 March 2026	59,006

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 independent valuation was obtained in the previous financial year for the commercial property portfolio. The valuation was carried out by Exigen Property Chartered Surveyors.

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 previous year, a professional independent valuation was obtained by Jones Lang LaSalle Ltd (JLL). The valuation was prepared on the basis of Market Value subject to existing assured shorthold tenancies (MV-T).

At the reporting date the fair value of the private residential units was measured at £48,515k (2025: £48,515k). The historical costs of investment were £44,700k.

15. Investment in subsidiary companies

ASSOCIATION	2026 £'000	2025 £'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.

Communities and Neighbourhoods Trust, a wholly owned subsidiary of Poplar HARCA, Registered Charity with Charity Commission for England and Wales. The company’s principal activity is the provision of local communities’ services.

Poplar Rise Limited, a wholly owned subsidiary of Poplar HARCA, is incorporated in England and Wales with an issued, and allotted capital of one ordinary share of £1.

Poplar Renew Limited, a wholly owned subsidiary of Poplar HARCA, is incorporated in England and Wales with an issued, and allotted capital of one ordinary share of £1.

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.

ANV PHASE 4 LLP

This is a joint venture between Poplar HARCA (Developments) Limited and Be:Here Holdings ANV Phase 4 Limited for the construction and development of new homes on the Aberfeldy estate. The LLP issued 2 shares of £1 each, 1 of which is 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 Be:Here Holdings ANV Phase 4, 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.

Balfron Tower Development LLP holds investments in Balfron Tower Residential Limited. The financial information used to determine the Group’s share is based on standalone financial statements of the Balfron Tower Development LLP.

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)

2026	Aberfeldy New Village £'000	ANV Phase 4 £'000	Balfron £'000	Teviot Estate £'000	Total £'000
Share of profit/(loss) from joint ventures	361	(166)	-	-	195

Share of:

Gross assets	1,597	12,558	14,922	5,303	34,380
Gross liabilities	(444)	(12,724)	(14,922)	(5,303)	(33,393)
Net assets	1,153	(166)	-	-	987

As at 1 April 2025	745	-	-	-	745
Share of profit/(loss) from joint ventures	361	(166)	-	-	195
Capital contribution during the year	47	-	-	-	47
Investment in joint ventures	1,153	(166)	-	-	987

2025	Aberfeldy New Village £'000	ANV Phase 4 £'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

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 2026 no indicator of impairment was identified.

17. Stocks

	GROUP		ASSOCIATION	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Leaside Properties	-	1,299	-	1,299
Shared ownership completed	1,884	3,394	1,884	3,394
Shared ownership under construction	6,658	5,453	6,658	5,453
	8,542	10,146	8,542	10,146

18. Debtors

	GROUP		ASSOCIATION	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Debtors falling due within one year:				
Rent and service charge arrears	11,079	10,466	10,165	9,675
Less: provision for bad and doubtful debts	(3,111)	(2,913)	(2,546)	(2,445)
	7,968	7,553	7,619	7,230
Other debtors and prepayments	9,251	10,333	8,800	10,022
Amounts owing from subsidiaries	-	-	6,232	6,414
	17,219	17,886	22,651	23,666
Debtors due after more than one year:				
Amounts owing from subsidiaries	-	-	28,360	23,630
Amounts owed by joint venture	25,552	20,807	-	-
	25,552	20,807	28,360	23,630
Other debtors	546	528	546	528
Leaseholder refurbishment debtors	5,459	2,057	5,460	2,057
Less: provision for bad and doubtful debts	(2,345)	(387)	(2,345)	(387)
	29,212	23,005	32,021	25,828
	46,431	40,891	54,672	49,494

Included in the amounts owing from subsidiaries was a loan of £4,886k (2025: £4,262k) provided to Poplar HARCA (Developments) Limited, a wholly owned subsidiary, on an arm's length basis.

A further £11,147k (2025: £7,360k) loaned to Poplar HARCA (Developments) Limited on an arm's length basis, for onward lending to Aberfeldy New Village LLP, in which it has a 50% interest.

The Group also loaned £18,210k (2025: £18,128k) to Poplar HARCA Projects Limited, a wholly owned subsidiary, on an arm's length basis.

Poplar HARCA Projects Ltd then on lent £8,949k (2025: £8,551k) to Balfron Tower Developments LLP, in which it has a 50% interest and £5,246k (2025: £4,700k) 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	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Cash and cash equivalents	17,020	2,165	16,197	1,466
	17,020	2,165	16,197	1,466

20. Statement of Cash Flows

GROUP	2026	2025
	£'000	£'000
Cash flow from operating activities		
Surplus before tax	14,578	16,069
Tax on ordinary activities	-	220
Adjustment for non-cash items:		
Depreciation and amortisation of assets	12,899	12,005
Grant amortisation	(2,561)	(3,324)
Bad debts and release of provisions	2,241	203
Pension costs less contributions payable	(631)	(774)
Cost less depreciation on components written off	2,350	367
Loan fee paid and amortisation	75	73
Bond premium amortisation	(1,489)	(1,447)
Share of profit or loss from joint ventures	(195)	376
Change in the value of investment properties	-	(1,238)
Written down investment in other fixed assets	-	132
Gain on disposal of fixed assets and investment property	(4,229)	(2,787)
Net financing costs	12,839	12,076
Corporation and deferred tax	-	(220)
Adjustments for working capital movement:		
(Increase)/decrease in stocks	305	3,237
(Increase)/decrease in trade and other debtors	(3,973)	(5,155)
Increase/(decrease) in trade and other creditors	3,675	2,875
Cash generated by operations	35,884	32,688

21. Analysis of change in net debt

	At 1 April 2025 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 March 2026 £'000
Cash and cash equivalents				
Cash	2,165	14,855	-	17,020
Total cash and cash equivalents	2,165	14,855	-	17,020
Borrowings				
Debt due with 1 year	(389)	389	(405)	(405)
Debt due more than 1 year	(310,958)	(19,512)	-	(330,470)
Finance lease more than 1 year	(52,883)	-	405	(52,478)
Total borrowings	(364,230)	(19,123)	-	(383,353)
Net Debts	(362,065)	(4,268)	-	(366,333)

22. Creditors: amounts falling due within one year

	GROUP		ASSOCIATION	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Trade creditors	4,724	2,179	4,724	2,179
Corporation and other taxes	703	460	703	427
Other creditors and accruals	16,732	18,441	16,262	18,117
Current lease liability	405	389	405	389
Amount owing to subsidiaries	-	-	-	-
Grant on housing properties (note 26)	2,572	2,741	2,572	2,741
Recycled Capital Grant Fund (note 25)	41	-	41	-
	25,177	24,210	24,707	23,853

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

	GROUP		ASSOCIATION	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Bond finance and financing costs	248,817	248,743	-	-
Bond Premium	22,469	23,958	-	-
Loan less arrangement fee and amortisation	57,033	35,827	57,033	35,827
Loan from group company	-	-	271,342	272,743
Long term lease liability	52,478	52,883	52,478	52,883
Grant on housing properties (note 26)	139,178	127,140	139,178	127,140
Recycled Capital Grant Fund (note 25)	165	175	165	175
Deferred tax on revaluation of investment properties	152	152	-	-
	520,292	488,878	520,196	488,768

As of 31 March 2026, the Group's total facilities included £100 million of revolving credit facilities (2025: £100 million), of which £58 million (2025: £37 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 71% 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	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
In one year or less	405	389	405	389
Between one and two years	416	405	416	405
Between two and five years	59,373	1,304	59,373	1,304
In more than five years	300,690	338,175	300,690	338,175
	360,884	340,273	360,884	340,273

24. Provisions for liabilities

	GROUP AND ASSOCIATION		
	Pension liability - SHPS £'000	Pension liability - LGPS £'000	2026 Total £'000
At beginning of period	(2,077)	4,528	2,451
Movement in the year	571	(4,528)	(3,957)
At end of period	(1,506)	-	(1,506)

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

25. Recycled Capital Grant Fund

GROUP AND ASSOCIATION

	2026 £'000	2025 £'000
At beginning of period	175	135
Amount paid in from shared ownership sales	-	-
Amount paid in from right to acquire sales	116	33
Interest accrued	9	7
Amount released	(94)	-
At end of period	206	175
Amounts to be utilised within a year	41	-
Amounts that may be utilised after more than one year	165	175
	206	175

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

26. Deferred Capital Grant

GROUP AND ASSOCIATION

	2026 £'000	2025 £'000
At beginning of period	129,881	137,434
Grant received in the year	15,107	1,184
Grant paid in the year	-	(5,513)
Released to income in the year	(3,238)	(3,224)
At end of period	141,750	129,881
Amounts to be utilised within a year	2,572	2,741
Amounts that may be utilised after more than one year	139,178	127,140
	141,750	129,881

27. Financial assets and liabilities

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

	GROUP		ASSOCIATION	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Financial assets measured at amortised cost				
Cash and cash equivalents (note 19)	17,020	2,165	16,197	1,466
Debtors (note 18)	46,431	40,891	54,672	49,494
	63,451	43,056	70,869	50,960
Financial liabilities measured at amortised cost				
Trade creditors (note 22)	4,724	2,179	4,724	2,179
Loans and borrowings (note 22 & 23)	328,319	308,528	328,375	308,570
	333,043	310,707	333,099	310,749

28. Capital commitments

Capital expenditure contracted less certified that has not been provided for in the Financial Statements

Capital expenditure that has been authorised by the Board but has not yet been contracted for

Financed by:

Social Housing Grants

Receipts from sale of assets

Unutilised loan facilities & available funds

GROUP		ASSOCIATION	
2026 £'000	2025 £'000	2026 £'000	2025 £'000
88,384	63,253	88,384	63,253
97,903	34,949	97,903	34,949
186,287	98,202	186,287	98,202
61,519	2,845	61,519	2,845
94,760	64,465	94,760	64,465
30,008	30,892	30,008	30,892
186,287	98,202	186,287	98,202

The Group's development pipeline as at 31 March 2026 had an estimated cost of £186m (2025: £98m) and currently spans over 11 years. The expenditure is driven by regeneration schemes at Aberfeldy and Teviot. The expenditure will be funded through the social housing grant, receipts from asset sales, accumulated reserves and borrowings.

29. Operating lease

Poplar HARCA Limited entered into a 20-year operating lease agreement with Funding Affordable Homes House Association (FAHHA). As at 31 March 2026, 208 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	
	2026 £'000	2025 £'000
Not later than one year	2,160	2,112
Later than one year and not later than five years	9,512	9,177
Later than five years	27,043	28,885
Lease payments recognised as an expense	2,081	2,003

30.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, Poplar Rise Limited, Poplar Renew Limited and Leaside Business Centre Management Limited.

POPLAR HARCA PROJECTS LIMITED

Poplar HARCA Projects Limited, a wholly owned subsidiary of Poplar HARCA, holds interests in two joint ventures: Balfron Tower Developments LLP, a joint venture between Poplar HARCA and St Leonards Developments LLP (a Telford Homes Group entity), and Teviot Estate Developments LLP (TED), a joint venture with Hill Residential Limited for the regeneration of the Teviot Estate.

HARCA Projects Limited leases a number of properties from Poplar HARCA and pays a fee to Poplar HARCA for their use. The properties are then let at Local Housing Allowance (LHA) or market rent, with rental income retained by Poplar HARCA Projects Limited.

As at 31 March 2026, Poplar HARCA Projects owed Poplar HARCA Ltd a balance of £18,210k (2025: £18,128k).

Poplar HARCA Projects Ltd has on-lent £8,949k (2025: £8,551k) to Balfron Tower Developments LLP (inclusive of impairments recognised through retained earnings) and £5,246k (2025: £4,700k) to Teviot Estate Development LLP. The Group’s debtor balances are included within note 18 of the accounts.

An annual impairment review did not result in an impairment for 2025/26 or the prior period.

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 bond matures on 30 September 2043 fixed rate with a coupon of 4.843%.

As at 31 March 2026 Poplar HARCA Capital PLC has a long-term debtor balance of £271,342k (2025: £272,743k) with parent Poplar HARCA Ltd (note 23).

POPLAR HARCA (DEVELOPMENTS) LIMITED

Poplar HARCA (Developments) Limited, a wholly owned subsidiary of Poplar HARCA, holds 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 3% for 132 St. Paul’s Way and monthly at a fixed rate of 7.5% for the loan to ANV Phase 4 LLP. The loan is repayable on demand and as at 31 March 2026 this intercompany creditor balance to Poplar HARCA is £16,032k (2025: £11,622k) and will be repaid on sale of the remaining commercial units.

As at 31 March 2026 the long-term balance of £11,147k (2025: 7,360k) 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/(paid) (£47k) (2025: £275k) 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 £3.4m (2025: £3.3m) gift aid donation to the Communities and Neighbourhoods Trust and recharged £3.4m 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:

	2026 £’000	2025 £’000
Interest charged by Poplar HARCA to DevCo	782	682
Management fees charged by Poplar HARCA to DevCo	14	11
Operating lease charges by Poplar HARCA to DevCo	428	-
Interest charged by Poplar HARCA to Projects	296	264
Management fees charged by Poplar HARCA to Projects	94	85
Operating lease charges by Poplar HARCA to Projects	6,094	5,651
Interest charged by the Capital Plc to Poplar HARCA	(10,693)	(10,733)
Interest charged by CaN Trust to Poplar HARCA	-	(51)
Gift aid donation paid to CaN Trust	(3,399)	(3,341)
Recharge by Poplar HARCA to CaN Trust	3,399	3,341
	(2,985)	(4,040)

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 an employee of Poplar HARCA Ltd is also registered Director of GeoCapita, Barry Waller, Director of Assets.

Poplar HARCA holds a long-term debtor amount of £546k (2025: £528k) and a short-term debtor amount of 53k (2025: £Nil). Poplar HARCA charged GeoCapita £18k (2025: £18k) in interest and £10k (2025: £10k) for management services. Interest is charged at 4% on the long-term debtor amount.

31. Subsequent Events

The directors are of the opinion that the judgements taken within the financial statements as at 31 March 2026 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 2026 and the sign off date of this report which will impact the financial statements.

