

PROVIDENCE ROW HOUSING ASSOCIATION

**Report and Financial Statements
For the year ended 31 March 2025**

**The Regulator of Social Housing: Number L0695
Co-operative and Community Benefit Societies
Act 2014: Number 19322R**

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Contents

Page:

2	Executive and Advisors
3	Report of the Board and Strategic Review
31	Independent Auditor's Report to the members of Providence Row Housing Association
35	Statement of Comprehensive Income
36	Balance Sheet
37	Statement of Changes in Reserves
38	Statement of Cash Flows
39-60	Notes on the Financial Statements

PROVIDENCE ROW HOUSING ASSOCIATION

EXECUTIVE AND ADVISORS

Year ended 31 March 2025

BOARD OF MANAGEMENT

John Giesen (Chair) (Resigned May 2025)
Helen New (Vice Chair) (Appointed Chair May 2025)
Fahad Abdi
John Beadle
Babu Bhattacharjee
Pippa Fleetwood - Read
Denise Kent
Ed Knox
Lynn Vickery
Taj Foster (Resigned January 2025)

AUDITOR

Crowe UK LLP
55 Ludgate Hill
London
EC4M 7JW

SOLICITORS

Devonshires Solicitors LLP
30 Finsbury Circus
London
EC2M 7DT

DIRECTORS

Fiona Humphrey
Chief Executive

Karen Stuart
Director of Operations

Layo Salako
Director of Finance

SOLICITORS

Trowers & Hamblins LLP
3 Bunhill Row
London
EC1Y 8YZ

SECRETARY AND REGISTERED OFFICE

Fiona Humphrey
15A Kelsey Street
London
E2 6HD

PRINCIPAL BANKER

HSBC Bank plc
Poultry and Princes Street
London
EC2P 2BX

REGISTERED NUMBER

Regulator of Social Housing: Number L0695
Co-operative and Community Benefit Societies Act 2014:
Number 19322R

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW **Year ended 31 March 2025**

The Board presents their report and the audited financial statements for the year ended 31 March 2025.

PRINCIPAL ACTIVITY

The principal activity of Providence Row Housing Association (PRHA) is the provision of accommodation, ancillary and social care services for single homeless people and others in housing need.

OVERVIEW OF THE BUSINESS

PRHA remains committed to delivering high quality housing solutions while maintaining financial sustainability and achieving operational efficiencies. PRHA achieved strong financial results making an operating surplus for the year of £1.358 million (2024: £1.265 million) before net interest charges, reflecting robust financial management. Total surplus and total comprehensive income for the year of £1.065 million (2024: £828,000) is an improvement of £237,000 year on year. Turnover of £9.797 million (2024: £9.842 million) represents a marginal decrease of £45k (0.45%) from the previous year. The slight decline in turnover is partly due to the prior year decommissioning of the support service at the Dellow Centre. Despite this, PRHA delivered a significant improvement in overall surplus, an increase of £237,000, driven by a £138,000 (1.61%) reduction in operating costs. This reflects the results from tighter cost controls particularly the reduced reliance on agency staff and improved operational efficiencies. Improved cash management and stricter financial controls contributed to the reduction in expenditure, while service delivery remained efficient and effective.

The fair value of our investment property remained unchanged, indicating stable asset performance. We saw finance related improvement with the decrease in interest paid and finance costs by 8.7% and a 61.6% increase in interest received attributed to improved market interest rates.

During the year we maintained our commitment to asset quality and compliance by investing in property assets, in fire safety and building maintenance by spending £252,000 on component replacement and major repairs.

In the year PRHA received contract income, revenue grants and donations from various bodies including the London Borough of Tower Hamlets, the London Borough of Hackney, the Corporation of London, the National Lottery, Tower Hill Trust and the Sisters of Mercy, reinforcing PRHAs strong partnerships and trusted service delivery within the community.

PRHA has utilised bank borrowing to finance our housing development programme, predominantly at fixed interest rates to manage exposure to interest rate volatility. Total housing loans outstanding were £6.1 million at the year end (2024: £6.4 million).

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) **Year ended 31 March 2025**

The year under review

This year has been dominated by a number of factors, mostly outside of PRHA's control. This includes commissioning processes for the support services run in our buildings (and some we manage on behalf of other Registered providers), the ongoing financial pressures on supported housing and on landlords services, residents with escalating support needs and, significantly increasing regulation and legislation.

Despite that we have been able to produce great results in relation to supporting our residents and developing our staff teams. We have also achieved high levels of compliance with building safety and other essential requirements.

We also produced a higher than budget surplus despite the escalating costs of supplies, materials and staffing. This continues to impact on most areas of our operations. This was achieved through strict budget controls and a focus on income collection.

We were also acutely aware of the ongoing financial pressures on our residents. We tried to ensure that they receive the advice and support that they needed and helped where possible with other schemes such as fuel and food initiatives.

Support services

PRHA is a relatively small organisation and providing supported housing for some of society's most vulnerable people is at the core of our social purpose. In order to do this, we need ongoing revenue funding to provide 24 hour staffing in our 3 big hostels and our mental health service. We also provide 7 days a week (but not 24 hour) support in some smaller services.

The procurement and commissioning process by Local Authorities dominated the year with our 3 big hostels, our young people's services (and at the end of the year our mental health service) all being recommissioned in the same year. This brought uncertainty not just for PRHA as an organisation but also for our staff and residents. The Board therefore considered all eventualities and we had an alternative plan but we were successful in retaining them all and this brings us 3-5 years of stability in those services. During this period, we will continue to plan for future eventualities.

Despite the fact that the Tower Hamlets hostels' pathway is now smaller, due to the loss of 58 bedspaces at the Dellow Centre last year, there is more demand than ever. Also, the support needs of our client group continue to escalate and these services are more in demand than ever. The time needed to help people to stabilise their lives has therefore increased, requiring effective multi-agency working to support residents to engage with services and address complex substance misuse and mental health issues (89% of our supported housing residents have complex/high support issues). Many of these residents require at least a couple of years of our support before they are ready to move on to more independent accommodation. Nevertheless 24% of the supported residents within our complex / high support need services moved on in the year. 71% of these moves were planned departures and one of these services sustained a 100% planned move on rate.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) **Year ended 31 March 2025**

For some residents there is a need for even longer term support before they can recover from the compound traumas that they have experienced. Nevertheless, our staff have continued to build trusting relationships with even the most hard to reach individuals.

Our smaller longer term supported housing is funded through the Housing Benefit system. This year we have continued to experience difficulties with this as Government tries to clamp down on "rogue landlords" with the unintended consequence of cutting off/delaying funding for reputable providers like PRHA.

The crisis with supported housing funding is also being reported nationally and this provision is being lost. Many providers are stepping away as the funding no longer covers the costs (especially those of central staff needed to keep the support services compliant and well run). PRHA has to manage its budgets extremely tightly to continue to provide these services and keeps this under constant review.

We have been active in campaigns with both the National Housing Federation and Homeless Link to highlight these issues to Government as well as the impact of the National Insurance increases in April 2025. We have also taken part in the Government's consultation on the Supported Housing Regulatory Oversight Act as this will dramatically increase the resources required to evidence compliance with the new licensing regime. This again is linked to the Housing Benefit system that funds part of the support services this is of concern.

Despite all this our staff teams have built solid relationships with external statutory agencies such as East London NHS Foundation Trust and Adult Social Care to work on innovative partnership projects that improve residents' quality of life. These have included health and mental health initiatives and projects aimed at supporting residents to get involved in the running of their schemes.

Social Landlord services

All social landlords have been challenged this year to improve their repairs services in the face of criticism of the sector. PRHA has acknowledged this and is trying to work with residents to ensure that our services are not only better in terms of delivery but also that our communication with residents improves. We already have inspected a lot of our properties and are generally in and out of them quite regularly. We have been reviewing progress with specific types of cases (such as damp and mould) to ensure that the system is robust and also focusses not just on the property but on the experience/ requirements of the residents.

Also we have experienced several years of problems with securing good, reliable contractors. This has improved in the last year and we are working on securing these arrangements for the future to save our residents from more disruption.

PRHA does continue to face challenges with the increasing cost of maintaining our properties that outstrips any increase in rental income. Having an in-house operative service has helped with both cost (especially of minor repairs) and also in building stronger relationships with residents.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) **Year ended 31 March 2025**

Planning for future investment is therefore also important. We are starting to develop programmes based on the stock condition survey and in the meantime we have been working on some immediate priorities that this identified including roofs, windows and weatherproofing. We have also invested where regular building and fire door inspections have identified the need.

We have continued to closely monitor all aspects of building safety including fire prevention and damp, mould and condensation and carrying out any identified remedial works. The Board reviews compliance on all aspects of building safety at every meeting with an annual in depth review by the Risk and Audit Scrutiny Group. The Senior Leadership Team also reviews this weekly. Although we have improved our data collection and reporting systems to provide assurance on compliance we are looking to invest in a new system next year to ensure this is improved (and to ensure compliance with Awaab's Law).

We are currently working on our sustainability strategy as part of the strategic plan. One area that has progressed is the pilot project using the Government's Social Housing Decarbonisation Fund to improve the energy efficiency of 4 of our flats. This funding was accessed through our ongoing membership of the North River Alliance consortium. This will be the basis for our future projects. As most of our buildings were constructed or fully refurbished in the past 30 years, the majority have good EPC ratings, however 20% are listed Victorian buildings that will require a different approach.

PRHA has limited exposure to increasing interest rates as most of its borrowing is on a fixed term basis but there was additional expenditure on the variable rate elements. On the other hand interest on cash reserves has increased.

Employer role

As an employer we have also seen a continuation of the national recruitment shortages affecting many sectors and consequent increased agency staff costs. We have had to be innovative in our recruitment methods and are pleased that a by-product has been a further increase in employment of people who live locally.

We have been investing in staff development for many years now and this has resulted in a number of successful internal promotions bringing both expertise and stability to teams.

Our achievements

During 2024/5 we achieved progress towards all of these corporate objectives:

- We continued to provide housing for 484 households including 88 General needs households and 396 supported housing residents in Tower Hamlets, Hackney and Southwark;
- We provided support services to over 255 individuals with complex, high support needs;
- We also successfully bid for renewed contracts for our three largest Rough sleepers' services and for our homeless young persons' service;

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued)

Year ended 31 March 2025

- We embedded our work on the National Lottery funded initiatives: The literacy and ESOL project worked with between 10 and 15 individuals on our sites at any one time and has had a significant impact on their lives. Successes include:
 - Increasing confidence in reading, writing, speaking and listening skills;
 - Residents report increased confidence that helps them in everyday life;
 - Developing reading, writing and spelling skills using a phonics based approach. This has supported one resident to read his first book; and
 - Developing links with a local Adult Community Learning team which has led to the establishment of a weekly digital skills class.
- We also continued working with a range of partner agencies on initiatives that are aimed at improving health and the quality of life for our residents including:
 - Health services provided on site to reduce barriers to access; this has included podiatrists, TB and dental services;
 - Diverse services that help us to better understand the nature of the support needs that our residents have e.g., traumatic brain injury; and
 - Linking with the Historic Royal Palaces Community Access scheme, enabling hostel residents to visit the Tower of London free of charge.
- Our partnership with the local community safety teams also continues to be central to our work;
- We provide Reflective practice for front line staff to help them to process their support work with individuals who have often suffered trauma;
- Participation in residents' meetings has increased both centrally and in schemes. A number of new activities and changes to management practice have also taken place in the hostels as a result of this;
- We have continued to consult with residents through surveys and the Residents' Advisory Panel and recently co-opted a member of the Residents Advisory Panel (RAP) onto the Board's Operations Scrutiny Group;
- We have collected and reported on the Tenant Satisfaction Measures (see below);
- Three staff have started professional housing management qualifications. We have also supported 16 staff (c.16% of the workforce) to develop their leadership potential;
- The monthly staff awards continue to be popular and recognise the outstanding achievements of individual staff members. Annual awards also recognise the work of teams. We introduced new awards for staff who have promoted diversity and inclusion in the organisation;
- We recognised 12 staff for saving lives at work;
- We worked across the organisation to ensure compliance with the new Consumer standards and to provide due assurance to the Board;
- We improved complaints handling performance and reviewed and publicised our complaints handling systems and improved performance;
- We built on the stock condition survey work and carried out a number of planned investments;
- We continued to review building safety regularly internally and at all Board meetings to ensure compliance with targets for all aspects of building safety including gas safety, fire risk assessments and remedial actions. We also retendered the heating and gas safety contract;

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued)

Year ended 31 March 2025

- We produced an annual Equalities report and action plan. We also progressed our action plans for the HouseProud/LGBTQ+ pledge and the Social Housing Anti-Racism Pledge;
- We reviewed all potential risks to the Association through the Risk and Audit Scrutiny Group and at Board Awaydays/ meetings. This has included financial and strategic risks. We have implemented mitigation measures where appropriate;
- We improved our cyber resilience, renewing our infrastructure, carrying out testing and introducing new security measures; and
- We have taken part in consultations on the many proposed regulatory and legislative changes that will affect our business plan and our residents. We have collaborated with the National Housing Federation and with Homeless Link on these and the "Save Our Supported Housing" campaign in particular.

The year ahead – opportunities and challenges

In 2025- 2026 we will finalise the consultation with the Board, residents, staff and stakeholders on our new strategic plan. We will also continue to focus on our core objectives of providing safe decent homes and good quality support services for vulnerable residents.

We will continue to review financial projections and outturns regularly to ensure that the strategic plan can be implemented effectively. We will also monitor the external risk environment and make adjustments to the plan if necessary.

We will also be responding to the many recent/ new legislative and regulatory requirements for social landlords, planning for the significant changes that these will bring to how we provide both social and supported housing services. In particular we will be:

- Demonstrating ongoing compliance with the Social Housing Regulation Act 2023 (including the upcoming implementation of Awaab's Law and the Competence and Conduct standard) and with the Regulator of Social Housing's (RSH) requirements under the Consumer Standard;
- Preparing for changes under the Supported Housing and Regulatory Oversight Act including the introduction of national supported housing standards, a licencing regime and changes to Housing Benefit;
- Preparing for changes to tenancies through the Renters Rights Bill and RSH tenancy standard; and
- Working on ensuring compliance with heat network regulations.

We will also continue to focus on:

- Meeting the requirements for complaints handling self-assessment as outlined in the Housing Ombudsman's complaints handling code 2024 and publishing information on compliance;
- Meeting the requirements of the Building Safety Act & Fire Safety (Regulatory) Order 2005 (amended 2021);

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2025

- Continuing to implement our resident engagement strategy, enabling focus groups to review specific policies/practices and ensuring that local feedback is escalated internally to influence policy and practice. Also ensuring a focus on communication with residents about building safety;
- An action plan to achieve the required professional housing management qualifications for staff and continuing to develop their opportunities to develop their careers and professional skills through training and mentoring; and
- Diversity is a key strength of our organisation and we will continue to further our work on the LGBTQ+ pledge and the Social Housing Anti-Racism Pledge action plans. This includes working with residents and staff to strengthen our responses towards hate crimes/Anti-Social Behaviour (ASB), ensuring that our commitment to the pledges is publicised and ensuring that we promote development opportunities for staff and residents.

In relation to asset management, we will be:

- Working with residents to set expectations for an excellent repairs service;
- Reviewing our infrastructure to respond to the timescales and increased reporting requirements arising from Awaab's Law;
- Focussing on the fire risk assessment, fire door inspection and building safety programmes and refining how we report these internally;
- Reviewing our data collection and data management systems, building on the stock condition survey, not only will this enable us to meet the new reporting requirements for Awaab's law and other building safety compliance but it will also feed into our financial projections and asset management programmes;
- Continuing a programme of property inspection to fill any gaps in data and ensure that we are aware of the current condition of our properties;
- Delivering the pilot programme funded through the Social Housing Decarbonisation Fund. Seeking funding to plan for addressing the challenges of retrofitting our Victorian listed buildings (c. 20% of our stock). We will also be focussing on improving recycling/waste management;
- We will also be planning for the new regulations for heat network suppliers and reviewing the future replacement of these systems; and
- Continuing to regularly monitor properties that have experienced past damp and mould issues.

In relation to our support services for vulnerable residents provided through adult social care contracts we will be:

- Continuing to engage in a range of active partnerships to ensure that our vulnerable residents receive the statutory services that they require;
- Continuing to develop services in response to individual and group feedback on "what works";
- Engaging in discussions with our commissioners about the sustainability of funding;
- Discussing with the commissioners the escalating support needs of our residents and the implications of this for risk management, support service delivery and for the cost of maintaining those homes;

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2025

- Continuing to seek alternative sources of funding for services that complement our core work; and
- Continuing to support campaigns by the National Housing Federation and Homeless Link to recognise the value of supported housing and the threat that these services currently face.

Governance

The Board has experienced a period of consolidation after several years of turnover due to the implementation of the NHF Code of Governance. All bar one of our members now will serve a maximum of 2 terms of 3 years. This variation was agreed by the Board as part of its succession strategy to ensure continuity and provide time for new members to get up to speed. There was one resignation during the year and we are currently recruiting for new members to fill vacancies based on a skills gap analysis. The succession strategy has also been implemented in relation to the position of Chair. John Giesen has been a member of the Board for over 8 years and Chair for 5 years. During that time, he has steered the organisation through unprecedented challenges (including pandemic and economic crisis), always keeping the interests of the residents at the heart of decision making. The Board would like to formally express their thanks to John for his time and commitment. The vice chair, Helen New succeeded John in May 2025.

The Board has focussed on their key responsibilities of ensuring compliance, financial viability and good governance and also ensuring that residents' homes are safe and kept in a good condition and that the support they receive meets their needs.

This year the Board appointed a Member Responsible for Complaints and they are working with the executive to ensure oversight. The Board have also reviewed complaints regularly in line with the Housing Ombudsman's guidance. Learning from these complaints has been reviewed and incorporated into working practice.

The Board has focussed on finding differing ways to take residents views into account in its decision making. The Residents' Advisory Panel (RAP) has met with Board members twice a year for some years now. This year it has had increased attendance and a member of the group has been co-opted onto the Board's Operations scrutiny group.

The strategic planning process has also dominated the Board's business with discussion at Awaydays and Board meetings on the key strands of the plan. Planning ahead for 2030 at a time of great economic and political instability is never easy so the plan will be phased to allow for a review in 2027. The Board has recommitted to our mission, vision and values and has reaffirmed our corporate objectives to:

- ensure that we provide safe, decent homes for our residents;
- help more people to avoid or survive homelessness and recover from the causes/effects of homelessness;
- develop areas of specialism/expertise for our core resident groups to ensure our services provide the best possible outcomes;
- ensure we listen to our residents and continue to involve them in the running of PRHA;
- celebrate our diversity;

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued)

Year ended 31 March 2025

- develop more services that contribute to strengthening the local community especially around employment, training and volunteering for excluded groups;
- diversify our financial base to increase our resilience to changing financial pressures; and
- Invest in and develop our staff, housing and partnerships.

Financial results

PRHA demonstrates strong financial management. Our healthy financial reserves built over the years is evidence of our stability. These have allowed us to make significant investments in our housing stock and in the provision of services to our residents. A summary of the results for the year are as follows:

- turnover decreased to £9.797 million from £9.842 million in 2024;
- operating surplus increased from £1,265,000 in 2024 to £1,358,000;
- surplus and total comprehensive income for the year was £1,065,000 (2024: £828,000);
- reserves increased from £12.750 million in 2024 to £13.815 million;
- the net book value of the housing properties totalled £38.9 million (2024: £39.3 million);
- housing loans stood at £6.1million at the end of the financial year a decrease of £386,000 or 6.0%; and
- loan covenants for the loan facilities, primarily determined by interest cover, gearing ratios and asset cover were met throughout the year and at year end.

	2025	2024
	£'000	£'000
Turnover	9,797	9,842
Operating costs	(8,439)	(8,577)
	<hr/>	<hr/>
Operating surplus	1,358	1,265
Interest receivable	97	60
Interest and financing costs	(390)	(427)
(Decrease)/Increase in valuation of investment property	-	(70)
	<hr/>	<hr/>
Surplus and total comprehensive income for the year	1,065	828

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2025

	2025 £'000	2024 £'000
Balance sheet		
Housing properties	38,905	39,250
Other property, plant and equipment	1,555	1,569
Investment property	1,555	1,555
Net current assets	3,069	2,394
	<u>45,084</u>	<u>44,768</u>
Creditors: amounts falling due after more than one year	(31,269)	(32,018)
	<u>13,815</u>	<u>12,750</u>
Capital and reserves		
Share capital	-	-
General reserves	13,815	12,750
	<u>13,815</u>	<u>12,750</u>

VALUE FOR MONEY

Our commitment to Value for Money

Achieving Value for Money remains a fundamental business strategic objective for PRHA, ensuring that we provide an efficient and cost-effective service to our residents. This means aiming to achieve high levels of resident satisfaction whilst also contributing to the achievement of wider outcomes for the community and maintaining financial stability. This has been highlighted again this year by the pressures of rapidly increasing costs for all areas of our operation. We have responded by ensuring that we are monitoring this carefully and making decisions to control expenditure without damaging the quality of services.

Meeting our strategic objectives

PRHA aims to strike a balance through its Value for Money decision making which takes into account the eight corporate objectives outlined above.

The Board has reaffirmed its commitment to providing accommodation for people who are vulnerable and need ongoing social care/support. This reflects our long history of providing these services to our local communities, the skills of our staff team and the increasing demand for these services. This is subject to ongoing review given the pressures on adult social care funding and rising costs associated with these services. We have invested in our current stock to meet changing needs and significantly increased fire safety requirements.

Our Value for Money approach

PRHA aims to deliver a robust Value for Money approach in order to meet its overall strategic objectives, provide good quality services to its residents, remain financially viable and meet the requirements of its commissioners and regulators. It also enables us, as a small housing association, to maintain sustainability and manage risk within an uncertain and challenging external environment. This strategy is embedded in a number of other PRHA strategies and in PRHA's systems, policies and working practices. We aim to deliver our strategy by achieving the following objectives:

- Involving residents in decisions about service provision and scrutiny of services.

The resident engagement strategy has continued to gain momentum. The Residents' Advisory panel is meeting twice a year with Board members and now has a representative on the Operations scrutiny group. Scheme specific residents' groups are thriving and are feeding into decision making about the homes that they live in. Our resident-led Maintenance Advisory Panel continues to visit schemes to review the standard of cleaning and repair.

Complaints are a key source of feedback from our residents, helping to ensure that the services we provide are delivered efficiently and that action is taken to improve service delivery shortfalls. They are a key component of our strategy, focussing on delivering quality of service to our residents, and also help to identify areas of service delivery which could be made more cost efficient.

We view resident complaints as part of our engagement strategy and have continued to focus on improving response timescales. This has resulted in 2024/5, in 100% of complaints being responded to within timescales (from 88.2% in the previous year). All 39 of the Stage 1 and all 7 of the Stage 2 complaints received within 2024/25 were responded to within timescale. As well as the annual self-assessment of complaints handling, accessible reports are distributed to residents and discussed at the Residents' Advisory Panel and staff discuss these also. This helps to ensure that learning is discussed and acted upon.

- PRHA has a continuing emphasis on comparing performance with other landlords and support providers via the use of benchmarking data. Benchmark data relating to smaller national providers (sourced from the Acuity benchmarking group that PRHA participates with) is shown against PRHA's own performance data in the tables within this report. Given our size, combined with the specialist work that PRHA undertakes, it is difficult to get exact comparisons for some areas of activity.
- We have continued to review our property services functions and re-tendered our gas servicing contract. Changes to our contractors and our out-of-hours emergency arrangements have resulted in positive feedback from residents about the service.
- Understanding our costs, managing our assets and our resources efficiently through effective cost controls and monitoring. This has been a close focus throughout the year especially given the escalating cost of both labour and materials especially for our repairs service and for major repairs. As we have a significant level of turnover especially in our

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued)

Year ended 31 March 2025

supported housing we do experience high levels of void repairs. This was reviewed and the changes resulted in a quicker turnaround that improved our income considerably.

- Ensuring that our business plans and departmental/service/staff work plans deliver value for money and quality services and that staff understand the role they can play in delivering value for money.
- Ensuring that we meet the requirements and standards of our commissioners. This is resource intensive but essential for the fulfilment of contracts.
- Challenging how we deliver services and understanding how this relates to quality and cost. The challenge in this case has been to manage costs and at the same time to maintain quality. In particular the rising costs of repairs, staffing, agency and security cover.
- PRHA negotiated new fuel contracts just before the outbreak of war in Ukraine. This has provided good value for money not only for PRHA but also for the many residents whose fuel supply we provide.

Delivery of our Value for Money (VfM) Strategy

The organisation remains firmly committed to delivering Value for Money (VfM) in all aspects of its operations, ensuring that resources are used efficiently, effectively and economically in order to maximise outcomes for residents and the wider community. This commitment is integral to our strategic and financial management approach and is supported by regular reviews by the Board.

Approximately 25.2% of our total turnover is derived from support service contracts, with the majority of associated expenditure allocated to staffing. These contracts are predominantly fixed in value and income levels are expected to remain static or decline over time. In contrast operational costs are increasing, partly due to our continued commitment to paying the London Living Wage. Against this, identifying efficiency savings and driving continuous improvement remains the core components of our VfM approach.

In accordance with the Value for Money Standard issued by the Regulator of Social Housing (RSH), we report annually against the required sector wide VfM metrics. These metrics enable a consistent and transparent assessment of performance, both over time and relative to a selected peer group of registered providers. This benchmarking informs strategic decision making and helps us identify areas for improvement and opportunities to enhance our financial resilience and service delivery.

The Board regularly reviews all of its VfM key performance indicators (KPIs), ensuring the robust governance of financial and operational performance and that strategies relating to asset management, procurement and service provision are aligned with the principles of VfM.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2025

Regulator of Social Housing – Value for Money (VFM) metrics

Metrics	RSH Metric (1)	Actual March 2024-25	Actual March 2023-24	RSH Supported Housing Providers 2024
Re-investment %	1	0.21	0.24	6.20
New supply delivered (Social housing units) %	2	0.00	0.00	1.20
New supply delivered (Non-social housing units) %	2b	0.00	0.00	0.00
Gearing %	3	0.10	1.84	11.80
Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest cover %	4	373.75	310.42	221.60
Headline social housing cost per unit £	5	10,410	10,700	12,029
Operating Margin (Social housing lettings only) %	6a	13.58	12.80	12.10
Operating Margin (Overall) %	6b	13.86	12.85	6.90
Return on capital employed (ROCE)	7	3.01	2.83	2.20

(1) RSH - Regulator of Social Housing

We have used the Regulator of Social Housing's 2024 data for supported housing providers defined as providers with at least 30% of their owned social units that are classified as supported housing stock. These figures are extracted from the Regulator of Social Housing (RSH) "Value for money metrics and reporting - Annex to Global accounts 2024". Although this predominantly reflects returns from registered providers owning/managing more than 1,000 homes, it does provide a good comparison for supported housing focussed organisations.

Re-investment % – measures the investment in properties (existing as well as new supply) as a percentage of the net book value of total properties held. Our re-investment percentage outcome of 0.21% remains low and has slightly declined from the previous year when compared to the sector average, 6.2% (RSH supported housing). Although this appears to indicate minimal investment in new stock we have been investing in our existing stock with majority of our major repair works been expensed to the income statement. We remain committed to the principles outlined in our Asset Management Strategy by making long term investments in our properties. This ongoing commitment ensures that we continue to meet our strategic objectives while maintaining compliance with relevant legislation. Our focus remains on meeting home decency and sustainability targets with continued emphasis on fire safety, improvements to void properties, planned maintenance and major repairs.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2025

New supply delivered % – This metric reflects the number of new social housing units acquired or developed during the year, expressed as a proportion of our total social housing stock. No new units were delivered in either social or non social housing categories. While non-social delivery is consistent with sector figures, the continued lack of new social housing supply is primarily due to the lack of availability of financially viable schemes in our key areas of operation.

The development of supported housing presents particular challenges, with higher capital costs and lower operating margins resulting in subsidy requirements and risk levels that are generally not sustainable. Additionally, smaller housing providers operating in London face further barriers to development, notably elevated land and construction costs. Despite these constraints, the Board remains committed to exploring and appraising new opportunities and continues to be open to future development opportunities where viable options arise.

Gearing % – The gearing ratio measures the extent to which the organisations assets are financed through debt, providing an indication of financial leverage and the organisations appetite for growth. Our gearing ratio, calculated as net debt to the carrying value of housing properties, decreased significantly during the year from 1.84% to 0.10%. This exceptionally low level reflects our minimal reliance on borrowing. At 0.10%, our gearing is substantially below the Regulator of Social Housings median for supported housing providers, which stands at 11.8%.

While this low gearing reduces financial risk it also corresponds with our current position on reinvestment and new supply. Over the past 16 years, PRHA has utilised loan finance to support the development and refurbishment of its housing stock, consistently operating well within loan covenant limits. As we are not presently engaged in new development of general needs or supported housing, there has been no requirement to raise additional finance.

We continue to make scheduled repayments on existing bank loans, further reducing gearing and thereby enhancing our future borrowing capacity. With gearing remaining comfortably within our funders requirements and covenant thresholds, we are well positioned to access additional debt if needed to support improvements in existing stock quality and to meet ongoing finance costs from operating activities.

Earnings before interest, tax, depreciation, amortisation, major repairs included (EBITDA MRI)
Interest cover % – is a key indicator for liquidity and investment capacity as it seeks to measure the level of surplus generated compared to interest payable.

The EBITDA MRI ratio measures the ability of an organisation to cover its interest payments from its earnings, adjusted for major repairs. It is a key indicator of financial health and sustainability. There has been a substantial improvement in the EBITDA MRI Interest cover ratio from 310.42 in 2023-24 to 373.75 in 2024-25. This is significantly above the RSH benchmark of 221.6. This improvement is primarily driven by an increase in our operating surplus from £1.265 million to £1.358 million, reflecting our continued focus on enhancing our operational efficiencies and optimising revenue management. The ratio highlights our strong financial performance and supports a positive outlook for future financial growth. The interest cover metric defined in our loan agreements differs from the RSH measure.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2025

Headline social housing cost per unit – measures the cost per unit of managing and maintaining our social housing stock. We have seen a slight reduction in our headline social housing cost per unit from £10,700 to £10,410 which is below the RSH median of £12,209. This highlights the effectiveness of our cost management strategies.

Operating margin (social housing lettings only) and (overall) % – measures the profitability of the organisational operating assets before exceptional expenses are taken into account. PRHA's operating margin of 13.58%/13.86% increased against the previous year of 12.80%/12.85%. With strong core revenue streams we have seen higher turnover and lower operating costs resulting in margins better than the RSH benchmark of 12.10%/6.9%.

Return on capital employed (ROCE) % – measures the efficient investment of capital resources by comparing the operating surplus to total assets, less current liabilities. Our ROCE increased to 3.01% from 2.83%, exceeding the RSH median of 2.20%. ROCE is influenced by both the value of total assets and the level of operating surplus. In line with improvements in our operating margins, we have seen a corresponding improvement in ROCE. This reflects stronger cost performance and increased profitability relative to our asset base.

Managing Performance: Voids and arrears

We continue to review our performance and benchmark ourselves against similar sized organisations working in social housing and support services. We also provide performance information to our residents and review it with them.

Our key objectives which measure efficiency and economy in our landlord related activities relate to voids and arrears as this represents lost income that can otherwise be invested in our properties.

This year our voids performance has exceeded target with a 51% reduction (and exceeded the benchmark median also). This "saving" against budget has been reflected in the surplus showing in our accounts and resulted in an increase in our reserves for future major repairs.

The picture for arrears was less positive with these creeping above last year's performance by 0.7% and well above the target. This is a priority for the year ahead (see below).

Both were the subject of close monitoring and regular review by the senior leadership team and relevant departments and will continue to be so.

Combined general needs and supported	Target	Performance 2024-25	SPBM 2024 SH	Performance 2023-24	Performance 2022-23
Void levels	4.83%	3.31%	5.73%	6.41%	7.18%
Current arrears	6.00%	10.62%	4.78%	9.91%	10.20%

Voids

Following some unusual challenges in relation to voids performance in the previous financial year, an action plan was developed to reduce both the time it took to "turnaround" empty properties and the cost of repairs.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2025

We are continuing to experience high levels of turnover in our hostels in particular but this has reduced since the homeless hostels pathway in Tower Hamlets has reduced.

Happily some of the turnover reflects a sustained level of positive move-on this year at 71.4% (representing 50 individuals that are now starting new lives in longer term accommodation)

Arrears

There are a number of reasons for the lack of progress with reducing arrears:

- 1) Residents struggling to manage the cost of living remains a key underlying cause. In our general needs accommodation in particular we have tenants who are subject to benefit caps or in insecure employment. The process of losing a job, signing on for benefits and then getting a new job can result in weeks of lost income. The housing management team has maintained close contact, assisting with benefits and other financial advice. They have helped residents to access the PRHA hardship fund and also sourced fuel vouchers when needed. This year we started working with the Felix Project to bring a food bank on site to one of our general needs sites several times a year including just before Christmas.
- 2) In shorter term accommodation housing people straight from the streets there are additional challenges in relation to establishing benefit claims and accustomising residents to making regular payments.
- 3) Where residents have signed up for long term arrears repayment plans that allow them to reduce their arrears manageably, the balances only go down slowly.
- 4) Where residents do not respond to support and encouragement, in most cases we have to go to Court for a payment or possession order. We continue to struggle with the Court system to address rent arrears (and where we have to seek possession for other reasons such as ASB). This results in arrears continuing to grow for up to 6 months after action is first taken for non-payment. Even when we have a court order it can take months to secure a bailiff.
- 5) Once again this year we have experienced on-going delays with payment of Housing Benefit with the processes around supported housing having been tightened over the past 2 years by the DWP. This caused a hiatus in payments, delays with new and renewal applications (and therefore our ability to identify and manage any problems) and ongoing issues with establishing entitlement. Given the level of turnover significant resources have been focussed on addressing these issues.

The teams are setting internal targets and action plans for improvement and reviewing the arrears position weekly. The Senior Leadership Team is monitoring their reports fortnightly.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2025

Tenant satisfaction

Improved resident satisfaction with our services and positive engagement are absolute priorities for the teams at PRHA. The data shown below is used as part of the VFM review process and improvements are targeted through departmental work plans.

Our annual Tenant Perception Measures satisfaction survey results are given below. This is based on 100 responses out of our resident population of 458 (22% response rate). Due to our small size we adopt a Census approach to our surveys, a copy of which is therefore sent to all residents within PRHA owned properties. There are only 2 years to compare as the format had to change in 2023 to reflect the Regulator of Social Housing's Tenant Perception Measures (TPMs) (part of the overall Tenant Satisfaction Measures (TSMs) that all Registered Providers are required to provide).

The results show that there has been an improvement from the baseline overall satisfaction figures from last year and those for PRHA listening to residents' views. It has to be noted though that the table below also shows a slight increase in dissatisfaction with the overall satisfaction (but not the "listening to residents" measure) – as there was little further information on this we intend to try to investigate this further.

General needs (GN) and supported housing (SH)	Survey 2025 (TPM format)	Survey 2024 (TPM format)
Overall satisfaction with services (TP01)	80%	77%
Satisfied that landlord listens to/acts upon tenant's views (TP06)	79%	71%

Tenant Perception Measures – 2025 Survey - PRHA				
TPM	Question	Satisfied	Neither	Dissatisfied
TP01	Taking everything into account, how satisfied or dissatisfied are you with the service provided by PRHA?	80.2%	8.3%	11.5%
TP06	How satisfied or dissatisfied are you that PRHA listens to your views and acts upon them?	78.9%	12.6%	8.5%

This compares favourably with the previous year's results:

Tenant Perception Measures – 2024 Survey - PRHA				
TPM	Question	Satisfied	Neither	Dissatisfied
TP01	Taking everything into account, how satisfied or dissatisfied are you with the service provided by PRHA?	77.0%	13.7%	9.4%
TP06	How satisfied or dissatisfied are you that PRHA listens to your views and acts upon them?	70.8%	16.1%	13.2%

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2025

NOTE: The tables above do not show the full set of TPM results, and are focused on the service delivery aspect of Value for Money. The full set of TPM results will be published on our website and in additional reports to stakeholders.

The outcomes of the 2025 TSM survey will be discussed with residents and recommendations incorporated into the departmental work plans, particularly where performance requires improvement.

This year we added a survey focussed on residents' perception of Value for money. We don't have meaningful trend or benchmarking data for this so we will be discussing it with residents and trying to find out what factors lie beneath the figures. Certainly in the hostels we do know that the services we provide are extensive and are recharged through service charges.

Value for Money Survey 2025			
Question	Satisfied	Neither	Dissatisfied
Satisfaction with the overall quality of home	86.6%	3.0%	10.4%
Satisfaction that rent provides value for money	67.7%	16.9%	15.4%
Satisfaction that service charges provide value for money	69.1%	13.2%	17.6%

There has been a strong focus this year on managing complaints with the given timescales, listening to residents and feeding this into service improvement. Satisfaction with complaints handling has begun to recover this year, rising again this year to 57.1% (after rising last year to 48.7%). This still leaves 25% of survey respondents who had made a complaint reporting dissatisfaction (previous year 37%) and we are aiming to establish why that is the case. We are intending to improve this figure year on year.

Repairs Service

Given the limitations of the trend comparisons, it is encouraging that there are increased reported levels of satisfaction with repairs and maintenance and slightly increased levels for the cleaning services again this year. There were also improvements in performance. The dissatisfaction with the repairs service appears stable but there has been a slight increase in dissatisfaction.

Performance in repairs is one of the most important aspects of our service for residents. This year our contractors have been performing well and we have also continued to focus our in-house operative team on minor repairs.

General needs (GN) and supported housing (SH)	Survey 2025 (TPM format)	Survey 2024 (TPM format)
Satisfaction with repairs and maintenance services (TP02)	77%	75%
Satisfaction with the standard of cleaning (TP10 - "clean & well maintained")	86%	85%

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2025

Tenant Perception Measures – 2025 Survey - PRHA				
TPM	Question	Satisfied	Neither	Dissatisfied
TP02	Has PRHA carried out a repair to your home in the last 12 months? If yes, How satisfied or dissatisfied are you with the overall repairs service from PRHA over the last 12 months?	76.8%	8.7%	14.5%
TP10	Do you live in a building with communal areas, either inside or outside, that PRHA is responsible for maintaining? If yes, How satisfied or dissatisfied are you that PRHA keeps these communal areas clean and well maintained?	85.5%	8.4%	6.0%

Tenant Perception Measures – 2024 Survey - PRHA				
TPM	Question	Satisfied	Neither	Dissatisfied
TP02	Has PRHA carried out a repair to your home in the last 12 months? If yes, How satisfied or dissatisfied are you with the overall repairs service from PRHA over the last 12 months?	74.5%	11.2%	14.3%
TP10	Do you live in a building with communal areas, either inside or outside, that PRHA is responsible for maintaining? If yes, How satisfied or dissatisfied are you that PRHA keeps these communal areas clean and well maintained?	84.6%	10.3%	5.1%

Performance to target timescales is above benchmark and an improvement on the previous year. However performance for non-emergency repairs is below our target and this is an improvement area for the year ahead.

	Target	Performance 2024-25	SPBM Benchmark 2023-24	Performance 2023-24
Emergency repairs – completed within timescales	100.00%	100.0%	97.3%	99.1%
Non-emergency repairs – completed within timescales	98.00%	94.3%	91.2%	91.3%

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) **Year ended 31 March 2025**

PRHA has also been monitoring building safety closely and ensuring that there are high levels of compliance with gas and fire safety in line with the Building Safety Act requirements. These are reported weekly to senior managers and at every Board meeting.

Teams will focus this year on setting out what an excellent repairs service looks like in consultation with residents.

Community Benefit

In our social care role PRHA works with the most vulnerable residents within our local communities providing not just housing and support but also opportunities to rebuild lives, reduce harm from offending and substance misuse, develop skills and reintegrate with the wider community.

This year, our staff teams have helped 289 supported housing residents to stabilise their lives and address key obstacles to rehousing such as addiction and mental ill health. This in turn benefits our local communities and local public services by addressing health deterioration, anti-social behaviour and crime.

We also provide accommodation for 28 local homeless families at any one time preventing their rehousing to temporary accommodation out of borough, with the resultant disruption this causes to their lives and family/ social connections.

We also work closely with a wide range of local statutory and voluntary agencies to provide strong local partnerships supporting community safety, safeguarding, and community health facilities. We provide premises for Early Years Network Tower Hamlets to provide a nursery and free childcare places for local families.

As a locally based employer, PRHA aims to benefit its local communities. We work closely with local employment agencies/ jobcentres to offer employment and work experience opportunities for local residents.

We also benefit our local economy by engaging contractors and suppliers based locally wherever possible.

In addition our Grounded Ecotherapy project has worked on a number of projects that improve local open spaces and community gardens involving their residents in their local environment. This year they were successful in attracting funding from Tower Hill Trust to further improve local community spaces.

RISK MITIGATION

The Board usually reviews the risk register annually at the Risk and Audit Scrutiny Group, during Awayday discussions and when any risk issues emerge or circumstances change.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2025

These were identified using the matrix below:

Risk calculation matrix						
Codes	0	1	2	3	4	5
L = Likelihood	Zero	V unlikely	Unlikely	Likely	V Likely	Almost Certain
S = Severity	No Injury	Minor	Moderate	Major	Fatal	Catastrophic
RR = Risk Rating	0	0 – 1 Trivial	2- 6 Low	7 – 10 Medium	11 – 15 High	16 – 25 Extreme
Overall Level		Level 3		Level 2	Level 1	

The rating assesses not just the likelihood of these factors occurring but also the severity of the consequences if they do. Each of these areas is broken down into key components and then assigned mitigating actions.

These actions aim to minimise the impact on residents and other stakeholders. This process provides a clear focus on the key risks to control and is an ongoing priority for the Senior Leadership Team.

Our key risk areas before mitigation were:

KEY RISKS SUMMARY 2024/5	
Level 1	Health and safety including building and fire safety
	Loss of business /erosion of operating surplus & central costs
	Income maximisation
	Economic pressures
Level 2	Support services (Ability to fulfil contracts within income, risk to residents /staff)
	Staff (recruitment/retention, costs)
	Asset management including disrepair and carbon reduction
	Regulatory compliance & governance (previously level 3)
Level 3	GDPR, cyber security and data collection
	Customer service/ satisfaction/expectation/experience (new)

Following mitigation only Health and safety remained at level one. There are specific risks relating to fire safety, pandemics and the escalating support needs of our vulnerable residents that cannot be wholly mitigated by PRHA. However the mitigations that are in place are robust: comprehensive systems, procedures and inspections are in place to minimise the risk as much as possible. Building and personal safety are key operational and strategic priorities and are closely monitored by both senior leadership and Board. This is supplemented by staff training and consultation/ information for residents. We also carry out emergency planning /business continuity exercises throughout the year (sometimes in response to real life issues).

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) **Year ended 31 March 2025**

The Board agreed that while the 3 other level one risks can be reduced to level 2 risks through mitigation measures they remain subject to several factors largely outside of PRHA's control, in particular global and national economic pressures, wars and continuing cost of living increases. These severe economic challenges have also impacted significantly on adult social care funding and homelessness services, partly because of Governmental and Local authority funding constraints. Mitigation includes: increased Board review of financial projections and stress testing /scenario planning, close monitoring of arrears and voids trends and support contract margins, expenditure monitoring and control.

Throughout the year the Senior Leadership Team and Board reviewed the risk register in conjunction with the Business Continuity Plan. The Board also reviews a number of these areas as part of its ongoing monitoring cycles for financial controls and performance, building and fire safety and regulatory compliance. There are also specific reviews around GDPR and cyber security.

COMPLIANCE WITH GOVERNANCE AND FINANCIAL VIABILITY STANDARD

PRHA ensures compliance with the requirements of the Regulator of Social Housing's Governance and Financial Viability Standards through regular review of governance arrangements, risk review and financial planning. The Board considers that PRHA complies with all requirements of the Regulatory Framework.

THE BOARD AND DIRECTORS

The Board and Directors of PRHA are listed on page 2. Each member of the Board holds one fully paid share of £1 in PRHA. The Directors hold no interest in PRHA's share capital.

STATEMENT OF THE BOARD'S RESPONSIBILITIES

The Board members are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) **Year ended 31 March 2025**

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the 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. They are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Financial statements are published on the association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the association's website is the responsibility of the Board members. The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

GOING CONCERN

After reviewing the Annual Budget and Business Plan in March 2025 and financial projections in November 2024 and May 2025, the Board considers that PRHA has adequate resources to continue in operational existence for the foreseeable future. Despite the national economic pressures, PRHA exceeded its budgeted surplus.

Throughout the year, the Board has also reviewed five and 30 year financial projections. These projections include annual outturns, cashflow and stress testing for scenarios relating to inflation, voids and bad debts and adult social care contracts. After factoring into account these possible scenarios, PRHA remains compliant with loan covenants and the Board considers that sufficient funds are in place for the ongoing running of the business. PRHA does not currently have an active development or sales programme with their associated risks.

The Board and Senior Management Team will continue to closely monitor the external environment and review the financial implications of any new events and factors such as the rising cost of living and interest rates. They will also regularly review performance against the budget and stress test any emerging risks.

Given the strength of the balance sheet and cash flow projections the Board believe that, while uncertainty continues to exist, this does not pose a material uncertainty that would cast doubt on PRHA's ability to continue as a going concern. The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

CORPORATE GOVERNANCE

The National Housing Federation's (NHF) "Code of Governance 2020" is intended for the guidance of Registered Providers, so that they can continue to follow the highest standards of governance, accountability and probity while responding to an environment of change and risk.

The Code is the embodiment of the values underlying the voluntary housing movement. The Code aims to assist associations to be competent, accountable, independent and diverse.

The Board has adopted this Code of Governance and has self-assessed itself against the Code. It has set out a plan to ensure ongoing compliance with the requirements. In particular it has adopted a Board succession strategy to address one area where it is not yet compliant (the new requirement for Board terms of office not to exceed six years except in exceptional circumstances). Given the need to balance continuity and stability in governance with this requirement, the Board has agreed to aim to achieve this by the end of 2028. Our Rules also superseded the Code in one area where terms of office include periods of co-option. This now applies to only 1 Board member in their final term.

The planned recruitment drive has now achieved 60% renewal of members over 3 years with new Board members with specifically identified skills and experience taking over from longer standing ones. The Board is looking to recruit 2 new members next year and to hold a place for a resident representative if one can be recruited. There has been a focus on ensuring a diverse membership with the collective skills and attributes to govern effectively.

The other areas are all compliant and the action plan identifies further actions for improvement. The Board will continue discussion of ongoing issues such as how to influence culture, how to demonstrate that resident/stakeholder feedback is influencing decision - making and how to gain assurance on the information that is presented to it.

The strategic plan review will include consideration of whether and how active cooperation, collaboration, joint working or partnership with other organisations could enable it to deliver its social purpose and strategies more effectively and economically.

The Board has also adopted the NHF Code of Conduct 2022. This sets out standards for housing associations and is intended to be used alongside the 2020 Code of Governance. It is for use by individual housing association staff, Board members and certain involved residents, and sets out guidance according to four key themes:

1. acting in the best interest of the housing association and its residents;
2. behaving with integrity;
3. conducting yourself professionally and treating others well; and
4. protecting yourself, others and the environment

STATEMENT ON INTERNAL CONTROLS ASSURANCE

INTERNAL CONTROLS STATEMENT

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

The Board recognises that no system of internal controls can provide absolute assurance or eliminate all risk. The system of internal controls 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 PRHA'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. This approach includes the regular evaluation of the nature and extent of risks to which the PRHA is exposed. This year the Board has carried out a fraud risk assessment exercise and was satisfied with the assurances from senior leadership and evidence that adequate controls are in place.

The process adopted by the Board in reviewing the effectiveness of the system of internal controls, together with some of the key elements of the controls framework includes:

- *Identification and evaluation of key risks*

The Board is responsible for overseeing the process of identifying, managing and evaluating risks. It reviews PRHA's risk map and action plan annually (and whenever necessitated by external or internal change). The twice yearly Risk and Audit Scrutiny group reviews identify and monitor key risks throughout the year and ensure that the Board is aware of these.

Building and fire safety have been reviewed at every Board meeting to ensure that members have assurance that our homes are safe.

The Board also receives information from a range of sources to gain assurance that risks are being identified and that controls procedures are working. The internal controls framework and risk management process are subject to bi-annual review by The Internal Audit Association, who are employed to provide independent assurance to the Board. Five reviews were carried out in the previous financial year (payroll, procurement and contractor payments plus audits on petty cash, rents and residents monies at 2 of our hostels) and all received a "substantial assurance" rating. Other sources of assurance include: the external auditors report, the annual internal controls assurance report, regular performance indicator reporting, reports from external regulators, reports on fire and building safety matters and quality assurance reviews, in particular commissioning team reviews for vulnerable adults' services, Care Quality Commission and Investors in People reviews. In 2022 we retained investors in People Gold standard and will be applying for this again in 2025.

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued)
Year ended 31 March 2025

Management responsibility has been clearly defined for the identification, evaluation and controls of significant risks. There is a formal and ongoing process of management review in each area of PRHA's activities.

This process is co-ordinated through a regular reporting framework by the Senior Leadership Team. The Senior Leadership Team regularly consider reports on significant specific risks facing PRHA and the Chief Executive is responsible for reporting to the Board any significant changes affecting key risks.

- *Monitoring and corrective action*

PRHA has instigated a continuous improvement process for strengthening internal controls. This takes the form of an internal controls action plan outlining key controls areas within the six main controls framework areas: Procedures; Regular Internal Auditing; Separation of functions; Monitoring of authorisation and expenditure; Training, induction and supervision of staff and review by the Senior Leadership Team and Management Board. This is monitored by the Senior Leadership Team, the Risk and Audit Scrutiny Group and the Finance Scrutiny Group.

This ensures that corrective action is taken in relation to any significant controls issues, particularly those with a material impact on the financial statements. Work is continuing on maintaining awareness of internal controls at all levels of staff teams.

- *Controls environment and controls procedures*

The Board retains responsibility for a defined range of issues covering strategic, operational, and financial and compliance issues including treasury strategy and all new investment projects. The Board has adopted the National Housing Federation Code of Governance 2020 (see above).

The Board disseminates its requirements to all employees through PRHA's policies with regard to the quality, integrity, culture and ethics of its employees. It is supported by a framework of policies and procedures with which all employees must comply. These cover issues including delegated authority, tendering and procurement, Disclosure and Barring Service checks, treasury management, health and safety, safeguarding, data and asset protection, GDPR, cyber security, whistleblowing and fraud prevention and detection. All new staff are required to acknowledge understanding of key policies during their probationary period.

- *Regulator of Social Housing (RSH)*

The Board has responsibility for ensuring that PRHA complies with its regulatory obligations. The RSH generally focuses on the robustness of PRHA's finance and risk strategies and the effectiveness of its corporate governance. PRHA has less than 1,000 properties and therefore is not subject to the same level of scrutiny as larger Registered Providers. Nevertheless the Board has taken the view that the standards constitute good practice which PRHA will continue to aim to comply with. The Board of PRHA are subject to the Regulatory Framework for Social Housing in England 2015 (as updated in 2017, 2023 and 2024).

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2025

The Regulator of Social Housing has amended the framework requirements in relation to consumer standards to include the requirements of the Tenant Satisfaction Measures and a new framework for compliance from 1st April 2024. PRHA is compliant with these and this is reported to the Board regularly. Staff and Board are also working to an action plan that will ensure continuing improvement. The Association has a significant commitment to co-regulation – a cornerstone of the new standards- and is implementing its Resident Engagement strategy action plan. We have been unable to recruit a replacement resident Board member to date so the focus currently is in strengthening resident involvement in our scrutiny panels and at a local level as a basis for fostering further engagement. We have continued to communicate with residents on key issues including complaints feedback and “lessons learnt”. There is also regular review with residents of our customer service standards.

One of the other key principles is ensuring fairness and equality of treatment for residents. Again this chimes with our core values, equality and diversity commitments and customer service standards and is taken forward through the annual equalities report.

Residents are surveyed regularly on key service performance and this along with an improvement plan is fed back to the Board to inform decision making. Residents are also involved in inspection and audit processes across PRHA's activities and in staff recruitment. PRHA has complied with the revised Value for Money standard in the text of these accounts.

- *Information and financial reporting systems*

Financial reporting procedures for PRHA include detailed budgets for the year ahead and forecasts for the subsequent years. These are reviewed and approved by the Board.

Detailed five and 30 year financial projections enable the Board to review and discuss accurate forecasting and scenario planning especially given the particular risks inherent in managing a large number of social care contracts. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

The Board has received the Chief Executive's annual report and has considered any changes needed to maintain the effectiveness of the risk management and controls process.

SHAREHOLDING MEMBERSHIP

The shareholding membership consists mainly of current and past Board members, but not any of the senior staff. Each member holds one fully paid share of £1 of PRHA. The holding of shares confers no beneficial entitlement. There are 9 shares in issue.

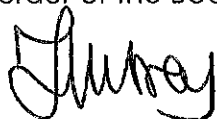
PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2025

APPOINTMENT OF AUDITORS

A resolution to reappoint Crowe UK LLP as auditors of PRHA will be put to the Annual General Meeting.

By order of the Board



F. HUMPHREY

Secretary and Chief Executive

24 July 2025

PROVIDENCE ROW HOUSING ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVIDENCE ROW HOUSING ASSOCIATION

Opinion

We have audited the financial statements of Providence Row Housing Association (the "Association") for the year ended 31 March 2025 which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Reserves, Statement of Cash Flows and notes to the financial statements, including 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 Association's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of 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.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Board with respect to going concern are described in the relevant sections of this report.

PROVIDENCE ROW HOUSING ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVIDENCE ROW HOUSING ASSOCIATION (Continued)

Other information

The Board is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of controls over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities set out on pages 24 to 25, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the 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 Board either intends to liquidate the 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

PROVIDENCE ROW HOUSING ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVIDENCE ROW HOUSING ASSOCIATION (Continued)

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Association's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Association for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, building safety, health and safety, taxation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Risk and Audit Scrutiny Group about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of income recognition and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

PROVIDENCE ROW HOUSING ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVIDENCE ROW HOUSING ASSOCIATION (Continued)

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

Use of our report

This report is made solely to the Association's members as a body in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW

Date: 29 July 2025

PROVIDENCE ROW HOUSING ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Turnover	3	9,797	9,842
Operating costs	3	(8,439)	(8,577)
		<hr/>	<hr/>
Operating surplus	3/5	1,358	1,265
Interest receivable		97	60
Interest and financing costs	8	(390)	(427)
(Decrease)/Increase in valuation of investment property	12	-	(70)
		<hr/>	<hr/>
Surplus and total comprehensive income for the year		1,065	828
		<hr/>	<hr/>

All amounts relate to continuing activities.

The notes on pages 39 to 60 form part of these financial statements.

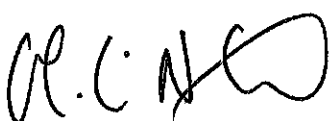
PROVIDENCE ROW HOUSING ASSOCIATION

BALANCE SHEET At 31 March 2025

	Note	2025 £'000	2024 £'000
FIXED ASSETS			
Housing Properties	10	38,905	39,250
Other property, plant and equipment	11	1,555	1,569
Investment Property	12	1,555	1,555
		<hr/>	<hr/>
		42,015	42,374
CURRENT ASSETS			
Debtors	13	816	684
Cash and cash equivalents		6,014	5,715
		<hr/>	<hr/>
		6,830	6,399
CREDITORS: amounts falling due within one year	14	(3,761)	(4,005)
		<hr/>	<hr/>
NET CURRENT ASSETS		3,069	2,394
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		45,084	44,768
CREDITORS: amounts falling due after more than one year	15	(31,269)	(32,018)
		<hr/>	<hr/>
NET ASSETS		13,815	12,750
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Share capital	18	-	-
General reserves		13,815	12,750
		<hr/>	<hr/>
		13,815	12,750
		<hr/>	<hr/>

These financial statements were approved and authorised for issue by the Board and signed on its behalf by:

H. New
Chair



E Knox
Board Member



F. HUMPHREY
Secretary and Chief Executive



Date of approval: 24 July 2025

The notes on pages 39 to 60 form part of these financial statements.

PROVIDENCE ROW HOUSING ASSOCIATION

STATEMENT OF CHANGES IN RESERVES For the year ended 31 March 2025

	Share Capital £'000	General Reserves £'000	Total £'000
Balance at 1 April 2023	-	11,922	11,922
Total comprehensive income for the year	-	828	828
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2024	-	12,750	12,750
Total comprehensive income for the year	-	1,065	1,065
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2025	-	13,815	13,815
	<hr/>	<hr/>	<hr/>

The notes on pages 39 to 60 form part of these financial statements

PROVIDENCE ROW HOUSING ASSOCIATION**STATEMENT OF CASH FLOWS**
Year ended 31 March 2025

	2025	2024
	£'000	£'000
Cash flows from operating activities		
Surplus for the financial year	1,065	828
Adjustments for:		
Depreciation of fixed assets – housing properties	428	438
Depreciation of fixed assets - other	14	17
Decrease/(Increase) in fair value of investment property	-	70
Amortised grant	(359)	(359)
Interest paid and finance costs	390	427
Interest received and income from investments	(97)	(60)
(Increase) in debtors	(132)	(298)
(Decrease)/Increase in creditors	(248)	(28)
Net cash generated from operating activities	1,061	1,035
Cash flow from investing activities		
Purchase of tangible fixed assets	(83)	(111)
Interest received	97	60
Net cash (used in) investing activities	14	(51)
Cash flow from financing activities		
Interest paid	(390)	(427)
Repayment of borrowings	(386)	(382)
Net cash (used in) financing activities	(776)	(809)
Net increase/(decrease) in cash and cash equivalents	299	175
Cash and cash equivalents at beginning of year	5,715	5,540
Cash and cash equivalents at end of year	6,014	5,715

The notes on pages 39 to 60 form part of these financial statements.

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS

Year ended 31 March 2025

1 LEGAL STATUS

PRHA is a regulated charitable housing association registered under the Co-operative and Community Benefit Societies Act 2014 (No. 19322R). PRHA is registered with the Regulator of Social Housing as a social landlord (No. L0695) and public benefit entity.

The Registered office address and principal place of business is Providence Row Housing Association, 15A Kelsey Street, London E2 6HD.

2 ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with applicable law and UK accounting standards and the Statement of Recommended Practice for Accounting by Registered Social Housing Providers (SORP 2018) under the historic cost convention with the exception of investment properties included at valuation. They also comply with the Accounting Direction for private registered providers of social housing 2022 ("the Direction").

The financial statements are presented in Sterling (£'000).

The principal accounting policies of PRHA are set out below.

Turnover

Turnover represents rental income receivable, fees receivable and grants from local authorities, the Regulator of Social Housing and other agencies.

Turnover is recognised as follows:

- Rental income and service charges receivable after deducting rent and service charge losses from void properties available for letting;
- Revenue grants are recognised in the Statement of Comprehensive Income in the period to which we are entitled;
- Capital grants received are initially deferred and then credited to turnover in the Statement of Comprehensive Income on a straight line basis over the expected life of the asset which they have funded; and
- Charges for support services funded under adult social care are recognised as receivable based on the contractual agreement with administering authorities.

Management of units owned by others

Management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs.

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2025

ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefits. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring land and buildings, development costs, interest capitalised during the development period and directly attributable administration costs.

Depreciation of housing property

Housing land and property is split between land, structure and other major components that are expected to require replacement over time.

Depreciation is calculated on the cost of properties and their major components and is charged on a straight line basis over their expected useful economic lives as shown below. Freehold land is not depreciated.

• Structure	100 years
• Roof and coverings	70 years
• Electrics	40 years
• Bathroom	30 years
• Mechanical systems	30 years
• Windows and Doors	30 years
• Lift	25 years
• Kitchen	20 years
• Boilers	15 years

Where assets are leased the depreciation term is the lower of the periods above or the lease term.

Assets are not depreciated in the year of acquisition/completion.

Capital items having a cost of less than £1,000 are immediately expensed to the Statement of Comprehensive Income.

Other property, plant and equipment and depreciation

Other property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected useful lives of the assets at the following rates:

Furniture	-	20% per annum on cost
Computer equipment	-	20% per annum on cost

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) **Year ended 31 March 2025**

ACCOUNTING POLICIES (Continued)

Impairment

Annually housing properties are assessed for impairment indicators. For the purposes of impairment assessments, PRHA defines cash generating units as properties. Units and bed spaces are grouped together into properties and treated as cash generating units.

At each statement of financial position date, each property is assessed to determine if there are indicators that the property may be impaired in value; if there are such indicators of impairment, then a comparison of the property's carrying value is made to its recoverable amount.

Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Statement of Comprehensive Income; the carrying value is reduced appropriately.

The assessment of the recoverable amount takes account of the service potential of the assets or the present value of future cash flows to be derived from them adjusting for any costs or restrictions. The use of depreciated replacement cost is taken as a suitable measurement model.

Investment properties

Investment properties are accounted for at fair value and changes in value are taken annually to the Statement of Comprehensive Income. Fair value is determined by independent valuers registered with Royal Institute of Chartered Surveyors (RICS), in accordance with RICS Valuation – Professional Standards.

Recycled capital grant fund

On the occurrence of certain relevant events, primarily the sale of dwellings, the Regulator of Social Housing can direct PRHA to recycle capital grants or to make repayments of the recoverable amount. PRHA adopts a policy of recycling, for which a separate fund is maintained. If unused within a three year period, it will be repayable to the Regulator of Social Housing with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Where there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

Agencies

The transactions incurred directly by agencies managing the supported housing projects are not consolidated in the financial statements where the related risks and rewards are with the agency.

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) **Year ended 31 March 2025**

ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and liabilities are recognised in the statement of financial position when PRHA becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and short-term bank deposits with an original maturity of three months or less.

Interest bearing bank loans which meet the criteria to be classified as basic financial instruments are initially recorded at the value of the cash payable to the bank, which is ordinarily equal to the proceeds, received net of direct issue costs. Subsequent measurement of the bank loans are recorded at the value of the cash payable to the bank. PRHA loans meet the definition of basic financial instruments.

Contingent liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

A contingent liability exists on grant repayment which is dependent on the disposal of related property.

Bad debt provision

The bad debt provision is based on 100% of former tenant rent arrears and between 5% - 100% of current tenant rent arrears. We deem this as reasonable. We will however consider reviewing this policy if we see a considerable rise in rental debtors.

Social housing grant

Social Housing Grant (SHG) is a capital grant made towards the cost of acquiring and/or building additional housing for rent or sale.

SHG is repayable unless formally abated or waived. (See recycled capital grant fund above). On the occurrence of certain relevant events, primarily following the sale of property, the SHG repayable or to be recycled will be restricted to the net proceeds of sale where appropriate. In recognition of this, external lenders seek the subordination of the Regulator of Social Housing's right to recover SHG to their own loans.

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) **Year ended 31 March 2025**

ACCOUNTING POLICIES (Continued)

Social housing grant (SHG) is receivable from the Regulator of Social Housing and is recognised in income over the expected useful life of the housing property structure and where applicable, its individual components (excluding land) under the accruals model. SHG due from the Regulator of Social Housing or received in advance is included as a current asset or liability. SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

Going concern

After reviewing the Annual Budget and Business Plan in March 2025 and financial projections in November 2024 and May 2025, the Board considers that PRHA has adequate resources to continue in operational existence for the foreseeable future. Despite the national economic pressures, PRHA exceeded its budgeted surplus.

Throughout the year, the Board has also reviewed five and 30 year financial projections. These projections include annual outturns, cashflow and stress testing for scenarios relating to inflation, voids and bad debts and adult social care contracts. After factoring into account these possible scenarios, PRHA remains compliant with loan covenants and the Board considers that sufficient funds are in place for the ongoing running of the business. PRHA does not currently have an active development or sales programme with their associated risks.

The Board and Senior Management Team will continue to closely monitor the external environment and review the financial implications of any new events and factors such as the rising cost of living and interest rates. They will also regularly review performance against the budget and stress test any emerging risks.

Given the strength of the balance sheet and cash flow projections the Board believe that, while uncertainty continues to exist, this does not pose a material uncertainty that would cast doubt on PRHA's ability to continue as a going concern. The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Apportionment of management expenses

Direct employee, administration and operating costs have been apportioned to the relevant sections of the income and expenditure account on the basis of costs of the staff directly engaged on the operations dealt with in these financial statements.

Pension costs

PRHA operates a number of Stakeholders' Pension Schemes where PRHA's liability is limited to the contracted employer's contribution rate.

Operating leases

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2025

ACCOUNTING POLICIES (Continued)

Adult social care grant accounting policy

Turnover includes adult social care grant income received from administering authorities, plus support charges to individual tenants. The related expenditure is included in operating cost.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset. The Board members have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on Existing Use Value – Social Housing (EUV-SH) or depreciated replacement cost.

Other key sources of estimation uncertainty are as follows:

- *Tangible fixed assets*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual value are assessed annually and may vary depending on factors such as future market conditions, the remaining life of the asset and the disposal values.

In assessing impairment of assets an estimate of the rebuild cost is applied and depreciation is calculated based on the age of the existing property to arrive at a depreciated replacement cost.

- *Investment properties*

Investment properties are professionally valued annually using a combination of both the market and investment methods of valuation. Market rental values are capitalised at a market capitalisation rate. There is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself (see note 12).

- *Rental and other trade receivables (debtors)*

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

- *Revenue recognition around particular contracts – for example, adult social care*

Charges for services provided and adult social care income, are recognised as income when PRHA has provided the service concerned. Grants made as contributions to revenue expenditure are credited to income in the period in which the related expenditure is incurred.

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2025

ACCOUNTING POLICIES (Continued)

- *Bad debt provision*

The trade debtors balances recorded in the statement of financial position comprise a relatively large number of small balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS year ended 31 March 2025 (Continued)

3 TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS	2025			2024		
	Turnover £'000	Operating Expenditure £'000	Operating Surplus £'000	Turnover £'000	Operating Expenditure £'000	Operating Surplus £'000
Social housing lettings (Note 4)	9,553	(8,256)	1,297	9,703	(8,451)	1,252
Other social housing activities	244	(183)	61	139	(126)	13
TOTAL	<u>9,797</u>	<u>(8,439)</u>	<u>1,358</u>	<u>9,842</u>	<u>(8,577)</u>	<u>1,265</u>

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued)
Year ended 31 March 2025

4 LETTING ACTIVITIES

	Supported Housing £'000	General Needs £'000	Agency Managed £'000	2025 Total £'000
Income				
Rent receivable net of identifiable service charges	2,725	679	-	3,404
Service charge income	2,550	224	-	2,774
Amortised government grants	255	92	12	359
Supported housing	2,470	-	-	2,470
Other	23	-	523	546
Turnover from Social Housing Lettings	8,023	995	535	9,553
Expenditure				
Management	1,058	121	97	1,276
Service charge costs	2,214	178	142	2,534
Routine maintenance	742	115	152	1,009
Major repairs expenditure	111	6	52	169
Bad debts	201	1	-	202
Depreciation of housing properties	300	116	11	427
Supported housing	2,639	-	-	2,639
Operating expenditure on Social Housing Lettings	7,265	537	454	8,256
Operating surplus on Social Housing Lettings	758	458	81	1,297
Void losses	(207)	(8)	-	(215)

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued)

Year ended 31 March 2025

4 LETTING ACTIVITIES (CONTINUED)

	Supported Housing £'000	General Needs £'000	Agency Managed £'000	2024 Total £'000
Income				
Rent receivable net of identifiable service charges	2,434	626	-	3,060
Service charge income	2,813	211	-	3,024
Amortised government grants	255	92	12	359
Supported housing	2,584	-	-	2,584
Other	19	2	655	676
Turnover from Social Housing Lettings	8,105	931	667	9,703
Expenditure				
Management	1,297	150	130	1,577
Service charge costs	2,018	167	122	2,307
Routine maintenance	648	169	84	901
Major repairs expenditure	106	190	12	308
Bad debts	207	6	-	213
Depreciation of housing properties	298	119	21	438
Supported housing	2,707	-	-	2,707
Operating expenditure on Social Housing Lettings	7,281	801	369	8,451
Operating surplus on Social Housing Lettings	824	130	298	1,252
Void losses	(403)	(11)	-	(414)

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2025

5 OPERATING SURPLUS

Is stated after charging:

	2025 £'000	2024 £'000
Depreciation		
- Social housing properties held for lettings	428	438
- Other property, plant and equipment	14	17
	<u>442</u>	<u>455</u>
Auditors' remuneration		
- External – audit services current year (excluding VAT)	<u>44</u>	<u>42</u>

6 DIRECTORS' AND SENIOR EXECUTIVES EMOLUMENTS

The key management personnel are defined as the Board of Management, the Chief Executive and the Executive Management Team. None of the Board members received any emoluments in either year. The Board members, received £8,271 (2024: £2,875) for board expenses during the year.

The total emoluments paid to Directors (who for the purpose of this note include the members of the Board and the executive management team) were as follows:

	2025 £'000	2024 £'000
Gross salary	344	328
Social security costs	41	39
Employer's pension contributions	15	14
	<u>400</u>	<u>381</u>

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2025

6 DIRECTORS' AND SENIOR EXECUTIVES EMOLUMENTS (CONTINUED)

The total amount payable to the Chief Executive, who was also the highest paid director in respect of emoluments was as follows:

	2025 £'000	2024 £'000
Highest paid Director		
Aggregate remuneration (excluding pension)	81	77
Pension contribution	4	4
	<hr/>	<hr/>
Emoluments (including pension contributions and benefits in kind)	85	81
	<hr/>	<hr/>

During the year pension contributions of £4,048 (2024: £3,856) were paid by PRHA for the benefit of the Chief Executive. The Chief Executive is an ordinary member of the scheme. The scheme to which they were paid is the Legal and General Assurance Society Stakeholders Pension.

Salary bandings for all employees earning over £60,000 (including pension)

	2025 No.	2024 No.
£60,000 to £70,000	3	2
£70,001 to £80,000	1	1
£80,001 to £90,000	1	1

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2025

7 EMPLOYEE INFORMATION

The average number of persons (including the Chief Executive) employed during the year, expressed in full time equivalent members of staff, was 84 (2024: 94).

	2025 £'000	2024 £'000
Staff costs were as follows:		
Wages and salaries	3,247	3,341
Social security costs	313	300
Pension costs (note 19)	88	94
	<u>3,648</u>	<u>3,735</u>

Staff costs of £83,723 (2024: £83,960) were paid to various agencies.

Staff costs include redundancy payments amounting to £1,000 (2024: £138,473).

Full time equivalents are calculated for full time and part time staff based on a standard working week of 35 – 40 hours.

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2025 £'000	2024 £'000
On bank loans	390	427
	<u>390</u>	<u>427</u>

9 TAX

PRHA is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly PRHA is exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

No tax charge arose in the period.

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued)
Year ended 31 March 2025

10 TANGIBLE ASSETS – HOUSING PROPERTIES

	Social housing properties held for letting £'000
Cost	
At 1 April 2024	47,138
Additions	
- works to existing properties	83
Disposals	
- works to existing properties	(11)
At 31 March 2025	<u>47,210</u>
Depreciation	
At 1 April 2024	7,888
Charge for year	428
Disposals	
- works to existing properties	(11)
At 31 March 2025	<u>8,305</u>
Net book value at 31 March 2025	<u><u>38,905</u></u>
Net book value at 31 March 2024	<u><u>39,250</u></u>

	2025 £'000	2024 £'000
Expenditure on works to existing properties		
Amount expensed to the income and expenditure account	169	308
Amounts capitalised in fixed asset housing properties (as above)	83	95
	<u>252</u>	<u>403</u>

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2025

10 TANGIBLE ASSETS – HOUSING PROPERTIES (CONTINUED)

The net book value of housing properties may be further analysed as:

	2025	2024
	£'000	£'000
Freehold	16,030	16,249
Long Leasehold	19,902	19,972
Short Leasehold	2,973	3,029
	<u>38,905</u>	<u>39,250</u>

Impairment

During the year, PRHA has not recognised any impairment loss (2024: £Nil) in respect of social housing properties.

Properties held for security

PRHA had property with a net book value of £24.7 million pledged as security at 31 March 2025 (2024 £24.9 m).

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued)
Year ended 31 March 2025

11 TANGIBLE ASSETS - OTHER PROPERTY, PLANT AND EQUIPMENT

Cost	Office Buildings £'000	Computer equipment £'000	Furniture and equipment £'000	Total £'000
At 1 April 2024	1,666	285	655	2,606
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2025	1,666	285	655	2,606
Depreciation				
At 1 April 2024	159	285	593	1,037
Charge for year	9	-	5	14
Disposals	-	-	-	-
At 31 March 2025	168	285	598	1,051
Net book value at 31 March 2025	1,498	-	57	1,555
Net book value at 31 March 2024	1,507	-	62	1,569

The net book value of office buildings may be further analysed as:

	2025 £'000	2024 £'000
Freehold	1,498	1,507
	1,498	1,507

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2025

12 Investment Property

Fair Value	2025 £'000	2024 £'000
At 1 April 2024	1,555	1,625
Transferred from other properties	-	-
(Decrease)/Increase in fair value	-	(70)
	<hr/>	<hr/>
At 31 March 2025	1,555	1,555
	<hr/>	<hr/>

PRHA currently rents out its former head office on a long term lease. The property is classified as an investment property at 31 March 2025. Initially recognised at cost, the property is now valued at fair value at the balance sheet date. All changes to this value is being recognised through the profit or loss.

The 2025 valuation was performed by Jones Lang Lasalle Limited in accordance with the current RICS valuation – Global Standards, incorporating the IVS and the RICS Valuation – Global Standards – UK National Supplement published by the Royal Institution of Chartered Surveyors (commonly known as the "Red Book").

To arrive at the valuation a rent capitalisation methodology (i.e., rent and yield approach) coupled with an assessment of what an owner-occupier might pay on a £ per sq. ft basis was adopted. This is with reference to respective rental and capital value market data/sentiment. Yield, capital value and rental data was obtained from commercial agents, auction sale data and commercial property databases.

13 DEBTORS

Amounts receivable within one year:	2025 £'000	2024 £'000
Gross rental debtors	704	637
Less: Provision for bad debts	(698)	(636)
	<hr/>	<hr/>
	6	1
Other debtors and prepayments	505	683
Accrued Income	305	-
	<hr/>	<hr/>
	816	684
	<hr/>	<hr/>

PROVIDENCE ROW HOUSING ASSOCIATION**NOTES ON THE FINANCIAL STATEMENTS (Continued)**
Year ended 31 March 2025**14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2025	2024
	£'000	£'000
Bank loans (note 16)	386	382
Rent received in advance	552	578
Trade creditors	228	546
Grants received in advance	115	96
Tax and Social Security	76	63
Accruals and other creditors	2,019	1,955
Deferred capital grant less than 1 year (note 17)	385	385
	<u>3,761</u>	<u>4,005</u>

Grants received in advance relate to social housing grants for works to existing properties. Grants received in advance are transferred to deferred capital grants when the asset starts to be depreciated. Grants will then be amortised and released to income in accordance with the amortisation of Government grants policy.

15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2025	2024
	£'000	£'000
Loans (note 16)	5,665	6,055
Deferred government grant (note 17)	25,604	25,963
	<u>31,269</u>	<u>32,018</u>

Loans from Orchardbrook Limited, Cooperative Bank Plc and Lloyds Bank Plc are secured by specific charges on PRHA's housing properties and are repayable at varying dates. The loans bear interest at various rates ranging from 5.24% to 8.75%. (2024: 5.24% to 8.75%).

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued)

Year ended 31 March 2025

16 LOANS

Instalments are due as follows:

	2025 £'000	2024 £'000
Housing loans repayable by instalments		
Within one year	386	382
Between two and five years	1,543	1,581
Due after five years or more	4,122	4,474
	<u>6,051</u>	<u>6,437</u>

17 DEFERRED GOVERNMENT GRANTS

	2025 £'000	2024 £'000
At 1 April	26,348	26,707
Release to income in the year	(359)	(359)
Grants recognised in the year	-	-
Balance at 31 March	<u>25,989</u>	<u>26,348</u>

	2025 £'000	2024 £'000
Classified as:		
Amounts to be released within one year (note 14)	385	385
Amounts to be released in more than one year	25,604	25,963
	<u>25,989</u>	<u>26,348</u>

18 SHARE CAPITAL

	2025 £	2024 £
At 31 March 2025	<u>9</u>	<u>10</u>

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued)

Year ended 31 March 2025

The share capital consists of 9 shares with a nominal value of £1 each which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. Where a shareholder ceases to be a member, that person's share is cancelled and the amount paid up thereon becomes the property of PRHA. Therefore all shareholdings relate to non-equity interests; there are no equity interests in PRHA.

19 PENSION COSTS

PRHA operates a number of stakeholders' pension schemes where PRHA's liability is limited to the contracted employer's contribution rate.

During the year PRHA made contributions to individuals' personal pension schemes of £87,998 (2024: £94,490) covering 93 employees (2024: 104).

20 LEGISLATIVE PROVISIONS

PRHA is incorporated under the Co-operative and Community Benefit Societies Act 2014, Registration Number 19322R. PRHA is an exempt charity and is registered with the Regulator of Social Housing, Number L0695.

21 UNITS UNDER MANAGEMENT

The number of units of accommodation at 31 March were as follows:

	2024	Additions	2025
Units of housing stock			
General needs housing			
- social	89	-	89
- affordable	-	-	-
Supported housing	326	-	326
Total social housing units	415	-	415
Total owned and managed	415	-	415
Accommodation managed for others	17	9	26
Total managed accommodation	432	9	441
Units managed by other associations	44	-	44
Total owned and managed accommodation	476	9	485

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2025

22 RELATED PARTY TRANSACTIONS

There are no related party transactions in the year.

23 CONTINGENT LIABILITIES

PRHA received grant from the Regulator of Social Housing which is used to fund the acquisition and development of housing properties. At 31 March 2025, the value of grant recognised as deferred government grants relating to properties that had not been disposed of was £26.0 million (2024: £26.3 million). (See note 17). In addition grant received have been amortised to the general reserve of £9.5 million (2024: £9.1 million). PRHA has a future obligation to recycle such grant should, in certain circumstances, the relevant properties be disposed of.

24 CAPITAL COMMITMENT

	2025 £'000	2024 £'000
Commitments approved by the Board but not contracted for:		
Construction	77	97
	<u>77</u>	<u>97</u>

Capital commitments will be funded as follows:

Social Housing Grant	-	-
Existing reserves	77	97
	<u>77</u>	<u>97</u>
Net Commitment	<u>77</u>	<u>97</u>

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued)

Year ended 31 March 2025

25 OPERATING LEASES

PRHA had minimum lease receipts under non-cancellable operating leases as set out below:

	Land and buildings	
	2025	2024
	£'000	£'000
Amounts receivable as Lessor		
Not later than one year	16	16
Later than one year and not later than five years	66	66
Later than five years	210	225
Total	<u>292</u>	<u>307</u>

We have no operating leases as lessees.

26 FINANCIAL INSTRUMENTS

Financial assets comprise trade receivables, cash and cash equivalents, measured at historical costs.

Financial liabilities comprise loans payable measured at historical cost as an approximate for amortised cost as the difference between historical cost and amortised cost is not deemed material and trade creditors and other creditors are measured at historical cost.

27 NET DEBT RECONCILIATION

	1 April 2024 £'000	Cashflows £'000	31 March 2025 £'000
Cash at bank and in hand	5,715	299	6,014
Bank overdrafts	-	-	-
Obligations under finance leases	-	-	-
Bank loans	(6,437)	386	(6,051)
Convertible loan	-	-	-
Net Debt	<u>(722)</u>	<u>685</u>	<u>(37)</u>