

PROVIDENCE ROW HOUSING ASSOCIATION

**Report and Financial Statements
For the year ended 31 March 2026**

**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 2026

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PROVIDENCE ROW HOUSING ASSOCIATION

EXECUTIVE AND ADVISORS

Year ended 31 March 2026

BOARD OF MANAGEMENT

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

AUDITOR

Crowe UK LLP
55 Ludgate Hill
London
EC4M 7JW

SOLICITORS

Devonshires Solicitors LLP
30 Finsbury Circus
London
EC2M 7DT

DIRECTORS

Karen Stuart
Chief Executive
(Appointed May 2026)

Fiona Humphrey
Chief Executive
(Retired May 2026)

Layo Salako
Director of Finance

Abdi Wakil
Director of Operations
(Appointed June 2026)

SOLICITORS

Trowers & Hamblins LLP
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SECRETARY AND REGISTERED OFFICE

Karen Stuart
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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 2026

The Board presents their report and the audited financial statements for the year ended 31 March 2026.

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

The financial statements for the year ended 31 March 2026 reflects continued improvement in PRHA's financial performance and operating resilience, despite ongoing economic pressures across the housing and support sector.

PRHA reported an increase of 8.7% in surplus for the year of £1.158 million compared with £1.065 million in 2024/25. This improvement reflects continued focus on financial sustainability, operational efficiency and effective cost management across the organisation.

Operating surplus increased by 4.6% to £1.420 million (2025: £1.358 million). This was achieved through improved operational performance, tighter budgetary control, reduced reliance on agency staffing and strengthened cash management arrangements. Turnover increased by 5.97% during the year to £10.382 million compared with £9.797 million in the previous year. The increase reflects continued demand for services and stable contract performance across PRHA's housing and support activities.

PRHA's operating expenditure increased to £8.962 million (2025: £8.439 million), an increase of £523k or 6.2%, principally reflecting inflationary costs pressures, increased investment in fire safety and compliance works and higher expenditure on planned maintenance. During the year PRHA increased investment in major repairs and component replacement to £436,000 as part of its continued commitment to maintaining safe, compliant and high quality accommodation.

PRHA continues to invest in its housing assets and operational infrastructure to support long term service delivery and asset sustainability. The carrying value of housing properties at the year end was £38.570 million (2025: £38.905 million), the decrease reflecting annual depreciation and asset investment activity. The fair value of our investment property remained unchanged at £1.555 million indicating stable asset performance.

Net current assets improved significantly to £3.853 million (2025: £3.069 million), increasing by 25.5%, reflecting strong liquidity management and improved working capital performance. Cash and cash equivalents increased to £6.182 million at 31 March 2026 (2025: £6.014 million), an increase of £168,000 (2.8%).

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) **Year ended 31 March 2026**

Interest received remained at £97,000 reflecting stable cash balances and no significant changes in deposit interest rates during the year. Interest and financing costs saw a reduction of 7.9% to £359,000 from £390,000 reflecting lower average borrowing levels during the year. Borrowings continues to be predominantly held on fixed interest rates, limiting exposure to fluctuations in the market interest rates. Total housing loans outstanding at year end were £5.661 million (2025: £6.051 million). PRHA remained compliant with all lenders covenant requirements throughout the year.

We produced a higher than budget surplus despite the continuing 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. This surplus provides for future years major repairs programmes for our buildings.

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 and Tower Hill Trust, reinforcing PRHAs strong partnerships and trusted service delivery within the community.

The year under review

This year PRHA has been planning for the future. We consulted our residents, staff and Board on the strategic plan for 2026 to 2030, in particular focussing on managing the challenges of new regulation and legislation and the opportunities to further deliver our key social purpose: providing specialist support and safe, good quality housing to vulnerable people in our local communities.

We also focussed on ensuring that our services are achieving great results and continuously improving. As a social landlord, building safety is our first priority and there is continuous monitoring of our buildings and compliance regimes.

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

However, we are acutely aware of the ongoing financial pressures on our residents. We tried to ensure that they received the advice and support that they needed, and helped where possible with other schemes such as fuel vouchers and foodbank initiatives.

The year was also marked by transition in our governance structures with our new Chair, Helen New, starting in May 2025 as part of a planned succession strategy. A new Vice Chair, John Beadle, was also elected at that time and we welcomed a new Board member, Gemma Richardson.

There was also succession planning for the role of CEO as Fiona Humphrey announced her intention to retire after 22 years with PRHA. Following an extensive recruitment process Karen Stuart was appointed as her successor. Karen has been with PRHA for 25 years in a number of roles, most recently as the Deputy CEO/ Director of Operations.

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. One of these is the Tower Hamlets Young Person's support service. This year we successfully bid to retain this service where PRHA's support team operates out of properties owned by other social landlords. They support 22 young people at any one time, the majority of whom have experienced the care system and are looking to transition into independent living. Our team supports them as they encounter the challenges of new experiences.

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 (86% 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 27% of the supported residents within our complex / high support need services moved on in the year. 68% of these moves were planned departures and one of these services sustained a 100% planned move on rate.

For some residents there is a need for even longer-term support before they can recover from the compound traumas that they have experienced. Our staff have continued to focus on building trusting relationships with even the hardest to reach individuals.

Our smaller longer term supported housing is funded through the Housing Benefit (HB) system. This year we have taken part in the Government's consultations about the Supported Housing Regulatory Oversight Act which will link the payment of HB to a new Local authority inspection and licensing regime.

The resolution of the crisis with supported housing funding has not progressed this year despite the fact that this provision is being lost nationally. Many providers are stepping away as the funding no longer covers the costs (especially those of the 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.

It was therefore unfortunate to be informed by the landlord that our project housing 12 former rough sleepers in Hackney, had to close with immediate effect due to building structure issues. The staff teams worked closely with the landlord and the tenants to decant all of the tenants into temporary accommodation and to find permanent rehousing for them. Not only was this project a longer-term home for the residents but a valuable supported housing resource. We are in discussions with the landlord about the future.

Throughout the year our staff teams have built solid relationships with external partners and statutory agencies such as East London NHS Foundation Trust and Adult Social Care to work on innovative partnership projects that support our residents. These have included health and mental health initiatives and projects aimed at supporting residents to get involved in the running of their schemes and to support tenancy sustainment.

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REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) **Year ended 31 March 2026**

We have also been fortunate to benefit from additional funding from the National Lottery to improve the quality of our residents' lives including recovery-based activities, peer support networks and literacy/communications tutoring.

Social Landlord services

As a small social landlord, we not only know all of our residents but we are also in and out of our buildings almost daily. We are fortunate that a high percentage of our stock has been built or refurbished in the past 30 years. Nevertheless, we pay close attention to our regimes and systems to ensure that all building safety requirements are met and that our buildings are regularly inspected and maintained. In particular this year we implemented the systems and practices required for phase 1 of Awaab's Law and to date have achieved 100% compliance. We are now planning for the future phases of this legislation.

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. Senior Leadership Team members also review this weekly. Although our data collection and reporting systems provide assurance on compliance, we are looking to invest in a new system to ensure that this is further improved (and to ensure compliance with Awaab's Law).

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. We also engage several companies that are reliable and suitably skilled.

Planning for future investment is also a priority. Like many social landlords our focus since the Grenfell tragedy has been primarily on investing in fire safety programmes. We have now started to move on to other works based on the stock condition survey and our internal inspections.

We are working on our sustainability strategy as part of the strategic plan. This year we have been successful in securing 2 pots of funding to help us map out our journey to Carbon reduction:

- GLA funding through the Zero Carbon Accelerator fund has secured technical expertise to draw up a plan for reducing the carbon footprint of 3 of our most challenging buildings. They are Grade 2 listed refurbished Victorian buildings.
- HNEZ funding which will enable a review of the heating systems in 2 of our large hostels.

Sadly, our pilot project using the Government's Social Housing Decarbonisation Fund to improve the energy efficiency of 4 of our flats was not achievable within the required timescales. We will use the learning from this to inform future projects.

Employer role

As an employer of over 100 people, we were delighted to retain the Investors in People Gold award this year for the 4th time (first awarded in 2016). We also applied for the Investing in Wellbeing award for the first time and were awarded a Silver. These are not just "trophies", they reflect PRHA's focus on our values, our commitment to equality and to providing development opportunities. A positive culture for staff is essential in providing a positive culture for residents

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REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2026

We have nevertheless continued to have to be creative to attract good quality staff given the pay levels determined by social care contracts. By focusing on providing a supportive, valuing work environment we have been fortunate to attract committed staff with lots of potential, many of whom are members of our local communities.

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 2025/26 we achieved progress towards all of our corporate objectives:

- We continued to provide housing for 531 households including 92 general needs households, 304 individuals in our supported services, and 135 individuals in our Enhanced Housing Management (EHM) services in Tower Hamlets, Hackney and Southwark;
- We provided support services to over 260 individuals with complex, high support needs;
- We successfully bid for renewed contracts for our young persons' service;
- We embedded our work on the National Lottery funded initiatives. In its second year;
 - The combined initiatives worked with 181 individuals in our homelessness services
 - Over 1000 separate recovery-based sessions were held
 - Our Resident Participation Co-ordinator trained 7 buddies across three schemes to provide a friendly face for new residents and help to build community
 - The literacy and ESOL project worked with 42 individuals on our sites across the year and has had a significant impact on their lives;
- We 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;
- Our partnership with the local community safety teams continued to be central to our work, strengthening collaboration, improving information sharing and enabling coordinated responses to support safer communities;
- 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;
- A Residents' Panel was part of the interview process for the new PRHA CEO as well as for other staff;
- We have collected and reported on the Tenant Satisfaction Measures (see page 20);

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REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2026

- Four staff have started professional housing management qualifications. We have also supported 20 staff (c.19% of the workforce) to develop their leadership potential;
- We introduced new monthly wellbeing awards for staff nominated by colleagues for contributing to wellbeing in their workplace. These run alongside the monthly staff awards recognising the outstanding achievements of individual staff members. Annual awards also recognise the work of teams;
- We recognised 10 staff for saving lives at work; These incidents varied from overdoses and heart attacks to preventing a suicide;
- We worked across the organisation to ensure compliance with the Regulator of Social Housing's Consumer standards and to provide due assurance to the Board;
- We improved complaints handling performance especially at stage 2 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 achieved the LGBTQ+ Pledge Pioneer status and were honoured to be invited to address the awards ceremony;
- We produced an annual Equalities report and action plan. We also progressed our action plans for the Social Housing Anti-Racism Pledge and the Disability Confident scheme;
- 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 the year ahead we will start to take forward the new strategic plan for 2026-2030. We will 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. In particular we will monitor and adjust as necessary in the face of the expected cost of living crisis.

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:

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REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued)

Year ended 31 March 2026

- Demonstrating ongoing compliance with the Social Housing Regulation Act 2023 (including the upcoming implementation of the next phases 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 Act and RSH tenancy standard;
- Ensuring ongoing compliance with heat network regulations; and
- Ensuring compliance with the revised Decent Homes Standard and Minimum Energy Efficiency Standards

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);
- 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;
- The 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;
- Diversity – this 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. We will also work towards Disability Confident status; and
- Reviewing our Customer Care charter with residents and our managers charter with staff.

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 the next phases of Awaab's Law;
- Continuing to focus on the fire risk assessment, fire door inspection and building safety programmes;
- Reviewing our data collection and data management systems, building on the stock condition survey, not only will this enable us to meet the reporting requirements for Awaab's law as it is implemented 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;

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REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued)

Year ended 31 March 2026

- Developing our "roadmap" for carbon reduction including the outcomes of the Zero Carbon Accelerator report. Seeking funding to address the challenges of retrofitting our Victorian listed buildings (c. 20% of our stock). We will also be focussing on improving recycling/waste management;
- Responding to the changing regulations for heat network suppliers and reviewing the future replacement of these systems following the outcome of our HNES funded heat networks report 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;
- 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 new member during the year, Gemma Richardson, who is the Director of Care and Support for Hightown Housing Association and is PRHA's lead Board member for safeguarding.

The succession strategy has also been implemented in relation to the position of Chair. As reported last year, Helen New succeeded John Giesen as Chair. A new vice Chair, John Beadle, was elected.

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.

The Board has an appointed 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.

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REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2026

Although the Board has maintained the potential for a resident Board member, none has come forward. This is partly due to the fact that many of our residents only stay with PRHA for a temporary period and are focussed on moving towards other more independent accommodation. 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. Attendance has been increasing. Also, a residents panel was involved in the interviews for the new CEO. Residents' meetings in our larger schemes are very active and the impact of their views is seen in changes to working practice. These are witnessed by Board members on their regular visits to the properties to meet residents and staff.

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. These were all finally adopted in March 2026. This will be reviewed annually to take into account the rapidly changing and challenging external environment.

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 and services that promote their wellbeing;
- Ensure that we are investing in our properties, contributing to environmental sustainability and supporting our residents' wellbeing and financial position;
- Ensure we listen and respond to our residents and continue to involve them in the running of the Association;
- Support more people to recover from homelessness;
- Develop our staff teams and ensure a positive, inclusive, respectful culture;
- Ensure financial viability and that we have the necessary capacity and resources to meet legal, regulatory and internally set requirements;
- Strengthen our quality assurance frameworks to enable good governance and compliance;
- Ensure that the value of our support services, housing and community focus is recognised by stakeholders.

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 increased to £10,382,000 in 2026 from £9,797,000 in 2025;
- operating surplus increased from £1,358,000 in 2025 to £1,420,000 in 2026;

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REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued)

Year ended 31 March 2026

- surplus and total comprehensive income for the year increased to £1,158,000 in 2026 from £1,065,000 in 2025;
- reserves increased from £13,815,000 in 2025 to £14,973,000 in 2026;
- the net book value of the housing properties totalled £38,570,000 (2025: £38,905,000);
- housing loans stood at £5,661,000 at the end of the financial year a decrease of £390,000 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.

	2026 £'000	2025 £'000
Turnover	10,382	9,797
Operating costs	(8,962)	(8,439)
Operating surplus	1,420	1,358
Interest receivable	97	97
Interest and financing costs	(359)	(390)
Surplus and total comprehensive income for the year	1,158	1,065

	2026 £'000	2025 £'000
Balance sheet		
Housing properties	38,570	38,905
Other property, plant and equipment	1,511	1,555
Investment property	1,555	1,555
Net current assets	3,853	3,069
	45,489	45,084
Creditors: amounts falling due after more than one year	(30,516)	(31,269)
Total reserves	14,973	13,815

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 building 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 2025/6 in 100% of complaints being responded to within timescales (from 100% in the previous year). All 41 of the Stage 1 and all 8 of the Stage 2 complaints received within 2025/6 were responded to within timescale. The peer-group benchmarks for complaints responded to within timescale are 96% for Stage 1 & 100% for Stage 2 (latest available medians, from the 2024-25 financial year). 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.
- 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 and tenant damage especially in our supported housing, we do experience high levels of void repairs.
- 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 utilities, 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.

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REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2026

Approximately 24.9% 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.

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

Metrics	RSH Metric (1)	Actual March 2025-26	Actual March 2024-25	RSH Supported Housing Providers 2025
Re-investment %	1	0.25	0.21	5.40
New supply delivered (Social housing units) %	2	0.00	0.00	0.6
New supply delivered (Non-social housing units) %	2b	0.00	0.00	0.00
Gearing %	3	(1.35)	0.10	0.30
Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest cover %	4	428.13	373.75	232.20
Headline social housing cost per unit £	5	11,882	10,410	15,276
Operating Margin (Social housing lettings only) %	6a	13.24	13.58	10.20
Operating Margin (Overall) %	6b	13.68	13.86	6.80
Return on capital employed (ROCE)	7	3.12	3.01	3.40

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued)
Year ended 31 March 2026

(1) RSH - Regulator of Social Housing

We have used the Regulator of Social Housing's 2025 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 2025". 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 increased marginally to 0.25% from 0.21% in the previous year, reflecting continued expenditure on existing housing assets. Our reinvestment level remains below the RSH sector benchmark of 5.4% primarily reflecting the absence of new development activity and our current strategic focus on maintaining and improving existing stock while preserving financial resilience. 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.

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 absence of new social housing supply continues to reflect the limited availability of financially viable development opportunities in our core areas of operation.

The development of supported housing continues to present significant challenges, including higher capital costs and lower operating margins and increased subsidy requirements resulting in levels of financial risk that are often not sustainable for smaller providers. In addition, smaller housing providers operating in London face substantial development pressures, notably elevated land and construction costs. Despite these challenges, the Board remains committed to identifying and appraising new opportunities and will continue to consider future development opportunities where financially 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 to negative 1.35% compared with positive 0.10% in the previous year and remains significantly below the RSH sector benchmark of 0.30%. Our negative gearing position reflects our relatively high level of cash reserves and strong liquidity position in comparison to new debt levels at the year end. This indicates low reliance on debt financing and reduced exposure to borrowing and interest rate risks providing PRHA with greater financial resilience and flexibility. However, the lower gearing also indicates limited leverage capacity being utilised for development and growth activity, reflecting PRHAs cautious approach to new development and continued focus on maintaining financial stability and investment in existing homes and services.

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued)
Year ended 31 March 2026

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. At the end of the financial year PRHA has more cash than is due in loans.

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 is a key indicator of financial health and sustainability. There has been a substantial improvement in the EBITDA MRI Interest cover ratio from 373.75 in 2024-25 to 428.13 in 2025-26. This remains substantially above the RSH benchmark of 232.20 demonstrating PRHAs strong capacity to meet interest obligations while continuing to invest in major repairs and asset maintenance. This improvement is primarily driven by an increase in our operating surplus, reflecting our continued focus on enhancing our operational efficiencies and optimising revenue management. The interest cover metric defined in our loan agreements differs from the RSH measure.

Headline social housing cost per unit – measures the cost per unit of managing and maintaining our social housing stock. We have seen an increase in headline social housing cost per unit, increasing to £11,882 from £10,410 in the previous year, an increase of 14.1%. The increase reflects higher expenditure on routine maintenance and major repairs as PRHA continues its investment in asset quality, fire safety and compliance. Despite the increase our cost per unit remains significantly below the Regulator of Social Housing sector benchmark of £15,276, demonstrating continued cost efficiency while maintaining our investment in homes, highlighting 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 reduced marginally to 13.68% in 2025-26 from 13.86% in the previous year while operating margin on social housing lettings decreased to 13.24% from 13.58%. The slight reductions reflect ongoing inflationary pressures, increased investment in property compliance, repairs and fire safety works during the year. Despite these pressures, both margins remained comfortably above the RSH sector benchmark of 6.80% for operating margin and 10.20% for operating margin social housing letting.

Return on capital employed (ROCE) % – measures the efficient investment of capital resources by comparing the operating surplus to total assets, less current liabilities. PRHA continues to demonstrate strong value for money performance with ROCE increasing to 3.12% in 2025/26 from 3.01% in the previous year, an improvement of 3.7%. The increase reflects improved operating performance, stronger surplus generation, effective treasury management and continued focus on operational efficiency and cost control. While slightly below the RSH sector benchmark of 3.4%, PRHAs ROCE performance demonstrates the effective use of PRHAs asset base and capital resources in supporting investment in existing homes and long term financial sustainability.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued)

Year ended 31 March 2026

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 returned closer to previous years' performance (and exceeded the benchmark median also).

The picture for arrears was more positive with these reducing below last year's performance by 0.9% although still above the target. This is a continuing priority for the year ahead (see below).

Both voids and arrears 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 2025-26	SPBM 2025 SH	Performance 2024-25	Performance 2023-24
Void levels	4.80%	6.07%	5.44%	3.31%	6.41%
Current arrears	6.00%	9.63%	6.10%	10.62%	9.91%

Voids

We are continuing to experience high levels of turnover in our hostels in particular. The teams work together to ensure that all voids are processed quickly and we work closely with the local authority to ensure that appropriate referrals are ready to take up accommodation offers.

Happily, some of the turnover reflects a sustained level of positive move-on this year at 67.5% (representing 56 individuals that are now starting new lives in longer term accommodation – numerically higher than the 50 who moved positively last year).

Arrears

There has been a focus this year on ensuring that any residents with arrears sign up to achievable repayment plans, this has resulted in an overall reduction in those arrears, albeit with the outstanding debts reducing slowly over longer periods of time.

There are a number of reasons for arrears arising in the first place so the teams' approaches have to be tailored to the individual:

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2026

- 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 maintains 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. They also continue to work with the Felix Project to bring a food bank on site to one of our general needs sites several times a year.
- 2) In shorter term accommodation housing people straight from the streets there are additional challenges in relation to establishing benefit claims (such as needing Identification) and accustoming residents to making regular payments.
- 3) 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 delays in 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.
- 4) The issues that we were experiencing last year with delays with payment of Housing Benefit have eased. This was partly due to ongoing improvements in communication with senior officers.

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

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. These are part of the annual Tenant Satisfaction Measures survey. This is based on 80 responses out of our resident population of 459 (17.4% response rate). Due to our small size, we adopt a Census approach to our surveys, a copy of which is sent to all residents of PRHA owned properties.

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.

General needs (GN) and supported housing (SH)	Survey 2026	Survey 2025	Survey 2024
Overall satisfaction with services (TP01)	87%	80%	77%
Satisfied that landlord listens to/acts upon tenant's views (TP06)	81%	79%	71%

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2026

This year there has also been a decrease in the numbers of residents expressing dissatisfaction from the previous year: overall dissatisfaction reducing from 11.5% to 3.8% and dissatisfaction with "Listening to residents" decreasing from 8.5% to 5%:

Tenant Perception Measures – 2026 Survey - PRHA				
TPM	Question	Satisfied	Neither	Dissatisfied
TP01	Taking everything into account, how satisfied or dissatisfied are you with the service provided by PRHA?	87.3%	8.9%	3.8%
TP06	How satisfied or dissatisfied are you that PRHA listens to your views and acts upon them?	81.3%	13.8%	5.0%

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%

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.

The outcomes of the 2026 TSM survey will be discussed with residents and recommendations incorporated into the departmental work plans, particularly where performance requires improvement.

Since last year we have added a survey focussed on residents' perception of Value for money. Overall satisfaction has remained high at 87%. Satisfaction levels with rents and service charges representing value for money have both increased significantly.

General needs (GN) and supported housing (SH)		
	VfM Survey 2026	VfM Survey 2025
Satisfaction with the overall quality of home	87%	87%
Satisfaction that rent provides value for money	85%	68%
Satisfaction that service charges provide value for money	77%	69%

Similarly, dissatisfaction has reduced significantly for all of the questions as shown in the 2 tables below.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2026

Value for Money Survey 2026			
Question	Satisfied	Neither	Dissatisfied
Satisfaction with the overall quality of home	87.1%	10.0%	2.9%
Satisfaction that rent provides value for money	85.1%	8.1%	6.8%
Satisfaction that service charges provide value for money	77.0%	10.8%	12.2%

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 65 % (after rising last year to 57.1%). This still leaves 20% of survey respondents who had made a complaint reporting dissatisfaction (previous year 25%) and we continue to aim to establish why that is the case. We are intending to improve this figure year on year.

Repairs Service

Performance in repairs is one of the most important aspects of our service for residents. This year we finally have trend comparisons and it is encouraging that there are significantly increased reported levels of satisfaction with repairs and maintenance and for the cleaning services again this year. The dissatisfaction with the repairs service is also reducing.

General needs (GN) and supported housing (SH)			
	Survey 2026	Survey 2025 (TPM format)	Survey 2024 (TPM format)
Satisfaction with repairs and maintenance services (TP02)	86%	77%	75%
Satisfaction with the standard of cleaning (TP10 - "clean & well maintained")	91%	86%	85%

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2026

Tenant Perception Measures – 2026 Survey - PRHA				
	Question	Satisfied	Neither	Dissatisfied
	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?	86.2%	8.6%	5.2%
	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?	91.3%	4.3%	4.3%

Tenant Perception Measures – 2025 Survey - PRHA				
	Question	Satisfied	Neither	Dissatisfied
	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%
	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%

Despite the increase in satisfaction, performance has dipped for non-emergency repairs which is below our target (and the benchmark) and lower than the previous year. This is an improvement area for the year ahead.

Performance to target timescales for emergencies is above benchmark and consistent with the previous year.

	Target	Performance 2025-26	SPBM Benchmark 2024-25	Performance 2024-25
Emergency repairs – completed within timescales	100.00%	100.0%	98.2%	100.0%
Non-emergency repairs – completed within timescales	98.00%	89.5%	93.2%	94.3%

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.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2026

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 304 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.

RISK MITIGATION

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

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	

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2026

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 2025/6	
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)
	Regulatory compliance & governance
	Staff (recruitment/retention, costs)
	Asset management including disrepair and carbon reduction
Level 3	GDPR, cyber security and data collection
	Customer service/ satisfaction/expectation/experience

This year no items have moved levels since last year.

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).

The Board agreed again this year 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.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) **Year ended 31 March 2026**

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.

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.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) **Year ended 31 March 2026**

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 May 2026 and financial projections in November 2025 and May 2026, 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 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.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) **Year ended 31 March 2026**

The planned recruitment drive has now achieved 66% 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 review its requirements for 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 ongoing 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:

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued)

Year ended 31 March 2026

- *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. This year we also commissioned a full review of our building safety compliance assurance framework. 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 2025 we retained investors in People Gold standard and were awarded the Silver Investing in Wellbeing award for the first time.

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 control 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.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2026

- *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).

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.

PROVIDENCE ROW HOUSING ASSOCIATION

REPORT OF THE BOARD AND STRATEGIC REVIEW (Continued) Year ended 31 March 2026

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.

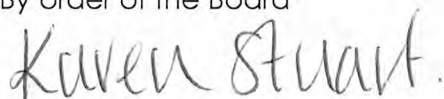
SHAREHOLDING MEMBERSHIP

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.

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



K. STUART

Secretary and Chief Executive
23 July 2026

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 2026 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 2026 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 Board's responsibilities statement set out on page 26, 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 necessary to the Association's ability to operate or to avoid a material penalty. 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 also considered the opportunities and incentives that may exist within the Association for fraud. 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 (in particular grant and contract income) and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management 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
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW

Date: 27th July 2026

PROVIDENCE ROW HOUSING ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Turnover	3	10,382	9,797
Operating costs	3	(8,962)	(8,439)
Operating surplus	3/5	1,420	1,358
Interest receivable		97	97
Interest and financing costs	8	(359)	(390)
(Decrease)/Increase in valuation of investment property	12	-	-
Surplus and total comprehensive income for the year		1,158	1,065

All amounts relate to continuing activities.

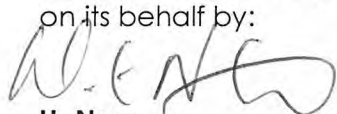
The notes on pages 39 to 60 form part of these financial statements.

PROVIDENCE ROW HOUSING ASSOCIATION

BALANCE SHEET At 31 March 2026

	Note	2026 £'000	2025 £'000
FIXED ASSETS			
Housing Properties	10	38,570	38,905
Other property, plant and equipment	11	1,511	1,555
Investment Property	12	1,555	1,555
		41,636	42,015
CURRENT ASSETS			
Debtors	13	915	816
Cash and cash equivalents		6,182	6,014
		7,097	6,830
CREDITORS: amounts falling due within one year	14	(3,244)	(3,761)
NET CURRENT ASSETS		3,853	3,069
TOTAL ASSETS LESS CURRENT LIABILITIES		45,489	45,084
CREDITORS: amounts falling due after more than one year	15	(30,516)	(31,269)
NET ASSETS		14,973	13,815
CAPITAL AND RESERVES			
Share capital	18	-	-
General reserves		14,973	13,815
		14,973	13,815

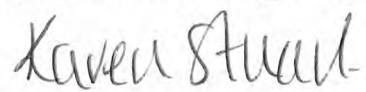
These financial statements were approved and authorised for issue by the Board and signed on its behalf by:



H. New
Chair



E. Knox
Board Member



K. Stuart
Secretary and Chief Executive

Date of approval: 23 July 2026

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 2026

	Share Capital £'000	General Reserves £'000	Total £'000
Balance at 1 April 2024	-	12,750	12,750
Total comprehensive income for the year	-	1,065	1,065
Balance at 31 March 2025	-	13,815	13,815
Total comprehensive income for the year	-	1,158	1,158
Balance at 31 March 2026	-	14,973	14,973

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 2026

	2026	2025
	£'000	£'000
Cash flows from operating activities		
Surplus for the financial year	1,158	1,065
Adjustments for:		
Depreciation of fixed assets – housing properties	432	428
Depreciation of fixed assets - other	44	14
Decrease/(Increase) in fair value of investment property	-	-
Amortised grant	(359)	(359)
Interest paid and finance costs	359	390
Interest received and income from investments	(97)	(97)
(Increase) in debtors	(99)	(132)
(Decrease)/Increase in creditors	(521)	(248)
Net cash generated from operating activities	917	1,061
Cash flow from investing activities		
Purchase of tangible fixed assets	(97)	(83)
Interest received	97	97
Net cash (used in) investing activities	-	14
Cash flow from financing activities		
Interest paid	(359)	(390)
Repayment of borrowings	(390)	(386)
Net cash (used in) financing activities	(749)	(776)
Net increase/(decrease) in cash and cash equivalents	168	299
Cash and cash equivalents at beginning of year	6,014	5,715
Cash and cash equivalents at end of year	6,182	6,014

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 2026

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.

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

Management of units owned by others

Management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. They are recognised in the period to which we are entitled. 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 2026

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.

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 2026**

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 2026

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 2026**

ACCOUNTING POLICIES (Continued)

Social housing grant (SHG) is receivable from Homes England 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 Homes England 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 2026 and financial projections in November 2025 and May 2026, 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.

ACCOUNTING POLICIES (Continued)

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:

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.

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.

- *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.

- *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 (Continued)
Year ended 31 March 2026

3 TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	2026			2025		
	Turnover	Operating	Operating	Turnover	Operating	Operating
	£'000	Expenditure	Surplus	£'000	Expenditure	Surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (Note 4)	10,046	(8,716)	1,330	9,553	(8,256)	1,297
Other social housing activities	336	(246)	90	244	(183)	61
TOTAL	<u>10,382</u>	<u>(8,962)</u>	<u>1,420</u>	<u>9,797</u>	<u>(8,439)</u>	<u>1,358</u>

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued)
Year ended 31 March 2026

4 LETTING ACTIVITIES

	Supported Housing £'000	General Needs £'000	Agency Managed £'000	2026 Total £'000
Income				
Rent receivable net of identifiable service charges	2,794	695	-	3,489
Service charge income	2,741	249	-	2,990
Amortised government grants	255	92	12	359
Supported housing	2,581	-	-	2,581
Other	92	-	535	627
Turnover from Social Housing Lettings	8,463	1,036	547	10,046
Expenditure				
Management	1,063	105	85	1,253
Service charge costs	2,515	366	152	3,033
Routine maintenance	805	177	25	1,007
Major repairs expenditure	270	69	-	339
Bad debts	23	-	-	23
Depreciation of housing properties	303	118	11	432
Supported housing	2,629	-	-	2,629
Operating expenditure on Social Housing Lettings	7,608	835	273	8,716
Operating surplus on Social Housing Lettings	855	201	274	1,330
Void losses	(400)	(8)	-	(408)

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued)
Year ended 31 March 2026

4 LETTING ACTIVITIES (CONTINUED)

	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 2026

5 OPERATING SURPLUS

Is stated after charging:

	2026 £'000	2025 £'000
Depreciation		
- Social housing properties held for lettings	432	428
- Other property, plant and equipment	44	14
	<u>476</u>	<u>442</u>
Auditors' remuneration		
- External – audit services current year (excluding VAT)	46	44
	<u>46</u>	<u>44</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 £5,167 (2025: £8,271) 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:

	2026 £'000	2025 £'000
Gross salary	416	344
Social security costs	58	41
Employer's pension contributions	17	15
	<u>491</u>	<u>400</u>

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2026

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:

	2026 £'000	2025 £'000
Highest paid Director		
Aggregate remuneration (excluding pension)	85	81
Pension contribution	4	4
Emoluments (including pension contributions and benefits in kind)	89	85

During the year pension contributions of £4,240 (2025: £4,048) 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)

	2026 No.	2025 No.
£60,000 to £70,000	2	3
£70,001 to £80,000	1	1
£80,001 to £90,000	2	1

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2026

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 89 (2025: 84).

	2026 £'000	2025 £'000
Staff costs were as follows:		
Wages and salaries	3,380	3,247
Social security costs	445	313
Pension costs (note 19)	92	88
	<u>3,917</u>	<u>3,648</u>

Staff costs of £41,145 (2025: £83,723) were paid to various agencies.

Staff costs include redundancy payments amounting to £6,000 (2025: £1,000).

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

	2026 £'000	2025 £'000
On bank loans	359	390
	<u>359</u>	<u>390</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 2026

10 TANGIBLE ASSETS – HOUSING PROPERTIES

	Social housing properties held for letting £'000	
Cost		
At 1 April 2025		47,210
Additions		
- works to existing properties		97
Disposals		
- works to existing properties		(48)
At 31 March 2026		47,259
Depreciation		
At 1 April 2025		8,305
Charge for year		432
Disposals		
- works to existing properties		(48)
At 31 March 2026		8,689
Net book value at 31 March 2026		38,570
Net book value at 31 March 2025		38,905
	2026 £'000	2025 £'000
Expenditure on works to existing properties		
Amount expensed to the income and expenditure account	339	169
Amounts capitalised in fixed asset housing properties (as above)	97	83
	436	252

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2026

10 TANGIBLE ASSETS – HOUSING PROPERTIES (CONTINUED)

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

	2026 £'000	2025 £'000
Freehold	15,810	16,030
Long Leasehold	19,843	19,902
Short Leasehold	2,917	2,973
	<u>38,570</u>	<u>38,905</u>

Impairment

During the year, PRHA has not recognised any impairment loss (2025: £Nil) in respect of social housing properties.

Properties held for security

PRHA had property with a net book value of £24.5 million pledged as security at 31 March 2026 (2025 £24.7 m).

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued)
Year ended 31 March 2026

11 TANGIBLE ASSETS - OTHER PROPERTY, PLANT AND EQUIPMENT

	Freehold Office Buildings £'000	Computer equipment £'000	Furniture and equipment £'000	Total £'000
Cost				
At 1 April 2025	1,666	285	655	2,606
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2026	<u>1,666</u>	<u>285</u>	<u>655</u>	<u>2,606</u>
Depreciation				
At 1 April 2025	168	285	598	1,051
Charge for year	10	-	34	44
Disposals	-	-	-	-
At 31 March 2026	<u>178</u>	<u>285</u>	<u>632</u>	<u>1,095</u>
Net book value at 31 March 2026	<u>1,488</u>	<u>-</u>	<u>23</u>	<u>1,511</u>
Net book value at 31 March 2025	<u>1,498</u>	<u>-</u>	<u>57</u>	<u>1,555</u>

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2026

12 Investment Property

Fair Value	2026 £'000	2025 £'000
At 1 April 2025	1,555	1,555
Transferred from other properties	-	-
(Decrease)/Increase in fair value	-	-
At 31 March 2026	1,555	1,555

PRHA currently rents out its former head office on a long term lease. The property is classified as an investment property at 31 March 2026. 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 2026 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:	2026 £'000	2025 £'000
Gross rental debtors	646	704
Less: Provision for bad debts	(564)	(698)
	82	6
Other debtors and prepayments	526	505
Accrued Income	307	305
	915	816

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued)
Year ended 31 March 2026

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026	2025
	£'000	£'000
Bank loans (note 16)	390	386
Rent received in advance	408	552
Trade creditors	239	228
Grants received in advance	61	115
Tax and Social Security	92	76
Accruals and other creditors	1,669	2,019
Deferred capital grant less than 1 year (note 17)	385	385
	<u>3,244</u>	<u>3,761</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

	2026	2025
	£'000	£'000
Loans (note 16)	5,271	5,665
Deferred government grant (note 17)	25,245	25,604
	<u>30,516</u>	<u>31,269</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 4.56% to 8.75%. (2025: 5.24% to 8.75%).

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2026

16 LOANS

Instalments are due as follows:

	2026 £'000	2025 £'000
Housing loans repayable by instalments		
Within one year	390	386
Between two and five years	1,500	1,543
Due after five years or more	3,771	4,122
	<u>5,661</u>	<u>6,051</u>

17 DEFERRED GOVERNMENT GRANTS

	2026 £'000	2025 £'000
At 1 April	25,989	26,348
Release to income in the year	(359)	(359)
Grants recognised in the year	-	-
Balance at 31 March	<u>25,630</u>	<u>25,989</u>

	2026 £'000	2025 £'000
Classified as:		
Amounts to be released within one year (note 14)	385	385
Amounts to be released in more than one year	25,245	25,604
	<u>25,630</u>	<u>25,989</u>

18 SHARE CAPITAL

	2026 £	2025 £
At 31 March 2026	<u>9</u>	<u>9</u>

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2026

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 £91,883 (2025: £87,998) covering 93 employees (2025: 93).

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:

	2025	Disposals	2026
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	26	11	15
Total managed accommodation	441	11	430
Units managed by other associations	44	-	44
Total owned and managed accommodation	485	11	474

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2026

22 RELATED PARTY TRANSACTIONS

The Board includes a member employed by Islington and Shoreditch Housing Association, ISHA. PRHA is a founding member of the North River Alliance and in the normal course of its activities pays ISHA an annual coordination and services fee of £2,633.98 (2025: £2,458.23).

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 2026, the value of grant recognised as deferred government grants relating to properties that had not been disposed of was £25.6 million (2025: £26.0 million). (See note 17). In addition grant received have been amortised to the general reserve of £9.8 million (2025: £9.5 million). PRHA has a future obligation to recycle such grant should, in certain circumstances, the relevant properties be disposed of.

24 CAPITAL COMMITMENT

	2026 £'000	2025 £'000
Commitments approved by the Board but not contracted for:		
Construction	77	77
	<u>77</u>	<u>77</u>
Capital commitments will be funded as follows:		
Social Housing Grant	-	-
Existing reserves	77	77
	<u>77</u>	<u>77</u>
Net Commitment	<u>77</u>	<u>77</u>

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued) Year ended 31 March 2026

25 OPERATING LEASES

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

	Land and buildings	
	2026	2025
	£'000	£'000
Amounts receivable as Lessor		
Not later than one year	17	16
Later than one year and not later than five years	66	66
Later than five years	209	210
Total	<u>292</u>	<u>292</u>

PRHA has the following lease obligations at the end of the year for other items (such as IT equipment and vehicles)

	Other Leases	
	2026	2025
	£'000	£'000
Amounts payable as Lessee		
Not later than one year	12	17
Later than one year and not later than five years	1	13
Later than five years	13	30
Total	<u>26</u>	<u>60</u>

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.

PROVIDENCE ROW HOUSING ASSOCIATION

NOTES ON THE FINANCIAL STATEMENTS (Continued)
Year ended 31 March 2026

27 NET DEBT RECONCILIATION

	1 April 2025 £'000	Cashflows £'000	31 March 2026 £'000
Cash at bank and in hand	6,014	168	6,182
Bank overdrafts	-	-	-
Obligations under finance leases	-	-	-
Bank loans	(6,051)	390	(5,661)
Convertible loan	-	-	-
Net Debt	(37)	558	521

