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isha
Islington & Shoreditch Housing Association

Financial Statements

For the year ended 31 March 2025

Co-operative and Community Benefit Societies Act 2014 Number	**11614R**
Homes and Communities Agency registration number	**L0457**
Registered Office	**102 Blackstock Road, LONDON N4 2DR**
Board	**Mervyn Jones (Chair)**
	Justin Fisher June Riley Heather Topel Daven Masri Mohammed Baporia Ruth Davison Alwyn Lewis John Biggs Gemma Colby Jonathan Bunt (joined 4 December 2024) Alison Hatcher (joined 4 December 2024) Yasmin Khan (retired 18 September 2024)
Chief Executive	**Ruth Davison**
Secretary	**Laura Hopper**
Executive Directors	**Dawn Harrisson, Director of Housing & Neighbourhoods**
	Thea McNaught-Reynolds, Director of Culture, Communications and Involvement
	Jerome Geoghegan, Director of Development.
	Mike Finister-Smith, Finance Director (from December 2024)
	Gary Pliskin, Finance Director (Until December 2024)
Bankers	**Barclays Bank Plc Islington and Camden Group PO Box 3474 London NW1 7NQ**
Statutory Auditor	**Beever and Struthers 150 Minories London EC3N 1LS**

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Statement from the Chair

In 2024-25, Islington and Shoreditch Housing Association focused on building safety, resident involvement and on delivering improved services that better meet resident expectations. We also worked hard to strengthen our internal financial controls in the aftermath of the fraud perpetrated against us and the subsequent Governance downgrade by the Regulator for Social Housing. Recognising our work the Regulator has now regraded ISHA back to G1.

During the year we had to submit our first Annual Complaints Performance and Service Improvement report as part of our statutory reporting obligations to the Housing Ombudsman. We also submitted our first set of Tenant Satisfaction Measures for 2023-24 to the Housing Regulator, while collecting our second set. We performed very well on the Landlord's Management measures – which track compliance with Health and Safety requirements, but less well on the tenant perception measures, which track satisfaction with our services. We have used the results to help shape our services throughout the year, and the Board was delighted to see improvements in 9 out of the 12 perception measures in our 2024-25 figures. With particularly notable improvements in satisfaction with our overall repairs service and satisfaction that homes are well maintained. We intend to continue this trend by using this year's results to help inform further service improvements.

In 2024, the North River Alliance (NRA), a development consortium of small housing associations in London, celebrated 20 years of building new homes together. The NRA's work has been a point of great pride during my tenure as Chair of ISHA. By working together, these housing associations are able to deliver quality, affordable housing in London, where it is critically needed.

The Board resolved to prioritise resident involvement this year and ISHA rolled out a programme focused on getting to know 'the people behind the door' of our homes. Our staff went out to meet with residents in two Neighbourhood Knocks – asking residents about their experiences of ISHA, whether they had any concerns they'd like to raise, as well as taking the opportunity to update records. We've continued our Neighbourhood Night events, included residents on our procurement panels for various services and supported our Resident Scrutiny Panel to delve into our services and provide robust feedback. We value the input we receive from our residents; and working with them to improve our services is starting to deliver better experiences for everyone.

As we look forward to 2025-26, we are sorry to say goodbye to Ruth Davison, our Chief Executive for the past six years. In her time at ISHA, she has worked tirelessly to make improvements, champion building safety for residents and provide homes you would want your loved ones to live in. As she sets off for new challenges, we wish her very well. The Board has appointed Pippa Fleetwood-Read as the new Chief Executive, and she joins us in October 2025.

I was very proud to celebrate ISHA's 90th anniversary last year, reflecting on the many challenges and opportunities faced since it opened in 1934. And as this year's AGM coincides with my retirement after six years as Chair and also the completion of my 50th year in the sector, I have been able to reflect further on challenges and

At a glance

Turnover
£30.70m
(Previous year: £28.69m)

Total assets less current liabilities
£323.49m
(Previous year: £313.17m)

Surplus
£7.54m
(Previous year: £3.35m)

Operating surplus
£10.82m
(Previous year: £7.19m)

Social homes in management:
2,340 homes
(Previous year: 2,363)

opportunities. During my time at ISHA, we have overcome many challenges:-

- The tail-end of the rent reductions mandated by the Welfare Reform Act 2016
- Breakdown of relationship with our key maintenance contractor
- Covid-19
- The fire safety crisis, which particularly affects ISHA given the profile of our stock, and is still on-going
- Cyber-attack, for which we were fully insured thanks to the work of our Audit & Risk Committee
- A collusive fraud in our neighbourhood services.

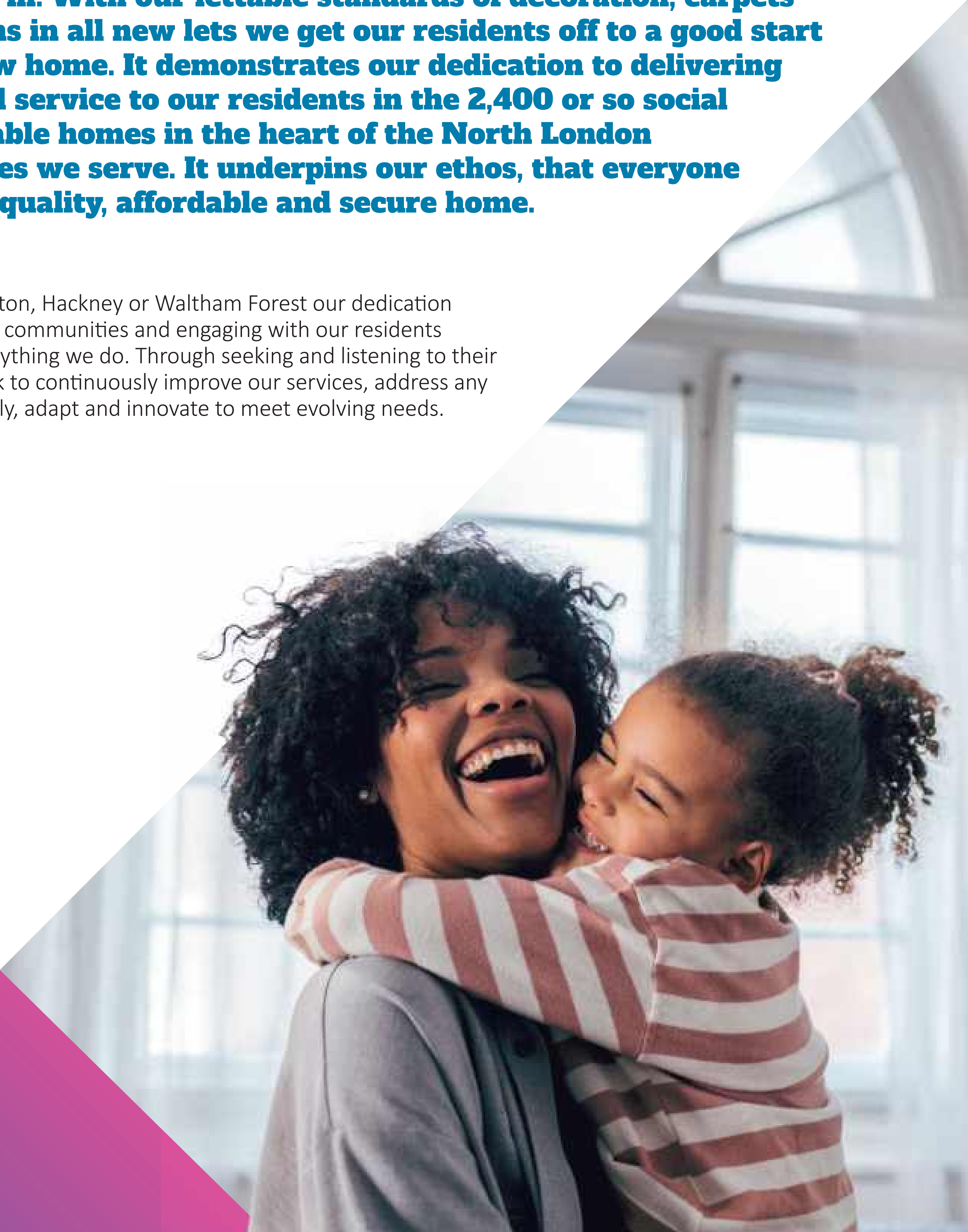
ISHA has shown itself to be resilient enough to survive all of this. Together we have built a robust platform capable of taking up the new funding opportunities offered under the 2025 Comprehensive Spending review. We have continued to build new homes over the last six years and have invested in our properties, remediating those with fire safety issues and improving energy efficiency in others. We are well placed to continue into the future. I wish our new Chair and Chief Executive well in driving the organisation forward.

Mervyn Jones
Chair of the Board

About ISHA

Our aim is to provide homes that you'd be happy for someone you love to live in. With our lettable standards of decoration, carpets and curtains in all new lets we get our residents off to a good start in their new home. It demonstrates our dedication to delivering exceptional service to our residents in the 2,400 or so social and affordable homes in the heart of the North London communities we serve. It underpins our ethos, that everyone deserves a quality, affordable and secure home.

Whether in Islington, Hackney or Waltham Forest our dedication to working in our communities and engaging with our residents underscores everything we do. Through seeking and listening to their feedback we seek to continuously improve our services, address any concerns promptly, adapt and innovate to meet evolving needs.



Our values

Our values guide us:

Pride in Team ISHA

Respect for everyone

Trusted to make the difference

Passionate commitment to customers

Our Strategic Plan

The eight pillars of our Strategic Plan 2020-25 set out our priorities. These were developed in consultation with our residents and staff and guide our work to ensure we are focused on making progress in key areas.

Safety First:

Ensuring our homes are safe.

Service and Satisfaction:

Being a consistent and quality landlord, building service delivery that drives satisfaction in partnership with residents.

Security and Growth:

Setting residents off on a secure footing and helping create the conditions for people to flourish in their homes.

Somewhere:

Anchoring ourselves in North London, especially Islington, Hackney and Waltham Forest.

Supply:

Building quality homes for social, London Affordable Rent and Shared Ownership.

Sustainability:

- Building green and actively seeking to reduce the environmental harm caused by our stock, our building and business practices
- Stewarding ISHA's assets and finances and taking the long view.

Staff:

Engaging with inspired, high performing staff.

Systems:

Maintaining robust IT and business systems that support the business and its ambitions.

In 2024 the Board made the decision to extend the timeframe of the plan. The Chair of the Board is due to retire in September 2025, having reached the end of his six-year term under ISHA's Code of Governance and the Chief Executive was leaving in May 2025, with both replacements starting in the autumn. To ensure continuity, the Board made the decision to extend our five-year strategic plan timeframe to 2025-26, allowing the new post holders to set future strategy.

In 2020, our two biggest priorities were safety, and service and satisfaction, and that remains the case. Delivering our safety obligations – both in terms of building safety and compliance – is and will continue to be a primary focus, but it does nothing to enhance resident satisfaction. People, rightly, expect their homes to be safe.

The challenge of delivering a consistent, quality service, but one that is adaptable to the needs individuals is the key focus in terms of satisfaction across the remainder of the plan.

"In addition to building homes for social rent, we develop shared ownership housing, which provides affordable and accessible home ownership opportunities for people in our local communities."

Operating and financial review

Principal activities

Islington & Shoreditch Housing Association Limited (ISHA) manages, maintains, and develops quality affordable housing for people in North London, primarily in Islington, Hackney, and Waltham Forest.

ISHA is a charitable housing association, incorporated as a Co-operative and Community Benefit Society, and registered with the Regulator of Social Housing (RSH). ISHA operates in the London Boroughs of Camden, Hackney, Haringey, Islington, and Waltham Forest. As of 31 March 2025, ISHA managed 2,340 social homes (2024: 2,363), excluding 18 private rented units. During the year, there were 18 first tranche sales and 24 residents undertook staircasing and bought additional shares of their homes. Ten (10) void properties were sold to provide funding for new development opportunities and fund critical building safety works where ISHA has no recourse to public funds or developers.

ISHA's current governance grading by the Regulator is G1, and its financial viability grading is V2.

Our development programme is designed to address housing need in our areas of operation. We collaborate with local authorities, and the Greater London Authority (GLA). In addition to building homes for social rent, we develop shared ownership housing, which provides affordable and accessible home ownership opportunities for people in our local communities.

North River Alliance (NRA)

ISHA also leads the North River Alliance (NRA), a successful development consortium of locally based housing associations operating in North and East London and meeting a variety of housing needs. The NRA is a development partner of the GLA. It was established in 2004 and had 12 members on 31 March 2025.

- Christian Action (Enfield) Housing Association Limited
- Barnsbury Housing Association Limited
- Gateway Housing Association Limited
- North London Muslim Housing Association Limited
- Providence Row Housing Association Limited
- The Industrial Dwellings Society (1985) Ltd
- Innisfree Housing Association Limited
- Shian Housing Association Limited
- Hornsey Housing Trust
- SOHO
- ARHAG
- Islington and Shoreditch Housing Association (ISHA)

Business and financial review

For the year ended 31 March 2025, the Board reports a surplus of £7.5m (2024: £3.4m). This is mainly surpluses from:

- 10 void unit sales £2.99m
- 24 staircasing sales £2.84m
- 18 first tranche sales £0.89m.

The total surplus has been partly offset by:

- £1.2m fire safety costs. This includes waking watch costs, fire surveys, fire engineering and fire safety advice.
- The actuarial surplus in respect of the pension scheme is £182k (2024 – deficit £384k).

Building safety and service excellence remain our top priorities. The Board's ambition to transform ISHA from a respected local housing association into a top performing landlord continues to shape and drive our strategic plan.

ISHA has sufficient funds to generate the necessary income to maintain and improve services to our residents and meet loan repayments.

Investment Plan

At ISHA, our **Asset Management Strategy** continues to be guided by core principles that prioritise efficiency, sustainability, and resident wellbeing:

- **Efficient and cost-effective delivery:** We programme our works to ensure they're delivered in the most efficient and cost-effective manner possible.
- **Sustainable investment:** We are committed to making sustainable investments that help reduce carbon emissions and benefit our local communities.
- **Quality accommodation and resident-focused service:** We aim to provide high-quality accommodation and a resident-focused maintenance service from the very start of a tenancy. We continue to provide curtains and carpets in all our let homes, and for new tenants who need them, we also provide cookers and beds. This ensures our residents have the best possible start in their new homes.

The objective of our Asset Management Strategy for this financial year remains focused on keeping homes in excellent condition through the most cost-effective approaches. We achieve this by:

- **Efficient voids repair service:** Maintaining an efficient and effective voids repair service helps to speed up the repair process and protect revenue.
- **Responsive repairs service:** Providing an efficient and effective responsive repairs service to address issues promptly.
- **Regulatory compliance:** Ensuring all works comply with current and prospective regulations.
- **Balanced approach:** Striking a balance between responsive repairs, cyclical maintenance, and capital investment.
- **Proactive cyclical maintenance:** Implementing cyclical maintenance to prevent deterioration in the physical condition of our stock.
- **Component replacement:** Strategically replacing components just before they would otherwise require multiple ongoing repairs.
- **Refurbishment and remodelling:** Refurbishing and remodelling dwellings to ensure they remain attractive, meet modern requirements, and exceed resident expectations.
- **Energy efficiency:** Continuously striving for high standards of energy efficiency across our properties.

Maintaining financial viability

ISHA's financial strategy is closely aligned with its wider strategic objectives, ensuring the long-term sustainability of the organisation and the continued delivery of services to residents.

Mitigating assumptions have been incorporated into the 30-year plan which are reviewed annually. These reviews help ensure that we can adapt to changing circumstances while remaining financially viable. Overall, the model demonstrates that these mitigations are sufficient to maintain the association's financial viability.

ISHA has met, and is forecast to meet, all its loan covenants and has a strategy in place to fund our building-safety costs.

We have further strengthened our assessment of long-term viability by:

- maintaining a record of assets and liabilities, and all contractual agreements, and ensuring it is up to date
- stress testing the business plan across a range of scenarios that would break the plan. From these tests we have identified further key mitigations to protect the business from breach of viability
- using Savills as the Board's treasury advisors and agreeing a treasury management strategy
- continuous Board oversight on the association's strategic register.

The 2024-25 financial statements are compliant with the accounting standards introduced by the Statement of Recommended Practice; Accounting by Registered Social Housing Providers Update 2018.

Equality, diversity, and inclusion (ED&I) – our employees

We continued to work on making positive changes at ISHA in line with our Equality, Diversity and Inclusion Strategy. ISHA has high standards and expects colleagues to treat each other, residents and stakeholders equitably and with respect in every interaction. We signed up to become a Disability Confident Employer under the Disability Confident employer scheme run by the Department for Work and Pensions and were granted level 1 (Disability Confident Committed). The scheme intends to create a movement of change, by encouraging employers to think differently about disability, and taking action to improve recruitment, retaining, and developing disabled employees. Over the last year we have been working towards gathering the evidence to be promoted to level 2 (Disability Confident Employer).

Our strategy affirms ISHA's commitment to be inclusive, anti-racist, and reflect the rich and diverse communities we exist to serve. At the year end, ISHA had 87 staff, with 85 Full Time Equivalents (FTE). Our workforce is 54% women, and 46% male with the average age being 45. 59% of our workforce is from the Global Majority. Our Leadership Team is 60% female, and our next senior management group, Management Team, is 67% male.

Health and Safety

ISHA recognises its responsibilities on all matters relating to health and safety.

In the 2024-25 financial year, further fire and building safety regulations contained within the Building Safety Act 2022 came into force, These included building control and various roles within the construction industry and new requirements for residential settings.

Our expanded building safety team ensure ISHA is compliant with new building safety regulations and our Compliance Team manages all other health and safety requirements within residents' homes.

The Board receives regular updates on all matters of health and safety so that they can be adequately assured about management and compliance.

The Board regularly reviews and monitors its policies, and staff are provided with training and education. ISHA ensures good practice and compliance with fire regulations and maintains its compliance with fire safety standards. We continue to work with the Ministry of Housing, Communities and Local Government (MHCLG) in remediating buildings with ACM and other external wall systems which may contain combustible materials.

Governance

The Board is responsible for the overall strategic direction of ISHA, which includes the approval, monitoring and compliance of key policies and scrutinising investment decisions to ensure that the objectives of the association are achieved, and its assets are protected.

The Board had five regular meetings during 2024-25 as well as one strategy away day and one residential. The three Committees of the Board – Audit & Risk, Remuneration and Property Investment – met several times during the year. The resident Scrutiny Panel provided regular reports to the Board on their activities and had one session with the Board without staff members present.

Following the serious fraud committed by three former employees that was uncovered in 2023-24 and reported in last year's annual report, the Board approved a fraud action plan in June 2024 with progress against the plan monitored throughout the year by its Audit & Risk Committee. Whilst the Regulator of Social Housing noted ISHA's self-referral on the fraud and its positive engagement, until it received assurance that improvements in the control environment were working, it decided that ISHA's governance should be re-graded from G1 to G2 (September 2024). Once the action plans were largely completed (excluding the outstanding investigation of the Metropolitan Police), substantial assurance on core finance was received from ISHA's internal auditors TIAA in October 2024. Further assurance on the completion of the action plan was provided by external auditors Beever & Struthers in November 2024. This evidence, plus meetings with ISHA's Board and Leadership Team, resulted in the Regulator returning ISHA's governance grading to G1 in April 2025. The Board and management continue to remain vigilant on the internal control environment.

Building safety and investment in our homes continued to be a major focus of the Board in 2024-25, with additional funds allocated in the financial plan for roof and lift replacements. New lending arrangements and an agreed sales programme of voided properties continued to support this work. With new funding in place, the Board agreed that the association had capacity to continue its small development programme and approved three new development projects.

In March 2024 and in line with the Housing Ombudsman's code, the Board appointed a board member responsible for complaints. The Board sought assurance that lessons learned from complaints were being acted upon.

The Board, through its Remuneration Committee, also ring-fenced time planning for its renewal, with key members, including the Chair reaching the end of their six year term in September 2025. Two new board members, including a new Chair of Audit & Risk, were recruited in December 2024 thus allowing ample time for onboarding. Recruitment for a new Board Chair was launched in April 2025.

As of 31 March 2025, the Board had 12 members – five women and seven men, and four members identifying as members of Global Majority communities. Two members of the board are leaseholders or related to leaseholders. The Chief Executive is an executive member of the Board but is not a member of the

Audit & Risk Committee nor the Remuneration Committee. The Board Terms of Reference formally record those matters for which executive board members may not participate or vote in, including:

(i) Delegated authorities to the Leadership Team and Chief Executive

(ii) Review of their own performance and remuneration

(iii) In camera session with ISHA's auditors

(iv) Chair's Actions submitted by the Chief Executive

(v) And other sessions with a conflict of interest as determined by the Chair.

ISHA has adopted the National Housing Federation's (NHF) Code of Governance 2020 as its formal code of governance. ISHA is committed to attaining the highest standards of corporate governance and will keep its Board structure and procedures under review. The day-to-day operational control of the association is delegated to the Leadership Team.

The Board has delegated responsibility for audit supervision to the Audit & Risk Committee and employs independent auditors for both internal and external audit. The Audit & Risk Committee consists of members of the Board and are independent from the paid officers of the association.

All Board members are required to subscribe to the agreed aims of the association.

The Board's responsibilities in respect of the financial statements are set out as follows:

Internal control

The Board is responsible for ISHA's system of internal control and reviewing its effectiveness. The Board recognises that no system of internal control can provide absolute assurance or eliminate all risks. However, the system of internal control is designed to manage risk and to provide reasonable assurance regarding the safeguarding of assets, control of risk, maintenance of proper accounting records and the reliability of financial information.

The Board and its Audit and Risk Committee carry out monitoring activities to ensure that appropriate control procedures are in place and changes required to these are identified and actioned. To this end, each year there is an agreed programme of internal audits, led by an external audit firm which tests the efficacy of internal controls in the business. There are formal procedures for reporting weaknesses in internal controls or fraud and as part of these controls, internal audit and senior officers of the association have access to the Board and Audit and Risk Committee.

There is a clearly defined organisational structure based upon the system of delegation set out in policies and procedures and the financial regulations, which were updated in April 2024 and approved by the Audit and Risk Committee on 14 May 2024 as part of the regular review of our systems.

ISHA is committed to regular, timely and accurate financial management reporting. Such reporting includes monthly budgetary control arrangements, including reporting on variances and regular reports on the revised performance management framework. All the Leadership Team take internal control seriously. Staff are encouraged to discuss ways in which procedures can be improved with their managers in an open way. Directors are required to report to the Chief Executive on the effectiveness of the controls and the Chief Executive reports to the Board on the appropriateness and effectiveness of these systems.

The Board receives confirmation that controls continue to operate from three main sources. These are:

- internal audit reports prepared according to an agreed plan over a three-year cycle
- external auditors' management letters
- compliance reports issued by the Regulator.

There were no major instances of failure of these controls. No material weaknesses in internal control have been identified which require disclosure in the financial statements.

The Board is aware that neither the external auditor nor the Regulator of Social Housing have any specific responsibility to identify shortcomings in ISHA's systems of internal control. The responsibility rests solely with the Board.

The Board obtains additional assurance through other sources, including the internal audit process as the principal reassurance on control matters.

Statement of compliance

ISHA's Rules of Association were approved by Shareholders in September 2014. They are based on the NHF Model Rules 2011 with 2014 updates as per changes in legislation or regulatory guidance. ISHA's Code of Governance ensures that its governance systems and practices are robust. ISHA adopted the National Housing Federation (NHF) Code of Governance 2020 in March 2021. A self-assessment of compliance against the Code for the 2024-25 financial year was reviewed by the Board in July 2025. The Board is satisfied that ISHA was compliant with its Code of Governance in 2024-25.

Governance and Financial Viability Standard

The Association complies fully with the Regulator of Social Housing (RSH) Governance and Financial Viability Standard.

Rent Standard

The Association complies fully with the RSH's Rent Standard.

Risk management

ISHA has a Risk Management Policy which outlines its approach to risk management and includes the following components:

- **Risk register** – identifying, evaluating and mitigating the main risks to ISHA
- **Risk monitoring, reporting and escalation** – checking how well risk is being managed
- **Scenario testing and recovery planning** – the periodic review of the Business Plan against a range of adverse scenarios and the review of recovery plan
- **Risk appetite** – clarity on how much risk ISHA is willing to take
- **Roles and responsibilities** – defining clear accountabilities for risk management.

The Leadership Team and the Board have reviewed the risks facing ISHA in the current economic climate. They have established golden rules to express the association's risk appetite and enforce it in strategic and operational decisions. Financial viability remains the most closely monitored risk at the Executive, Board, and Regulator levels.

The strategic risk register employs the three lines of defence model, drawing assurance from operational, internal, and external sources. It highlights necessary controls and requires the Leadership Team to confirm their existence and effectiveness.

On behalf of the Board, the Audit & Risk Committee and the Leadership Team regularly conduct horizon scanning to identify emerging risks. The Audit & Risk Committee also initiates deep dives into areas of concern to assess ISHA's controls and its ability to withstand potential risks.

The Management Team (Heads of Service) performs the initial review of the operational risk register and makes recommendations to the Leadership Team. Risks are rated based on the likelihood of occurrence and the potential consequences. The Leadership Team further reviews the operational risk register, and agrees whether the highest-rated risks should be elevated to the Strategic Risk Register. This operational risk register is reviewed by the Audit & Risk Committee at least once per year.

The strategic risk register was reviewed at the Audit and Risk Committee meetings held in May, July and November 2024 and February 2025. The committee agreed that appropriate risks are identified, the risk ratings are suitable, and the right levels of controls are in place.

The Strategic Risk Register was reviewed and approved by the Board at the meetings held in June, July, December 2024 and March 2025.

Auditors

A resolution to re-appoint Beever and Struthers will be proposed at the forthcoming annual general meeting.

The report of the Board was approved on 29 July 2025 and signed on its behalf by:

Mervyn Jones
Chair of the Board

Value for Money

ISHA's Board remains committed to delivering and demonstrating value for money for both its current and future residents. The Board has evaluated the association's results and set targets for ISHA's strategic positioning.

The Chair of the Board is due to retire in September 2025, having reached the end of his six-year term under ISHA's Code of Governance and the Chief Executive was leaving in May 2025, with both replacements starting in the autumn. To ensure continuity, the Board made the decision to extend our five-year strategic plan timeframe to 2025-26, allowing the new post holders to set future strategy.

The strategic plan targets improved performance and resident satisfaction across our business. It also outlines the Board's vision for ISHA to serve as a community anchor, contributing significantly to its residents and the wider community. The Board aims to deliver maximum social value through our operations rather than treating it as a separate business activity. This approach applies to both development and housing and neighbourhood activities.

Our development goals, driven by our dedication to community service, are still being challenged by the need to address construction defects in certain buildings.

In response to the high-cost housing market in North London, the Board has adopted a long-term strategy focused on the provision of social rented homes. This approach not only supports individuals by offering genuinely affordable housing but also contributes to a reduction in public expenditure on housing benefits and Universal Credit. By maintaining lower rent levels, residents retain more disposable income, thereby enhancing their financial independence. The Board believes this strategy is more effective than charging higher rents and using charitable means to address poverty.

ISHA's historically large development programme has been 100% affordable, aligning with our strategic intent to maintain low rents. This approach has required substantial cash subsidies for continued development, which the Board believes is a worthwhile investment.

ISHA has compared its performance with other housing associations using the Regulator of Social Housing (RSH) Global Accounts 2024 report. ISHA has high costs when benchmarked against all housing associations in England, which is consistent with operating within central London.

Ongoing investment in fire safety works and mitigation measures will continue to impact our income and expenditure over the coming years, until all remediation activities are fully completed. In addition, the delivery of our development programme is also experiencing delays and constraints as a result of these essential safety priorities.

There are nine metrics defined by the regulator of social housing as key financial ratios, which we must report on. Additionally, as customer satisfaction is at the core of our service, we have tailored our internal value for money plans and targets in line with the regulator's Tenant Satisfaction Measures (TSM).

Overall, we are aiming to:

- ensure that the organisation operates as efficiently, effectively, economically and equitably as possible to deliver the best outcomes for residents and our community
- understand the returns generated by the assets that we own, ensuring we make informed decisions about where to invest our resources and most importantly maintain and improve the quality of our homes
- ensure that any investment in non-social housing activities generates a return that is proportionate to the level of risk involved

- demonstrate how our business value is used for social purposes by reinvesting our returns from commercial activity back into creating more affordable homes and improvements to services, existing homes and communities
- maximise the number of new homes we deliver to help tackle the country's housing crisis
- meet a wide range of housing needs, though the delivery of new homes as well as making the best use of our existing homes.

ISHA has selected a peer group comprising London-based housing associations with stock holdings between 500 and 10,000 homes for benchmarking our Value for Money (VfM) metrics. As peer group data for 2024-25 will not be published until autumn 2025, we have estimated their 2024-25 outcomes using the percentage change observed between 2022-23 and 2023-24. Accordingly, all references to peer performance for 2025 within this VfM report are based on these extrapolated 2023-24 figures.

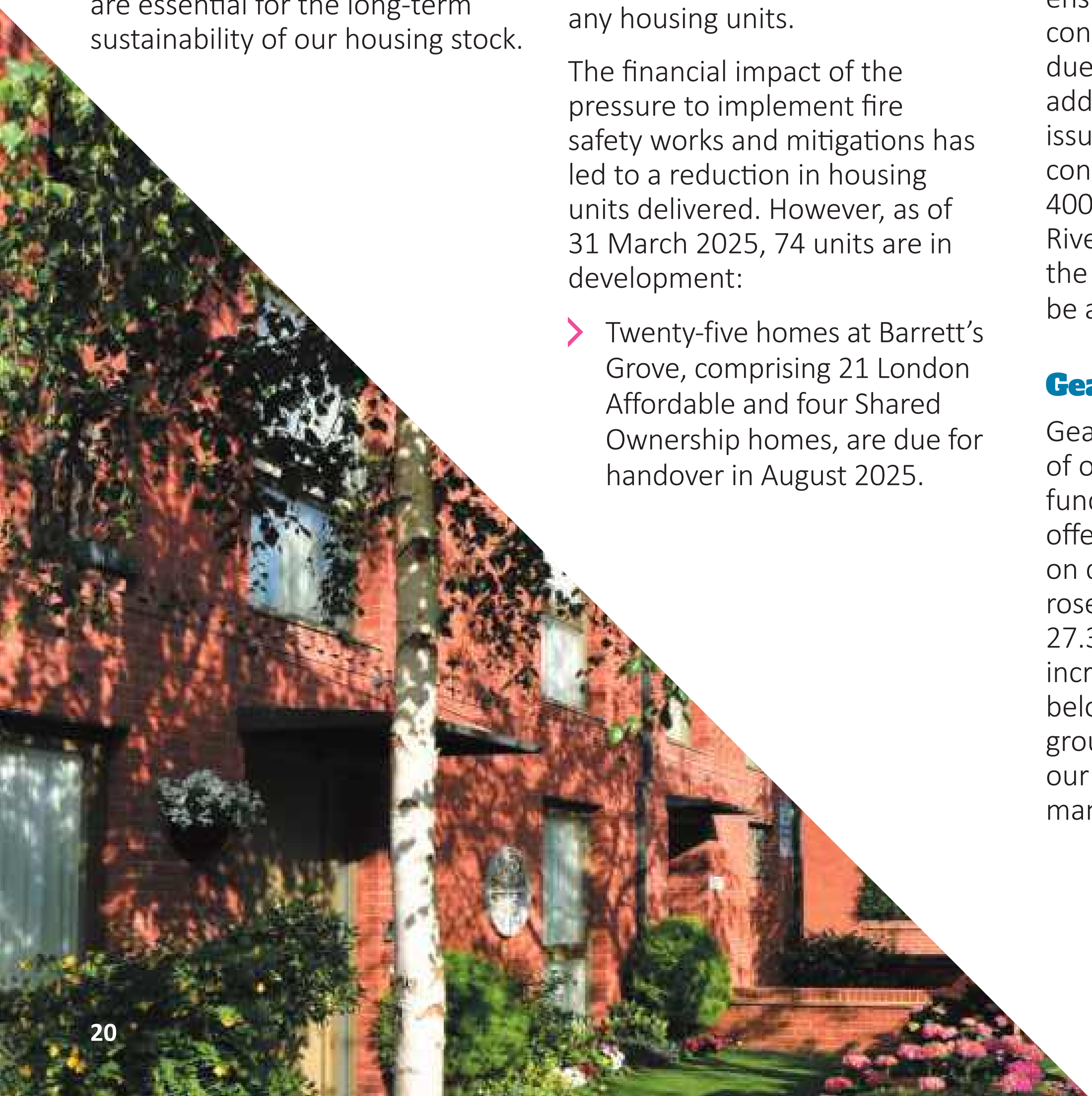
The table below presents our performance across the nine key financial metrics defined by the Regulator. It outlines our results from 2022 to 2024, our comparative position relative to the peer group average, and our actual performance for 2025 against the estimated peer benchmarks.

Metrics	ISHA 2024/25	Peer Group* 2024/25**	ISHA 2023/24	Peer Group* 2023/24**	ISHA 2022/23	Peer Group* 2022/23	ISHA 2021/22	Peer Group* 2021/22
Total social housing units owned + managed	**2,340**		**2,363**		**2,403**		**2,349**	
1 – Reinvestment	6.6%	4.9%	3.1%	4.9%	2.5%	5.0%	4.1%	6.0%
2 – New supply delivered								
A – Social housing	0.0%	1.0%	0.0%	1.0%	3.7%	1.0%	1.7%	1.1%
B – Non-social housing units	0.00%	0.00%	0.00%	0.00%	0.04%	0.13%	0.00%	0.04%
3 – Gearing %	27.9%	44.5%	27.3%	44.7%	28.6%	44.9%	30.4%	43.8%
4 – EBITDA (MRI)	65.5%	44.0%	-65.9%	48.4%	30.6%	53.3%	69.2%	67.5%
5 – Headline social housing costs per unit (CPU)	£10,149	£11,152	£10,821	£10,059	£8,261	£9,073	£7,317	£8,070
6 – Operating margin %								
A – Social housing lettings	13.7%	8.3%	-10.0%	9.9%	2.3%	11.8%	4.5%	17.0%
B – Overall	16.1%	12.4%	-4.0%	12.3%	7.1%	12.3%	8.5%	14.8%
7 – Return on capital employed	3.3%	1.7%	2.3%	1.9%	2.2%	2.2%	2.5%	2.7%
Breakdown of headline social housing costs per unit								
Management cost per unit	£1,994	£2,408	£1,696	£2,106	£1,611	£1,842	£1,651	£1,667
Service charge cost per unit	£1,459	£2,205	£2,375	£1,916	£1,986	£1,664	£1,985	£1,418
Maintenance cost per unit	£3,478	£2,092	£3,265	£2,005	£2,859	£1,922	£2,685	£1,786
Major repairs cost per unit	£3,064	£2,483	£3,430	£2,238	£1,679	£2,017	£829	£1,536
Other social housing cost per unit	£155	£1,977	£55	£1,793	£126	£1,627	£167	£1,663
Total	£10,149	£11,165	£10,821	£10,059	£8,261	£9,073	£7,317	£8,070

Reinvestment – Growth

This metric measures the investment in new development and capitalised major repairs as a percentage of the total costs of housing properties. The association's performance was 6.6%, which is more than double its 3.1% outturn in 2024 and higher than our peers' estimated 2025 result of 4.9%.

The capitalised major repairs expenditure saw a slight increase from £5.39m in 2024 to £5.97m in 2024. This includes investments in component replacements such as £0.60m on roof replacements, £0.61m on kitchens, £0.08m on lift installations, £0.24m on bathrooms, and £0.33m on boilers. These investments are essential for the long-term sustainability of our housing stock.



We have spent £6.1m during the year towards the delivery of 22 homes (6 Social Rented and 16 Shared Ownership) homes in the High Road, Wood Green scheme in the last quarter of 2024-25 and to invest in the development of another 44 units for delivery in 2025-26. We have also spent £7.0 million on our Barretts Grove scheme. More details on our ongoing schemes are provided under the New Supply metric.

New supply delivered.

This metric measures the percentage of new social and non-social units developed or acquired during the year, relative to the stock owned at year-end. During the period from April 2024 to March 2025, ISHA did not deliver any housing units.

The financial impact of the pressure to implement fire safety works and mitigations has led to a reduction in housing units delivered. However, as of 31 March 2025, 74 units are in development:

- Twenty-five homes at Barrett's Grove, comprising 21 London Affordable and four Shared Ownership homes, are due for handover in August 2025.
- Nineteen homes at Sunnyside, comprising six Social Rented and 13 Shared Ownership homes, are due for handover in September 2025.
- Thirty homes at Wilmer Place, comprising 13 Social Rented and 17 Shared Ownership homes, are due for handover in February 2027.

ISHA hopes to continue building low-cost homes in its areas of operation, albeit on a smaller scale than envisaged in our strategic plan.

Our vision remains to **co-create homes and communities where everyone can flourish**. ISHA's 2020-25 development strategy prioritises land-led developments, ensuring safety, high-quality construction, and more. However, due to our commitment to addressing building safety issues and the rising costs of construction, the goal of building 400 homes for ISHA and North River Alliance partners outlined in the 2020-25 strategic plan will not be achievable.

Gearing

Gearing measures the proportion of our adjusted assets that are funded through borrowing, offering insight into ISHA's reliance on debt. In 2025, our gearing ratio rose slightly to 27.9%, up from 27.3% in 2024. Despite this small increase, we remain significantly below the sector's 2025 peer group average of 44.5%, reflecting our prudent approach to financial management.

ISHA continues to meet all loan obligations on time and actively seeks opportunities to renegotiate terms when more favourable conditions arise. We regularly carry out scenario and stress testing on our business plan to ensure it remains robust under a range of financial pressures. Approximately one-third of our housing stock remains uncharged, giving us valuable flexibility and security for potential future borrowing. Over time, we expect our gearing ratio to decline further as we grow our net assets.

To support long-term financial strength, we have agreed a set of “golden rules” with our Board. These principles guide key financial decisions and safeguard the association’s resilience. Our risk register is closely aligned with our strategic plan to ensure consistent and informed risk management.

The Association’s EBITDA-MRI

EBITDA-MRI interest cover reflects the level of surplus the association generates compared to interest payable. This metric measures a business’s ability to generate cash, excluding sales of existing assets, to meet interest payments (interest cover).

While our lenders no longer use this metric for covenant monitoring, it remains an important internal measure. It supports our financial strategy by providing insight into the sustainability of our income streams and our ability to maintain services to residents without relying on asset sales.

The EBITDA-MRI interest cover metric for ISHA has experienced an increase from -65.9% to 65.5% in 2025, compared with the Regulator of Social Housing target of 100%. This reflects the financial challenges faced by the association, particularly in relation to building safety, and the sector over the past year. Despite an increase in operating surplus from £7.19m in 2024 to £10.818m in 2025, the EBITDA-MRI metric indicates that non-operational factors have heavily impacted the financial health of the association. However, our 2025-26 business plan shows it reaching the 100% target in the medium term.

Headline Social Housing costs per unit (CPU)

ISHA’s Headline Social Housing CPU of £10.14k, is a slight reduction of from last year’s costs (£10.82k), which compares favourably with our peer group. Details on the individual element of Headline Social Housing CPU are highlighted in Management CPU, Service CPU and Maintenance CPU in the Other Metrics section below.

Managing agent costs are highlighted as a major issue in service costs, building safety costs and additional damp and mould costs are highlighted in maintenance costs. These investments highlight ISHA’s commitment to ensuring tenant safety and maintaining high living standards.

Operating margin (social housing lettings)

ISHA’s **operating margin for social housing lettings** (SHL) is 13.7% in 2024-25 from -10.0% in 2023-24. This sharp increase reflects ISHA’s strategic decision in the previous year to prioritise extensive repairs and safety enhancements, impacting the short-term operating margin.

Operating margin – social housing lettings and overall

ISHA’s **overall operating margin** also saw a significant increase from -4.0% in 2023-24 to 16.1% in 2024-25. This has been impacted by the substantial investment in major repairs, including building safety improvements, particularly around fire safety. However, these costs have been offset through income from staircasing and outright sales of voids, which have provided a short-term solution to retain our financial stability.

Return on Capital Employed (ROCE)

The **return on capital employed** measures the efficient investment of capital resources by taking the operating surplus as a percentage of total assets, less current liabilities.

In the 2024-25, ISHA achieved a Return on Capital Employed (ROCE) of 3.3%, an improvement from 2.3% in the previous year.

The improved ROCE is also primarily driven by the surplus generated from the sale of assets, which has been strategically used to fund fire safety issues and improve the overall stock. This approach reflects ISHA's commitment to maintaining financial resilience while making substantial investments in essential repairs and safety measures.

Other metrics

Management costs per unit (management CPU) increased to £1,994 from £1,696 in the previous year, reflecting a rise of approximately 5.3%. This increase contrasts with the peer group average, which rose more significantly to £2,051 in 2023-24 from £1,849 in 2022-23, representing a 10.9% increase. Despite the increase, ISHA's management CPU remains below the peer group average, indicating a relatively efficient cost management approach compared to peers.

Health and safety (H&S) expenditure was substantial, amounting to £981k, with £704k allocated specifically for fire wardens. These costs highlight ISHA's commitment to ensuring tenant safety while the fire safety issues are being addressed. Additionally, an actuarial gain on pensions was £182k and council tax on empty properties totalling £164k further contributed to the increased management costs. ISHA's Housing and Neighbourhoods team is working with the different councils to ensure faster allocation of our void properties.

Overall, while ISHA's management CPU has increased, it remains competitively lower than the peer group average.

Service Charge costs per unit (CPU) reduced from £2,375 per unit in 23/24 to £1,459 in 24/25, a reduction of 38%. This is lower than our peer group 2024-25 average which is estimated at £2,205. This reflects the changes in respect of the external managing agent charges for social housing units from the previous year. These costs included excess final service charge bills, late charges for prior years and various costs for works.

Our Leasehold Team is actively working to ensure managing agents become more transparent about their charges and more prompt in their billing.

Maintenance costs per unit (CPU) slightly increased to £3,478 in 2025 from £3,265 in 2024. This figure substantially exceeds the peer group estimated average of £2.092 for 2024.

Key areas of expenditure contributing to the maintenance CPU are £3.1m on routine general maintenance including damp and mould removals. Other costs include £0.6m on cyclical repairs, £0.3m on void repairs and other related costs, and £0.3m on gas servicing. While the maintenance CPU is higher than the peer group average, we have invested in the upkeep of our homes, addressing urgent maintenance needs and improving their overall condition for the future.

Major Repairs costs per unit (CPU) reduced to £3,064 in 2024/25 from £3,430 in 2024.

This reduction reflects the combined capitalised major repairs expenditure of £5.97m (2024: £5.39m) and major repairs revenue expenditure of £1.2m (2024: £2.72m).

As explained in the EBITDA-MRI interest cover metric, the capitalised major repairs expenditure of £5.97m includes component replacements such as roofing, kitchens, lift installations, bathrooms, and boilers. The revenue expenditure is mainly £0.4m incurred for major repairs at St Mary's Path Estate and £0.8m spent on planned works.

Other social housing cost per unit

In 2024–25, ISHA's other social housing costs per unit increased to £155, up from £55 the previous year. Despite this rise, ISHA's costs remain significantly lower than the peer group average of approximately £1,977.

Directors' remuneration and management costs relative to the size of the landlord

The following are ISHA's directors' remuneration and management costs (per unit) relative to the social units owned and managed.

	2025 £	2024 £
The remuneration payable to the highest paid Director, relative to the size of the landlord	55	51
The aggregate amount of remuneration paid to Directors, relative to the size of the landlord	291	242
Management costs relative to the size of the landlord	1,994	1,696

2024-25 internal value for money targets

The Board monitors the regulator's 22 TSMs (12 perception measures, 10 management measures) and five additional ISHA-only measures as the internal value for money measures for 2024-25.

Tenant Satisfaction Measure		2023-24 results	2024-25 results
TP01	Taking everything into account how satisfied or dissatisfied are you with the service provided by ISHA?	53.7%	**57.5%**
TP02	How satisfied or dissatisfied are you with the overall repairs service from ISHA over the last 12 months?	56.6%	**63.2%**
TP03	How satisfied or dissatisfied are you with the time taken to complete your most recent repair after you reported it?	59.2%	**62.9%**
TP04	How satisfied or dissatisfied are you that ISHA provides a home that is well-maintained?	56.3%	**64.6%**
TP05	Thinking about the condition of the property or building you live in, how satisfied or dissatisfied are you that ISHA provides a home that is safe?	70.3%	**74.1%**
TP06	How satisfied or dissatisfied are you that ISHA listens to your views and acts upon them?	48.2%	**49%**
TP07	How satisfied or dissatisfied are you that ISHA keeps you informed about things that matter to you?	63.6%	**66.7%**
TP08	To what extent do you agree or disagree with the following? "My landlord treats me fairly and with respect".	71.0%	**72.7%**
TP09	How satisfied or dissatisfied are you with ISHA's approach to complaints handling?	23.7%	**22.2%**
TP10	How satisfied or dissatisfied are you that ISHA keeps these communal areas clean and well-maintained?	63.4%	**63.8%**
TP11	How satisfied or dissatisfied are you that ISHA makes a positive contribution to your neighbourhood?	60.5%	**62.1%**
TP12	How satisfied or dissatisfied are you with ISHA's approach to handling anti-social behaviour?	50.9%	**45.4%**

Landlord's Management Information		2023-24 results	2024-25 results
RP01	Homes that do not meet the Decent Homes	0	**0**
RP02	**(1)** Proportion of non-emergency responsive repairs completed within the landlord's target timescale	93.4%	**79.9%**
	(2) Proportion of emergency responsive repairs completed within the landlord's timescale	95.3%	**99%**
BS01	Proportion of homes for which all required gas safety checks have been carried out.	99.8%	**100%**
BS02	Proportion of homes for which all required fire risk assessments have been carried out.	100%	**100%**
BS03	Proportion of homes for which all required asbestos management surveys or re-inspections have been carried out.	100%	**100%**
BS04	Proportion of homes for which all required legionella risk assessments have been carried out.	93%	**100%**
BS05	Proportion of homes for which all required communal passenger lift safety checks have been carried out.	96.2%	**100%**
CH01	Number of complaints received per 1000 homes	92.2 Stage 1 complaints 9.2 Stage 2 complaints	**87.9 Stage 1 complaints** **23.5 Stage 2 complaints**
CH02	Proportion of complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales	82.3% of stage 1 complaints 83.3% of stage 2 complaints	**96.5% of stage 1 complaints** **89.1% of stage 2 complaints**
NM01	**(1)** Number of anti-social behaviour cases opened per 1,000 homes	7.2	**26.9**
	(2) Number of anti-social behaviour cases that involve hate incidents opened per 1,000 homes	N/A	**1.3**

ISHA additional VFM Measures	2023-24 results	2024-25 results
Employee Engagement %	63%	**58%**
Cumulative Staff Turnover %	28%	**28%**
Average Staff Sickness Absence (Days)	4.22	**10.19**
FRA – number of overdue actions	613	**221**
Current arrears as a % of rent charged	5.33%	**5.75%**

Tenant Satisfaction Measures (TSM)

TP01 Taking everything into account how satisfied or dissatisfied are you with the service provided by ISHA?

Our Performance	Our Plans
While not where we want it to be, overall satisfaction with our services improved this year. We focused on improving the repairs service and communication and got our staff out into the community as much as possible. **A new Tone of Voice framework was developed with input from residents and staff and we rolled it out with all staff training during the year. We procured and onboarded a new housing management and finance system, which went live on 1 April 2025. It replaces several systems with a single source of information and once embedded we expect it to improve our communication and service support immensely. Internally, we strengthened our contract management and worked hard with suppliers to improve our services. We also got out and about with more Neighbourhood Nights and our pilot Neighbourhood Knock.**	We are continuing with our Neighbourhood Knock programme, visiting residents at home and getting to know the people behind the door. Our Resident Scrutiny panel has a strong scrutiny programme planned, targeting complaints, service charges, building safety and anti-social behaviour for review and we will continue to support and respond. Our new housing management system has been implemented and we are rolling out a resident portal to improve accessibility. We also have a new website launching, with greater emphasis on accessibility and user experience. We are also continuing to improve our repairs service, responding to feedback from residents and staff.

TP02 How satisfied or dissatisfied are you with the overall repairs service from ISHA over the last 12 months?

Our Performance	Our Plans
Resident satisfaction with our repairs service has seen a significant increase, with 63.2% of residents reporting satisfaction, a notable rise from 56.6% last year. This positive shift reflects the impact of several key changes we've implemented. **Last year, we identified several factors contributing to lower satisfaction, including poor contractor performance, a skills gap in certain areas, frequent lift breakdowns, and inadequate communication during the repairs process. To address these issues, we've made strategic adjustments, including changing our lift and repairs contractors. Furthermore, improving communication has been a central focus throughout the year and remains an ongoing priority.**	We're excited to continue building on the successes of the previous year. Including residents in our interview panels for procuring contractors continued to be a success, and we'll definitely keep seeking their valuable input. This year, there's an even greater focus on staff training, especially with the introduction of our new in-house housing system, Rubixx. We've invested further in Rubixx, and we're now rolling out a repairs finder tool. This innovative tool will allow us to get a much better diagnosis of repairs right at the first point of contact. This means fewer follow-up visits, better financial controls, and ultimately, greater value for money from our repairs' contractors.

TP03 How satisfied or dissatisfied are you with the time taken to complete your most recent repair after you reported it?

Our Performance	Our Plans
62.9% of residents were satisfied with the time taken to complete their most recent repair. This increase in satisfaction has been due to a number of reasons, including better communication with residents, better contractor management and also better training for staff.	Just like last year, we're dedicated to continually monitoring and improving our contractors' performance. Thanks to our new Rubixx Housing Management system, we now have significantly better oversight and reporting capabilities than ever before. This means we'll have a much clearer picture of all our repairs, helping us both monitor and enhance our repairs service for all residents.

TP04 How satisfied or dissatisfied are you that ISHA provides a home that is well-maintained?

Our Performance	Our Plans
We're pleased to report that 64.6% of residents were satisfied with the maintenance of their homes. We're continuously working to improve our repairs service, a commitment strongly supported by our asset management plan. **To ensure the quality and safety of all our properties, we've completed comprehensive surveys of every home. This ensures that all properties meet the Decent Homes Standard and are free from any critical or high health and safety issues as defined by the Housing Health and Safety Rating System (HHSRS).**	We're committed to maintaining the quality of our housing stock. That's why we'll be surveying every property for its condition every five years. This proactive approach ensures we always have an up-to-date understanding of our homes, allowing us to dedicate investment where it's most needed. To achieve this, we'll be surveying 20% of our stock each year, guaranteeing that no property's condition survey is older than five years.

TP05 Thinking about the condition of the property or building you live in, how satisfied or dissatisfied are you that ISHA provides a home that is safe?

Our Performance	Our Plans
ISHA is fully committed to providing safe homes and continues to prioritise building safety in line with evolving government regulations. Our Building Safety Team works rigorously to address fire safety concerns, particularly in taller buildings affected by post-Grenfell reforms. We have successfully pursued developers and continue to hold them to account for remediation works. Where there is no recourse to developer funding, ISHA has committed to funding the necessary remedial actions. We also commission additional safety improvements where appropriate, ensuring the highest possible standards for our residents.	We are actively delivering a strategic programme of Fire Risk Assessments of External Walls (FRAEWs) across our buildings to identify any safety concerns related to cladding and external wall systems. Where issues are identified, we act swiftly to develop and implement appropriate remediation plans. Remedial works are currently underway at multiple sites, including one high-rise where we have successfully held the developer to account, and another where ISHA is funding the work due to the original developer no longer being in operation. This work reflects our continued commitment to resident safety and ensuring our buildings meet the highest standards of fire safety compliance.

TP06 How satisfied or dissatisfied are you that ISHA listens to your views and acts upon them?

Our Performance	Our Plans
We restructured teams in our Neighbourhoods directorate, disbanding the customer call centre and embedding customer advisers directly into specific teams so they could become more knowledgeable and respond to resident questions on the first call. We invested in the new housing management system and implementing it properly. We have continued to work with the Resident Scrutiny Panel, reviewing policies and processes with their input and including them in the Tone of Voice framework development, strategic plan final year and proposed new involvement options.	Improving satisfaction scores in this area is a focus for this year. We will be using the new housing management system to monitor contact with residents and ensure follow ups are kept, with reminders and manager oversight. We are working with the Resident Scrutiny Panel to review and improve key areas, identified through complaint themes and feedback to the panel members. Our Neighbourhood Knock programme is getting us out and about to meet with our residents and learn about their experience of our services in a more personal way. We will use this feedback to inform service improvement projects internally.

TP07 How satisfied or dissatisfied are you that ISHA keeps you informed about things that matter to you?

Our Performance	Our Plans
We increased our communication efforts with monthly e-newsletters and twice-yearly printed magazines and increased website content. We introduced direct mailings to promote our Neighbourhood Nights events and began reviewing our methods of communication. A specialist consultancy worked with us to review our tone of voice and content of everyday letters used across the business and provided training to staff on the importance of clarity in communication.	The new-look and re-platformed website launching late June will make a huge difference to accessibility of key ISHA information, as will the introduction of the resident 'My Home' portal as part of the new housing management system. We will continue our printed magazines and monthly e-newsletters. Other plans include a repairs handbook, residents welcome pack, and fire and home safety suite of booklets. We are stepping up the Neighbourhood Knock events to get out and meet our residents in person, while Leadership Team continue regular walkabouts. Building Safety are also increasing their regular contacts, including in-person.

TP08 To what extent do you agree or disagree with the following? "My landlord treats me fairly and with respect".

Our Performance	Our Plans
Respect for everyone is a core ISHA value and we take pride in being respectful in our interactions with residents, colleagues and other stakeholders. Our Equality, Diversity and Inclusion (EDI) strategy was extended by the Board for one more year to align with the extension of the Strategic Plan, focusing on LGBT+, disability and anti-racism. The Staff EDI Council arranged a wide range of celebrations days including Nigerian Independence for Black History Month, Eid bring and share lunch, Easter Egg hunt, Christmas Eve Treats. They also commissioned LGBT+ mental health and wellbeing awareness training. Our Resident and Community Involvement Lead champions EDI with our residents and organised training in taking a trauma informed approach. She is passionate about strengthening our inclusivity all the time. Our policies and processes are reviewed by the EDI Staff Council or the Resident Scrutiny Panel as appropriate and are tested against EDI measures to ensure they are inclusive. We adhere to them stringently.	We joined the government's Disability Confident scheme and are working to deliver our outstanding EDI objectives. We are planning further LGBT+ mental health and wellbeing awareness training for staff as well as greater accessibility and inclusivity at our resident events. We will continue to embed our values and work with staff and residents to engender and deepen the sense of commitment to EDI to the benefit of our whole community.

TP09 How satisfied or dissatisfied are you with ISHA's approach to complaints handling?

Our Performance	Our Plans
The complaints team focused on improving timeliness and quality of responses. We brought in a new process of gathering input from managers and relevant colleagues before responses were compiled and sent by the Complaints Team. This provides an additional degree of independence and objectivity to the complaint investigation. Our processes are compliant with the Ombudsman Complaint Code. We had a significant increase in the number of complaints received in the second half of the year, from 85 Stage 1, 21 Stage 2 in Q1/Q2 to 205 Stage 1, 60 Stage 2 in Q3/Q4.	We will deliver our statutorily required Annual Complaints Performance and Service Improvement Report and continue to focus on quality and timeliness of our responses. The introduction of the new Housing Management system (Rubixx) will improve our reporting and performance, ensuring we can identify themes and use them to implement service improvements. We hope this will lead to increased complaints handling satisfaction and improvements in services.

TP10 How satisfied or dissatisfied are you that ISHA keeps these communal areas clean and well-maintained?

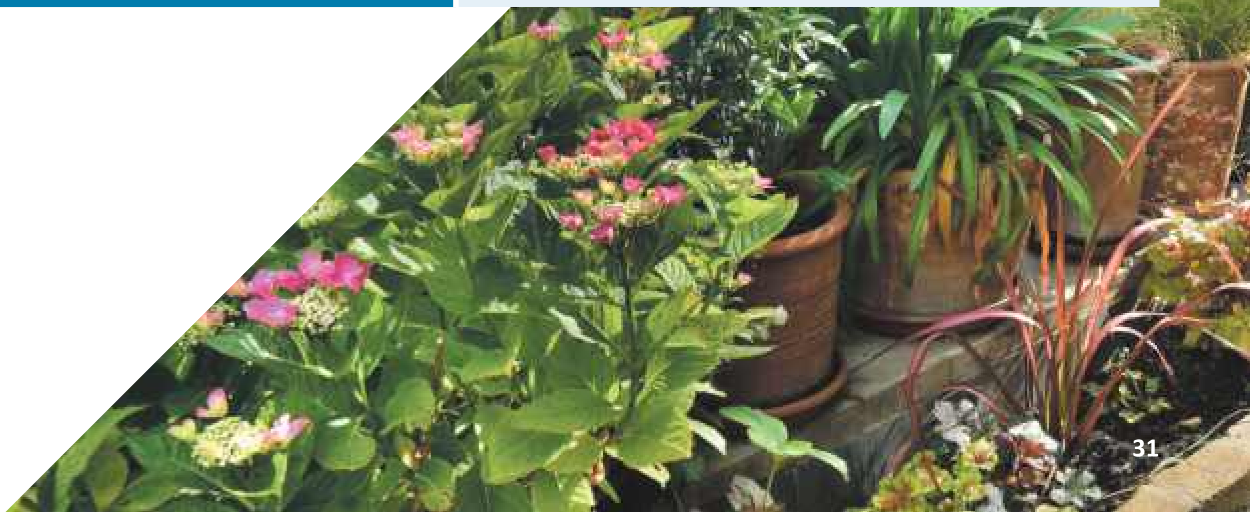
Our Performance	Our Plans
63.8% of residents were satisfied with the communal area maintenance. This leaves us with room for improvement within this area.	Over the next year, we're significantly stepping up our efforts in inspecting works and communal areas carried out by our contractors. Our neighbourhood officers have received further guidance to ensure a high standard of cleaning and communal maintenance is consistently achieved. We understand how fly-tipping and leaving large waste items negatively impacts the appearance of our communities. We've targeted a number of blocks where fly-tipping has been prevalent and successfully identified individuals responsible. To further help control this, we aim to better utilise CCTV and communications on notice boards.

TP11 How satisfied or dissatisfied are you that ISHA makes a positive contribution to your neighbourhood?

Our Performance	Our Plans
ISHA operates in the heart of North London, and we are very proud to serve our communities. Our Neighbourhood Night events have been successful and brought our residents together to meet with ISHA staff and with each other. This year we invited the police and fire brigade to attend our Neighbourhood Nights, which increased the sense of community support. We launched an ISHA in Bloom resident gardening competition to celebrate the pride residents take in their plants. We sponsored the Islington Under11 and Under12 girls football teams to continue to represent their borough at the highest level.	We are truly embedded in our neighbourhoods and continue to seek opportunities to help them thrive. We are changing our photo competition to ‘What does home mean to you’ to celebrate the launch of our new My Home resident portal. We will continue to work with our contractors and partners to coordinate neighbourhood improvement initiatives which contractors fulfil as part of their corporate social responsibility. We will launch a Neighbourhood Champions initiative to allow residents to hold us to account and support their neighbourhoods more meaningfully.

TP12 How satisfied or dissatisfied are you with ISHA’s approach to handling anti-social behaviour?

Our Performance	Our Plans
45.4 % of residents expressed satisfaction with ISHA’s approach to handling anti-social behaviour. **Case numbers increased significantly this year some of which is due to improved reporting and the implementation of a new case management system. There has been an increase in ASB complaints including those which were more complex to resolve. We have also experienced a high turnover of staff working in this team which meant that case management officers have changed. In some instances, cases were handed over four times in one year, which impacts on customer satisfaction.**	We will be implementing a new Noise Policy which includes new methods and additional resources to resolve noise complaints. We will also be recruiting to current vacancies to bring more stability to the team. These steps are critical in increasing resident satisfaction and ensuring a safer community environment.



Landlord's Management Information

RP01 Homes that do not meet the Decent Homes

Our Performance	Our Plans
We have continued with our success from the previous years and maintain the decent homes standards to all of our properties.	As with previous years, we continue to deliver on completing regular stock conditions surveys and improving our housing stock to maintain them within the Decent Homes Standard.

RP02 (1) Proportion of non-emergency responsive repairs completed within the landlord's target timescale; and RP02 (2) Proportion of emergency responsive repairs completed within the landlord's timescale

Our Performance	Our Plans
Our performance for completing repairs within 28 days has seen a decrease, falling from 93.4% to 79.9%. This is certainly not where we aimed to be.	Over the coming year, we'll be reaffirming our efforts with our partnering contractors to ensure that all repairs are completed within the 28-day target. Our new housing system will also provide an extra layer of reporting, offering greater transparency on our contractors' performance.

BS01 Proportion of homes for which all required gas safety checks have been carried out.

Our Performance	Our Plans
100% of properties that require gas safety checks have been successfully completed.	Our compliance team will continue to work alongside our housing colleagues to ensure a 100% compliance in this field for the following year.

BS02 Proportion of homes for which all required fire risk assessments have been carried out.

Our Performance	Our Plans
100% of those homes which required fire risk assessment were carried out.	To continue ensuring 100% completion of fire safety checks, we work closely with our fire safety contractor. The implementation C365 database has streamlined processes and provides a robust, golden-thread approach to our fire safety measures. Over this next period we will be moving to our new in-house data base Rubixx, this will enhance our reporting capabilities.

BS03 Proportion of homes for which all required asbestos management surveys or re-inspections have been carried out.

Our Performance	Our Plans
100% of homes for which all required asbestos management surveys or re-inspections were carried out by the end of the year.	We're unwavering in our commitment to maintaining high standards of asbestos compliance again this year. Just as we did last year, we'll continue to work cooperatively with our asbestos contractor to ensure ongoing success in this critical area.

BS04 Proportion of homes for which all required legionella risk assessments have been carried out.

Our Performance	Our Plans
100% of those homes for which all required legionella risk assessments have been carried out.	We will continue to work with our contractor to achieve 100% compliance in this reporting period.

BS05 Proportion of homes for which all required communal passenger lift safety checks have been carried out.

Our Performance	Our Plans
100% of homes for which all required communal passenger lift safety checks have been carried out. 1 lift was out of service being replaced so didn't require inspection at that time.	Over this next period we have brought forward one lift for a full replacement that wasn't due for another 8 years, this is due to high volume of break downs and repairs costs. We will continue to monitor and update our 30 year assets plan on lifts to ensure they are all safe and fit for purpose, leading to minimum disruption to our residents.

CH01 Complaints received relative to the size of the organisation.

Our Performance	Our Plans
We had a relatively high number of complaints per 1,000 properties this year but saw huge improvement in timeliness and quality of responses. We have worked with the business to make improvements based on themes emerging from complaints, including lift communication, which was a key theme.	We will publish our annual Complaints Performance and Service Improvement report as part of the new statutory reporting requirements under the Housing Ombudsman's Complaint Handling Code. We will use the learnings from this report to update our processes and improve our services. We have work in progress to improve our service charges approach and communication and also to improve our tone of voice for written communication.

CH02 Complaints responded to within Complaint Handling Code timescales.

Our Performance	Our Plans
We responded to 96.5% of Stage 1 complaints within target timescales and 89.1% of Stage 2 responses. This was a huge improvement on the previous year after a focus on timeliness and quality of responses.	We are targeting further improvements in the timeliness and quality of responses, as well as a stronger focus on resolution. We will continue embedding our use of the new housing management system and expect to make use of the enhanced reporting capability to inform service improvements. We will continue to comply with the Housing Ombudsman's Complaint Handling Code.

NM01 Anti-social behaviour cases relative to the size of landlord.

Our Performance	Our Plans
Our performance shows 63 new ASB cases were opened during the year, translating to 26.9 per 1,000 homes. This is lower than our comparators but an increase on last year's figures, demonstrating an improvement in our reporting. We implemented a new ASB case management system (REACT) which simplified the recording of ASB and improved the reporting and monitoring of case management.	We will continue to improve on our recording of ASB. We will do this by introducing a specific policy on how we will deal with noise reports, to include low level noise which was previously under-reported.

ISHA additional VFM Measures

Employee Engagement %

Our Performance	Our Plans
Our employee engagement was 58% in 2024-25, with much higher numbers of staff taking part in our quarterly surveys than previous years. **As we committed to in the previous year, we launched health benefits in addition to our existing benefits. The all-staff office days on the first Wednesday of each month continue to be well-received. Staff take advantage of being in the office to connect with each other and have key meetings face to face. We also hold a staff social event on these days to bring colleagues together more informally. The staff awards continue to be popular. This year we made the voting anonymous, which has further increased engagement with them.**	We are developing a strategic People Plan, which will include an updated L&D policy, action plan and improved employee recruitment, onboarding and induction.

Cumulative Staff Turnover %

Our Performance	Our Plans
Our cumulative staff turnover was 28.11%. **Voluntary turnover: We had 16 voluntary leavers in 2024-25, six of these resignations were received ahead of disciplinary or performance improvement action. This gives us an annual voluntary turnover figure 2024-25 of 18.74%. The voluntary turnover in 2023-24 was 14% (including those who resigned pending disciplinary or performance improvement action).** **Involuntary turnover: We had eight (8) involuntary leavers in 2024-25, which gives us an annual involuntary figure of 9.37% (reduced from 14% in 2023-24). One (1) of these was the end of a fixed term contract, which are always time limited, and do not always convert to a permanent contract of employment and are unavoidable and expected. If we remove this from the annual involuntary figure it is reduced to 8.19%** **We re-introduced face to face exit interviews with the P&C Adviser and will be monitoring the results of these surveys over the next 12 months.**	As we continue to strengthen policies and procedures, and organisational expectations and values, we may see some further turnover into next year. The People and Culture team will support managers with the impact of this by providing a high-quality people service that strives to make the best appointments into vacant posts.

Average Staff Sickness Absence (Days)

Our Performance	Our Plans
During 2024-25 our average number of sickness absence days was 10.19 per employee, which is a marked increase in comparison to 2023-24 (4.22 days). This is largely due to 13 staff taking long-term sickness absence (20+ days on one occasion). 11 of these were involved in informal performance management discussions, or formal HR processes such as sickness absence management, restructuring, or disciplinary. Two (2) colleagues had long-term health issues requiring extended absence for recovery. We had very low rates of short-term sickness absence with the average rate of absence per employee during 2024-25 at 2.51 days per employee (excluding those who took long-term absence). The national average in 2024 was 4.4 days per employee.	We will continue to work with line managers on supporting colleagues while proactively addressing any sickness absence triggers as soon as they occur during the 'welfare' stage of our procedure.

FRA – number of overdue actions

Our Performance	Our Plans
As part of our commitment to transparency and continuous improvement, we're sharing our latest fire risk assessment (FRA) performance figures. **At the end of the year, we had 221 outstanding actions from a total of 940 identified through our FRA process. Of these, 715 actions have been completed, demonstrating significant progress and ongoing focus on safety.** **We continue to undertake comprehensive desktop review of every property requiring an FRA, in line with the updated policy approved by our Board in 2024. This robust and detailed review process resulted in a higher volume of actions being logged than in previous years, helping us create a more accurate and accountable safety record.** **We also acknowledge the extended lead times for procuring and installing fire doors, which currently exceed the standard three-month target. This national issue has contributed to delays in resolving some actions.** **We remain focused on closing out the remaining actions as quickly and safely as possible and continue to prioritise work that has the greatest impact on resident safety.**	As part of our commitment to keeping all residents safe, we regularly carry out Fire Risk Assessments (FRAs) across our buildings. These assessments help us identify any actions needed to reduce fire risks and keep homes safe. Over the past year, we've taken steps to improve how we manage and complete these actions, especially those that were overdue. We have introduced a clearer structure where: › High-risk safety actions are prioritised and managed jointly by our Building Safety and Compliance teams › Lower-risk actions are overseen by our Compliance Team who collaborate with all involved to ensure nothing is missed. We're also working closely with our contractors to speed up both on-site and desktop reviews, with a focus on completing actions more quickly and preventing future delays. To support this, we've improved our internal systems for monitoring and reporting, making it easier to track progress and respond faster where needed. By taking a more joined-up, proactive approach, we're confident we'll see continued improvements next year and more importantly, give you greater peace of mind that your safety remains at the heart of everything we do.

Current arrears as a % of rent charged

Our Performance	Our Plans
Our current arrears stand at 5.75%, falling short of our target of 5.0%.	We went live with a new income recovery system in May 2025. There have been some teething problems but once these have been resolved the system should improve compliance with the process which in turn should improve our rent arrears recovery.

Board's Responsibilities Statement

(RSHP registered in England and registered under the Co-operative and Community Benefit Societies Act 2014)

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards 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 is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the association and enable it to ensure that the financial statements comply with 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 in England 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Opinion

We have audited the financial statements of Islington & Shoreditch Housing Association Limited (the Association) for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2025 and of the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the 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.

Other information

The other information comprises the information included in the Board Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Responsibilities of the Committee

As explained more fully in the Statement of Board's Responsibilities set out on page 38, 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. 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.

- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Association's activities and the regulated nature of the Association's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, 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 fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Association, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association 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 for our audit work, for this report, or for the opinions we have formed.

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 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to it 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.

Beever and Struthers
Chartered Accountants
Statutory Auditor

150 Minories
London
EC3N 1LS

Date: 29 July 2025

Statement of Comprehensive Income

for the year ended 31 March 2025

	Notes	2025 £'000	2024 £'000
Turnover	2	30,696	28,687
Operating costs	2	(25,751)	(29,828)
Surplus on sale of properties and land	20	5,873	8,335
Donation	29	-	-
Operating surplus	2	**10,818**	**7,194**
Interest receivable		524	571
Interest and financing costs	7	(3,926)	(4,246)
Movement in fair value of investment properties	9	125	(166)
Surplus for the year		7,541	3,353
Initial recognition of multi-employer defined benefit scheme		-	-
Actuarial gains / (losses) in respect of pension scheme	23	182	(384)
Total comprehensive income for the year		**7,723**	**2,969**

All amounts relate to continuing operations. The accompanying notes on pages 52 to 68 form part of these financial statements.

The financial statements were authorised and approved by the Board on 29 July 2025.

Mervyn Jones
(Chairman)

Jonathan Bunt
(Chair of the Audit and Risk Committee)

Laura Hopper
(Secretary)

Statement of changes in reserves

Income and Expenditure Reserves	£'000
Balance as at 31 March 2023	89,421
Comprehensive income for the year	3,353
Other comprehensive income for the year	(384)
Balance as at 31 March 2024	92,390
Comprehensive income for the year	7,541
Other comprehensive income for the year	182
Balance as at 31 March 2025	**100,113**

The accompanying notes on pages 52 to 68 form part of the financial statements.

Statement of Financial Position

as at 31 March 2025

	Notes	2025 £'000	2024 £'000
Fixed Assets			
Tangible fixed assets	8	312,700	301,367
Investment Properties	9	20,110	19,905
Intangible Assets	10	-	1
		332,810	**321,273**
Current Assets			
Properties held for sale	11	67	1,242
Trade and other debtors	12	2,728	2,449
Cash and cash equivalents		9,280	11,949
		12,075	15,640
Creditors amounts falling due within one year	13	(21,392)	(23,744)
Net Current Assets		**(9,317)**	**(8,104)**
Total Assets Less Current Liabilities		**323,493**	**313,169**
Creditors amounts falling due after more than one year	14	220,717	217,437
Provisions for Liabilities			
Defined benefit pension liability	23	1,221	1,729
Other provisions	24	1,442	1,613
Total Net Assets		**100,113**	**92,390**
Reserves			
Share capital – Non Equity	18	-	-
Income and expenditure reserve		100,113	92,390
Total Reserves		**100,113**	**92,390**

All amounts relate to continuing operations. The accompanying notes on pages 47 to 81 form part of these financial statements. The financial statements were authorised and approved by the Board on 29 July 2025.

Mervyn Jones
(Chairman)

Jonathan Bunt
(Chair of the Audit and Risk Committee)

Laura Hopper
(Secretary)

Statement of Cash Flows

	Notes	2025 £'000	2024 £'000
Net cash generated from operating activities	(a)	8,603	6,802
Cash flow from investing activities			
Purchase of tangible fixed assets		(20,782)	(11,643)
Proceeds from sale of tangible fixed assets		9,272	11,521
Grants received		1,328	380
Interest received		524	571
		(1,055)	7,631
Cash flow from financing activities			
Interest paid		(3,851)	(4,174)
Repayment of borrowings		(3,762)	(5,301)
Loan principal drawdowns		6,000	-
Net change in cash and cash equivalents		**(2,668)**	(1,844)
Cash and cash equivalent at the beginning of the year		**11,949**	13,793
Cash and cash equivalent at the end of the year		**9,281**	**11,949**

Notes to the Statement of Cash Flows

for the year ended 31 March 2025

a. Cash flows from operating activities	2025 £'000	2024 £'000
Operating surplus	10,818	7,194
Adjustments for non-cash items:		
Depreciation and amortisation of fixed assets	4,449	4,484
Impairment of housing properties	-	1,195
Amortisation of grant income	(1,473)	(1,484)
Decrease in trade and other debtors	(279)	(684)
Decrease / (increase) in trade and other creditors	(1,165)	306
Decrease / (increase) in provisions	(171)	185
Decrease in pension liability	(508)	76
Defined pension interest charged	(75)	(72)
Actuarial (loss) / gains in respect of pension scheme	182	(384)
Decrease / (Increase) in properties held for sale	1,175	2,262
Net gain from sale of fixed assets	(5,873)	(8,335)
Costs of fixed assets disposed	1,523	2,059
Net cash from operating activities	**8,603**	**6,802**

Notes to the Financial Statements

1a. Legal status

The Association is incorporated in England with limited liability as a charitable Housing Association under the Co-operative and Community Benefit Societies Act 2014. The registered office is 102 Blackstock Road, London N4 2DR.

1b. Accounting Policies

Basis of accounting

The financial statements of the association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

ISHA is a public benefit entity whose financial statements have been prepared in accordance with FRS 102.

The financial statements are presented in Sterling (£), which is the functional currency of ISHA.

Disclosure exemptions

The Association has adopted the following disclosure exemptions as permitted under FRS 102 Section 1.11-12:

The requirement to present a statement of cash flows and the related notes, items of income, expenses, gains or losses relating to financial instruments, and exposure and management of financial risks.

Going concern

The Association has access to sufficient financial resources to support its day-to-day operations and deliver its committed development programmes. The updated long-term business plan for 2025/26 confirms the Association's ability to meet its debt obligations while maintaining compliance with all lender covenants. No significant concerns have been identified in the latest financial forecasts.

Accordingly, the association's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future; foreseeable future being at least twelve months after the date that the report and financial statement are signed.

Significant judgement and estimates

The preparation of the financial statements requires management to make significant judgements and estimates when applying accounting policies. The items in the financial statements where these judgements have been made are as follows:

Impairment

Management continuously reviews the performance of its assets to identify any schemes that display indicators of impairment. Management pays attention to schemes that have increasing void losses, have been affected by policy changes or where the decision has been made to dispose of a property.

Where there is evidence of impairment, the fixed asset is written down to the recoverable amount and any impairment losses are charged to operating surpluses.

The recoverable amount is estimated in the following way:

a) Determine the level at which the recoverable amount is to be assessed (i.e. the asset level or the cash generating unit (CGU) level)
b) Estimate the recoverable amount of the cash generating unit and
c) Calculate the carrying amount of the cash generating unit and
d) Compare the carry amount to the recoverable amount to determine if an impairment loss has occurred.

Estimation of uncertainty

- Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to Decent Homes Standards which may require more frequent replacement of key components. The total accumulated depreciation at 31 March 2025 was £63.3m (note 8).

- Defined benefit obligation

The Association participates in the Social Housing Pension Scheme (SHPS), administered independently by the Pensions Trust.

The Pension Trust provides the estimate of the defined benefit pension obligation based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increase. Variation in these assumptions may significantly impact the liability and the annual defined benefit expense (as analysed in Note 23).

- Capitalisation of property development costs

Distinguishing the point at which a project is more likely than not to continue, allowing capitalisation of associated development costs requires the exercise of judgement. Once costs are capitalised, management continues to monitor the asset for any indicators of impairment, taking into account changes in circumstances that may affect the asset's recoverability.

For existing properties, expenditure is capitalised where it will result in enhancement of economic benefit. The amount capitalised in the year was £20.47m (note 8) relating to various schemes.

- Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how the market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices.

Fair value measurements were applied to investment properties. The total value of investment properties was £20.1m at the year-end (2024: £19.9m). See note 9.

- Subsidiary

The Association has a dormant subsidiary, Urban Style Limited (Registered number: 04606207, registered in England), which had no transactions or balances during the year and therefore was not consolidated into the Association's accounts.

Turnover and revenue recognition

Turnover comprises rental and service charge income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and other services included at the invoiced value, excluding VAT where recoverable, of services supplied in the year and revenue grants receivable in the year.

Rental Income

Rental income is recognised from the date properties under development reach practical completion or otherwise become available for letting, net of void periods.

First Tranche and Build-for-Sale Income

Income from first tranche sales and sales of properties constructed for sale is recognised at the point of legal completion.

Revenue Grants

Revenue grants are recognised in the income statement once the conditions for receipt of the agreed grant funding have been satisfied.

Supporting People Income

Charges for support services funded under the Supporting People programme are recognised as they fall due in accordance with contractual arrangements with the administering authorities.

Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as turnover.

Value Added Tax

The Association charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the association and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as current liability or asset.

Interest Payable

Interest is capitalised on borrowings to finance the development of qualifying assets to the extent that it accrues in respect of the period of development it represents:

- interest on borrowings to finance the development programme after deduction of related grants received in advance; or

- a fair amount of interest on borrowings of the association as a whole after deduction of SHG received in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to income and expenditure.

Financial instruments

Financial instruments which meet the criteria of basic financial instruments as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in surplus or deficit. At each year end, the instruments are revalued to fair value, with the movements posted to the income and expenditure (unless hedge accounting is applied).

Debtors

Short term debtors are measured at transaction price, less any impairment.

Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Where deferral of payment terms has been agreed at below market rate, and where material, the balance is shown at the present value, discounted at a market rate.

Creditors

Short term trade creditors are measured at transaction price.

Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised costs using the effective interest method.

Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Pension

The Association participates in the Social Housing Pension Scheme (SHPS); administered independently by the Pensions Trust.

As at 31 March 2025, the net defined benefit pension liability was £1,221k (2024: £1,729k) which has been included within the provisions for pensions liability in the financial statements.

In the year ended 31 March 2025, the expenses are charged against operating surplus. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income. (Refer to Note 23 for more details).

Contributions payable from the association to the Pension Trust under the terms of the funding agreement for past deficits is recognised as a liability within other provisions in the association's financial statements.

ISHA ended the participation in the defined benefit pension scheme on 30 November 2021.

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally available for rent and are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Expenditure on shared ownership properties is split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as current asset and related sales proceeds included in turnover, and the remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised in income and expenditure.

Intangible Assets

Intangible Assets consists of costs relating to the development of an integrated Housing and Finance system which was implemented during 2016/17.

Government grants

Government grants include grants receivable from the Regulator of Social Housing (the RSH), local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Grants due from government organisations or received in advance are included as current assets or liabilities. Government grants received for housing properties are subordinated to the repayment of loans by agreement with the RSH.

Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

Where developments have been financed wholly or partly by Social Housing Grant (SHG), a deduction is made to provide cover for development overhead.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in income and expenditure.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to income and expenditure.

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Depreciation of housing properties

The Association separately identifies and accounts for the major components of its housing properties. Depreciation is charged on a straight-line basis to allocate the cost of each component, less its estimated residual value, over its estimated useful life.

The Association depreciates the major components of its housing properties on a straight-line basis from the year of purchase or in the first year following that of completion of new properties on the following basis:

Freehold land	Not depreciated
Structure	100 years
Roof	100 years
Windows, external doors	30 years
Gas boilers, fires	15 years
Kitchens	20 years
Bathrooms	30 years
Central heating	30 years
Communal parts	30 years
Plumbing and infrastructure	30 years
Electrics	40 years
Lifts	20 years

Impairment

Annually, housing properties are assessed for impairment indicators.

Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value less costs to sell or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the business plan for the next 30 years and do not include restructuring activities that the group is not yet permitted to or significant future investments that will enhance the assets' performance of the cash generating unit being tested.

Where indicators are identified, an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the association, its recoverable amount is its fair value less cost to sell.

Depreciation of other tangible fixed assets

Other fixed assets are included at cost to the association less depreciation, which is provided on a straight-line basis over the periods shown below:

Office furniture, equipment and motor vehicles	4 years
Scheme equipment	10-15 years
Freehold office	50 years

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal process and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

Depreciation of intangible fixed assets

Intangible fixed assets are capitalised at the cost to the association. Amortisation is calculated on a straight-line basis over the course of 7 years, which is the expected useful life of the asset. Cost includes all expenditure related to preparing the asset for its intended use.

Capitalisation of development costs

Development administration costs based on the time spent on a scheme are capitalised up to the date of practical completion of that scheme. Only direct costs are included.

Major repairs

Where a repair involves replacement of property components, the expenditure is treated as capital expenditure and depreciated as outlined above. Any other replacement, renewal or repair to the fabric of an existing building that enhances the net income generated from the property or substantially increases its useful life is capitalised. All other repairs are treated as revenue items.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the association. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring the surplus or deficit. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to income and expenditure on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the association recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefits of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Properties for sale

Shared ownership first tranche sales completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Provisions for liabilities

Provisions are recognised when the association has a present obligation (legal or constructive) as a result of a past event, it is probable that the association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in income and expenditure in the period it arises.

The Association recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Taxation

ISHA is a charitable Housing Associations and is not taxable on any surpluses derived from charitable activities.

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Donated land and other assets

Land and other assets donated by local authorities and other government sources are added to cost at the fair value of the land at the time of the donation. Where the land is not related to a specific development and is donated by a public body an amount equivalent to the difference between fair value and consideration paid is treated as a non-monetary government grant and recognised on the statement of financial position as deferred income within liabilities. Where the donation is from a non-public source, the value of the donation is included as income within operating surplus.

2. Particulars of turnover, cost of sales, operating costs and operating surplus – continuing activities

2025

	Notes	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Operating surplus £'000
Social housing lettings	3	24,262	-	20,941	3,321
Other social housing activities					
First tranche shared ownership sales		2,864	2,569	-	295
Development activities		1,014	-	244	770
Fees for development services		97	-	97	-
Other		152	-	21	131
Activities other than Social Housing					
Non letting services		547	-	547	-
Commercial properties		1,323	-	1,036	287
Private renting		437	-	296	141
Sub Total		**30,696**	**2,569**	**23,182**	**4,945**
Sale of properties and land		9,272	3,399	-	5,873
Total		**39,968**	**5,968**	**23,182**	**10,818**

2024

	Notes	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Operating surplus £'000
Social housing lettings	3	23,241	-	25,572	(2,331)
Other social housing activities					
First tranche shared ownership sales		2,795	2,467	-	328
Fees for development services		124	-	100	24
Other		360	-	29	331
Activities other than Social Housing					
Non letting services		460	-	460	-
Commercial properties		1,294	-	913	381
Private renting		413	-	287	126
Sub Total		**28,687**	**2,467**	**27,361**	**(1,141)**
Sale of properties and land		11,521	3,186	-	8,335
Total		**40,208**	**5,653**	**27,361**	**7,194**

3. Particulars of Income and expenditure from social housing lettings

	Housing £'000	Supported Housing £'000	Shared Ownership £'000	2025 £'000	2024 £'000
Income					
Rents receivable net of identifiable service charges	15,860	629	3,092	19,581	18,274
Service charge income	2,236	365	822	3,423	3,483
Amortised government grant	1,258	-	-	1,258	1,484
Turnover from social housing lettings Housing	**19,354**	**994**	**3,914**	**24,262**	**23,241**
Operating costs					
Service charge costs	2,403	347	663	3,413	5,612
Management	2,963	348	1,355	4,666	4,008
Routine maintenance	5,873	219	-	6,092	5,603
Planned maintenance	1,979	67	-	2,046	2,113
Major repairs expenditure	1,135	63	-	1,198	2,720
Bad debts	265	25	-	290	90
Depreciation of housing properties	2,782	104	350	3,236	4,231
Impairment of housing property	-	-	-	-	1,195
Operating expenditure on social housing lettings	**17,400**	**1,173**	**2,368**	**20,941**	**25,572**
Operating (deficit) / surplus on social housing letting	**1,954**	**(179)**	**1,546**	**3,321**	**(2,331)**
Void losses	**(179)**	**(19)**	**(44)**	**(242)**	**(287)**

Key management personnel

The aggregate emoluments payable to the key management personnel (Senior Executive) is £678k (2024: £572k). The total costs included redundancy costs.

4. Key management personnel remuneration

The emoluments in respect of the Senior Executives were as follows:

	2025 £'000	2024 £'000
Basic salaries	556	481
National Insurance	67	52
Pension contributions	55	37
Bonus	-	2
	678	**572**

The remuneration of the highest paid director for the year ended 31 March 2025 was £162k, relating to the former Finance Director (2024: £121k, CEO). This remuneration (per unit) relative to the number of social units owned and managed was £69 (2024: £51). The increase is due to the redundancy costs paid to the individual.

All permanent Senior Executives are members of the Social Housing Pension Scheme. They are ordinary members of the pension scheme with no enhanced or special terms. The Association did not make any further contributions to individual arrangements for its Senior Executives.

The full-time equivalent number of staff (including directors) who received remuneration in excess of £60,000 are as follows:

	2025 No.	2024 No.
£60,001 to £70,000	3	2
£70,001 to £80,000	4	3
£80,001 to £90,000	2	4
£90,001 to £100,000	3	1
£100,001 to £110,000	1	1
£110,001 to £120,000	-	1
£120,001 to £130,000	1	-
£130,001 to £140,000	-	1
£140,001 to £150,000	1	-
£170,001 to £180,000	1	-

The remuneration band of £170,000 to £180,000 includes redundancy payments made during the year.

Board members

The table below sets out the emoluments received by Board members who served during the year:

	2025 £	2024 £	
Mervyn Jones	10,500	10,500	
Justin Fisher	5,600	5,600	
June Riley	3,600	3,600	
Daven Masri	2,400	3,600	
Mohammed Baporia	3,600	3,600	
Alwyn Lewis	5,600	5,700	
John Biggs	3,600	3,600	
Gemma Colby	3,600	3,600	
Heather Topel	5,600	-	
Jonathan Bunt	1,177	-	(Joined December 2024)
Alison Hatcher	1,177	-	(Joined December 2024)
Yasmin Khan	1,680	3,600	(Resigned September 2024)
Ben Newton	-	2,455	(Resigned December 2023)
	48,134	**45,855**	

5. Employee information

The average monthly number of persons employed by the association during the year expressed in full time equivalent of seven hours a day are as follows:

	2025 No.	2024 No.
Administration	32	30
Development	11	10
Housing & Neighbourhoods	48	46
	91	**86**

Employee costs:

	2025 £'000	2024 £'000
Wages	4,116	3,496
Social security costs	430	361
Pension costs	296	247
Temporary Staff costs	750	641
	5,592	**4,745**

6. Operating surplus

The operating surplus for the year is arrived at after charging:

	2025 £'000	2024 £'000
Depreciation:		
Housing properties	4,282	4,264
Other tangible fixed assets	166	202
Amortisation of intangible assets	1	18
Impairment of housing properties	-	1,195
Surplus on sale of properties and land	5,873	8,335
Auditors' remuneration (excluding VAT):		
Audit of the financial statements of the association	40	39
Non-audit services – VAT advisory and Corporation tax compliance service	15	14

7. Interest and financing costs

	2025 £'000	2024 £'000
Interest on housing loans	3,737	3,747
Loan non-utilisation fees	290	691
Defined benefit pension charge	75	72
Less: Capitalised interest	(176)	(264)
	3,926	**4,246**

Capitalised interest is based on the average cost of borrowing incurred by the association during the financial year. This amounts to 3.50% (2024: 3.70%).

8. Tangible fixed assets

	Social Housing Properties Held for Letting £'000	Shared Ownership Properties Completed £'000	Properties under construction £'000	Subtotal Housing properties £'000	Freehold Office £'000	Other Fixed Assets £'000	Subtotal Other Fixed Asset £'000 s	Total £'000
Cost								
At 1 April 2024	289,010	56,895	10,937	356,842	795	3,670	4,465	361,307
Additions	4,265	1,707	14,494	20,466	-	61	61	20,527
Reclassification	-	-	-	-	-	-	-	-
Interest capitalised	-	-	176	176	-	-	-	176
Disposals	(1,781)	(4,186)	-	(5,967)	-	-	-	(5,967)
Impairment	-	-	-	-	-	-	-	-
Schemes completed	-	-	-	-	-	-	-	-
At 31 March 2025	291,494	54,416	25,607	371,517	795	3,731	4,526	376,043
Depreciation								
At 1 April 2024	52,995	3,419	-	56,414	321	3,205	3,526	59,940
Released on disposals	(774)	(271)	-	(1,045)	-	-	-	(1,045)
Charge for the year	3,932	350	-	4,282	16	150	166	4,448
At 31 March 2025	56,153	3,498	-	59,651	337	3,355	3,692	63,343
Net book value								
At 31 March 2025	235,341	50,918	25,607	311,866	458	376	834	312,700
At 31 March 2024	236,015	53,476	10,937	300,428	474	465	939	301,367

Expenditure in works to existing properties

	2025 £'000	2024 £'000
Components capitalised	5,972	5,385
Amounts charged to income and expenditure	9,336	10,130
	15,308	15,515

Social housing assistance

	2025 £'000	2024 £'000
Total accumulated social housing grant received or receivable as at 31 March:		
Recognised in the Statement of Comprehensive Income	1,258	1,245
Held as deferred income	124,610	124,001
Subsumed within reserves	25,055	23,809
	150,923	**149,055**

9. Investment properties: non-social housing properties held for letting

	2025 £'000
Capitalised at 1 April 2024	19,905
Increase in value	125
Costs Capitalised	80
At 31 March 2025	**20,110**

The investment properties consist of commercial and market rent properties and were valued as at 31 March 2025. These were valued by Res-Prop Chartered Surveyors, external professional valuers who are registered with the Royal Institute of Chartered Surveyors (RICS). The valuation was prepared on the basis of market value which complies with the Fair Value definition under part A, the definition adopted by the International Accounting Standards Board (IASB) in IFRS 13. Market Value, defined by VPS4 of the Red Book as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

For the valuation of these commercial properties, a rent capitalisation methodology was adopted (rent and yield approach) coupled with an assessment of what an owner occupier might pay to arrive at the fair value, with reference to respective rental and capital value market data/sentiment. The yield, capital value and rental data were obtained from commercial agents, auction sale data and commercial property databases.

The residential valuations were valued on an individual unit sale of a long leasehold interest with no onerous terms or ground rent. The valuation approach was based on the vacant possession value discounted to reflect the limitations to the market that the unit may be let. The valuation was also cross-checked on the gross yield basis using the passing rents provided.

10. Intangible assets

Intangible assets consist of costs relating to the development of a Housing and Finance system which was implemented during 2016/17.

	2025 £'000
Cost	
At 1 April 2024	257
Additions	-
At 31 March 2025	**257**
Amortisation	
At 1 April 2024	256
Charge for the year	1
At 31 March 2025	**257**
Net book value	
At 31 March 2025	-
At 31 March 2024	1

11. Properties for sale

	2025 £'000	2024 £'000
Shared-ownership properties: Completed properties	67	1,242
	67	**1,242**

12. Debtors

	2025 £'000	2024 £'000
Rent and service charges receivable	2,077	1,312
Less: provision for bad and doubtful debts	(1,310)	(1,072)
	767	240
Other debtors	683	573
Prepayments and accrued income	1,278	1,636
	2,728	**2,449**

Included in the association's prepayments and accrued income are loan fees of £340k (2024: £384k) due after more than one year.

13. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Debt (Note 15)	2,189	2,189
Trade creditors	1,448	2,873
Rent and service charges received in advance	1,883	1,122
Recycled capital grant fund (Note 17)	236	1,412
Deferred grant income (Note 16)	1,454	1,465
Other taxation and social security	210	194
Other creditors	5,506	4,634
Accruals and Deferred Income	8,466	9,855
	21,392	**23,744**

Developers off site subsidy

The Association has received £10.1 million in prior years from private developers under Section 106 agreements, intended to support the delivery of affordable housing within Hackney. These funds are treated as other grant income and recognised in the income statement when the associated performance-related conditions are met.

To date, £2.8 million of the funding has been recognised as income. The remaining £7.3 million is being released to income on a pro-rata basis in line with development expenditure. This unrecognised balance is included within accruals and deferred income on the statement of financial position.

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

	2025 £'000	2024 £'000
Debt (Note 15)	94,103	91,865
Recycled capital grant fund (Note 17)	3,458	3,036
Deferred grant income	123,156	122,536
	220,717	**217,437**

15. Debt Analysis

	2025 £'000	2024 £'000
Within one year or on demand	2,189	2,189
One year or more but less than two years	4,524	4,168
Two years or more but less than five years	14,437	8,291
Five years or more	75,142	79,406
	96,292	**94,054**

Security

Housing loans are from private lenders and in the main secured by specific charges on the association's housing properties.

Terms of repayment and interest rate

The portfolio has a mixture of fixed and variable rate loans at interest rates ranging from 2.41% to 9.47%. The revolving facility as at March 2025 was £40.0m (note 25). This NatWest £40m facility is available until March 2030. All other loans are long term borrowings.

16. Deferred grant income

	2025 £'000	2024 £'000
Grant received		
At 1 April	149,056	150,612
Grant received during the year	2,997	648
Grant disposal during the year	(1,130)	(2,204)
At 31 March	**150,923**	**149,056**
Grant amortised		
At 1 April	25,055	23,809
Amortised to income in the year	1,473	1,484
Eliminated on disposal in the year	(215)	(238)
At 31 March	**26,313**	**25,055**
Amounts to be released within one year	1,454	1,465
Amounts to be released in more than one year	123,156	122,536
	124,610	**124,001**

17. Recycled Capital Grant Fund

	2025 £'000	2024 £'000
At 1 April	3,035	1,858
Grants recycled	-	-
Interest Accrued	(19)	140
Staircasing	1,132	1,556
Repayment of grant	(690)	(519)
	3,458	**3,035**

Withdrawals from the recycled capital grant fund are used for the purchase and development of new housing schemes.

18. Share capital

	2025 £'000	2024 £'000
Shares of £1 fully paid and issued	10	11
Shares issued during year	-	-
Repayment of grant	(1)	(1)
	9	**10**

Shares have limited rights and carry no entitlement to dividend. They are not repayable and do not carry rights to participate in a winding up. They carry an entitlement to vote at the association's general meeting.

19. Capital commitments

	2025 £'000	2024 £'000
At 1 April		
Expenditure contracted for but not provided in the accounts	28,440	20,056
Expenditure authorised by directors, but not contracted	-	17,780

Of the above £28.4m expenditure contracted but not provided for, £3.8m (2024: £4.0m) is to be financed by SHG, £4.7m from other Grant, £2.9m (2024: £2.1m) from sales, and the remaining £17.0m (2024: £14.0m) is to be financed by existing cash resources and borrowings.

There is no uncommitted expenditure forecasted as at 31 March 2025.In 2024, £7.4m was to be funded by grant, £2m from sales, and the remaining £8.4m from other income and loan finance.

The above capital expenditure is expected to be incurred over the next five years.

20. Surplus on sale of fixed assets – housing properties

	2025 £'000	2024 £'000
Sales proceeds	9,272	11,521
Carrying value of fixed assets	(3,399)	(3,186)
	5,873	**8,335**

21. Accommodation in management and development

At the end of the year accommodation in management for each class of accommodation was as follows:

	2025 Units	2024 Units
Social Housing		
General housing:		
– social rent	1,516	1,523
– affordable rent	336	336
Supported housing & housing for older people	103	103
Intermediate rent	1	1
Shared ownership	383	399
Staff rental units	1	1
Total social housing units owned	2,340	2,363
Total social housing units owned & managed	**2,340**	**2,363**
Non-social housing		
Private renting	18	18
Total owned and managed	**2,358**	**2,381**
Accommodation in development at the year end	102	44

As at 31 March 2025, the Association has no units being managed on its behalf, under management agreements by other bodies.

22. Related party disclosure

ISHA has two Resident Board Members during the year. Their rents and tenancies are on normal commercial terms, and they are not in arrears. Details of their total charges for the 2024-25 financial year were as follow:

	2024 £	2023 £
Total service charges for the year	5,714	6,017
Prepayments on account at 31 March	2,191	1,707
Arrears on account at 31 March	-	-

23. Pensions

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Association has been notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2025 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

The Scheme is classified as a 'last man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme.

Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

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

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Under the defined benefit pension accounting approach, the SHPS net deficit as at 31 March 2025 is £1,221k (2024: £1,729k)

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset/(liability)

	2025 £'000	2024 £'000
Fair value of plan assets	7,170	7,358
Present value of defined benefit obligation	(8,391)	(9,087)
(Deficit) in plan	(1,221)	(1,729)
Net defined benefit asset (liability) to be recognised	**(1,221)**	**(1,729)**

Reconciliation of opening and closing balances of the defined benefit obligations

	2025 £'000
Defined benefit obligation at start of period	9,087
Expenses	10
Interest expense	437
Actuarial losses (gains) due to scheme experience	253
Actuarial losses (gains) due to changes in financial assumptions	(1,040)
Benefits paid and expenses	(356)
Defined benefit obligation at end of period	**8,391**

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

	2025 £'000
Fair value of plan assets at start of period	7,358
Interest income	362
Experience on plan assets (excluding amounts included in interest income) – gain (loss)	(605)
Employer contributions	411
Benefits paid and expenses	(356)
Fair value of plan assets at the end of period	**7,170**

Defined benefit costs recognised in statement of comprehensive income (SOCI)

	2025 £'000
Expenses	10
Net interest expense	75
Fair value of plan assets at the end of period	**85**

Defined benefit costs recognised in other statement of comprehensive income

	2025 £'000
Experience on plan assets (excluding amounts included in net interest cost) – (loss)	(605)
Experience gains and losses arising on the plan liabilities – loss	(253)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	1,040
Total amount recognised in Other Comprehensive Income – gain	**182**

Assets

	2025 £'000	2024 £'000
Global Equity	803	733
Absolute Return	-	287
Distressed Opportunities	-	259
Credit Relative Value	-	241
Alternative Risk Premia	-	234
Liquid Alternatives	1,330	-
Emerging Markets Debt	-	95
Risk Sharing	-	431
Insurance-Linked Securities	22	38
Property	359	295
Infrastructure	1	743
Private Equity	6	6
Real Assets	858	-
Private Debt	-	290
Opportunistic Illiquid Credit	-	288
Private Credit	878	-
Credit	274	-
Investment Grade Credit	221	-
High Yield	-	1
Cash	97	145
Long Lease Property	2	48
Secure Income	120	220
Liability Driven Investment	2,172	2,994
Currency Hedging	11	(3)
Net Current Assets	16	13
Total assets	**7,170**	**7,358**

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key assumptions

	31 March 2025 % per annum	31 March 2024 % per annum
Discount Rate	5.82%	4.90%
Inflation (RPI)	3.10%	3.15%
Inflation (CPI)	2.79%	2.78%
Salary Growth	3.79%	3.78%
Allowance for commutation of pension for cash at retirement	75%*	75%*

* of maximum allowance

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.7
Female retiring in 2045	24.5

24. Provisions for liabilities – other

	2025 £'000	2024 £'000
Burbage & Limegrove Cladding	730	730
City Road Grant Interest	633	633
Bulk refuse charges refund	79	250
	1,442	**1,613**

As at 31 March 2025, the balance includes £0.7 million earmarked for ongoing fire safety remedial works, and £0.6 million relating to interest payable on funding for the City Road development. The latter amount is held on the basis that, if the Association is unable to identify a suitable project for the use of this grant, the funding may need to be returned or the interest cost absorbed.

25. Financial assets and liabilities

Categories of financial assets and financial liabilities

	2025 £'000	2024 £'000
Financial assets that are debt instruments measured at amortised cost		
Other debtors	**2,716**	**2,449**
Financial liabilities measured at amortised cost		
Loans (Note 15)	96,292	94,054
Trade and other creditors	148,479	150,469
	244,771	**244,523**

Financial liabilities include all creditors and loan amounts payable.

Financial assets

Other than short-term debtors, financial assets held are cash deposits placed on term deposits and cash at bank. They are sterling denominated and the interest rate profile at 31 March was:

	2025 £'000	2024 £'000
Floating rate on money market deposits	4,999	7,434
Financial assets on which no interest is paid	4,281	4,515
	9,280	**11,949**

Financial liabilities excluding trade creditors – interest rate risk profile

The Association's financial liabilities are sterling denominated. The interest rate profile of the association's financial liabilities at 31 March was:

	2025 £'000	2024 £'000
Fixed rate	86,694	91,774
Floating rate	9,598	2,280
	96,292	**94,054**

The floating rate financial liabilities comprise bank loans that bear interest based on LIBOR and RPI. The fixed rate financial liabilities have an average interest rate of 3.54% (2024: 3.54%) and the average period for which it is fixed is 17 years (2024: 18 years).

The debt maturity profile is shown in note 15.

Borrowing facilities

The Association has undrawn committed borrowing facilities. The facilities available at 31 March in respect of which all conditions precedent have been met were as follows:

	2025 £'000	2024 £'000
Expiring in more than two years	40,000	80,000

ISHA has 5 years £40m revolving credit facility with NatWest which completed in March 2024. This is available for funding of development projects under construction and the interest rate for this facility is variable with a margin of 1.00% over SONIA. £6million drawdown of the facility was made during the year (2024 – nil) to facilitate the purchase of our new High Road Wood Green scheme.

26. Leasing Commitments

The total future minimum lease payments are as set out below. Leases relate to photocopiers. The Association's future minimum operating lease payments are as follows:

	2025 £'000	2024 £'000
Within one year	6	6
Between two and five years	16	21
	22	27

27. Net debt analysis

	At 1 April 2024	Cash flows	Other non-cash changes	At 31 March 2025
Cash and cash equivalents				
Cash	13,020	(2,669)	-	**10,351**
Overdrafts	(1,071)	-	-	**(1,071)**
Cash equivalents	11,949	(2,669)	-	**9,280**
Borrowings				
Debt due within one year	(2,189)	-	-	**(2,189)**
Debt due after one year	(91,865)	(2,238)	-	**(94,103)**
Total	(94,054)	(2,238)	-	**(96,292)**
Total	(82,105)	(4,907)	-	**(87,012)**

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