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isha
Islington & Shoreditch
Housing Association

Financial Statements

For the year ended 31 March 2026

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) retired 17 September 2025**
	Bob Heapy (board member from 11 June 2025, Chair from 17 September 2025)
	Justin Fisher June Riley Heather Topel (retired 17 September 2025) Daven Masri (resigned 11 June 2025) Mohammed Baporia Ruth Davison (resigned 25 May 2025) Alwyn Lewis John Biggs (resigned 17 September 2025) Gemma Colby Jonathan Bunt Alison Hatcher
Chief Executive Officer (CEO)	**Ruth Davison (until 25 May 2025) Jerome Geoghegan (Acting, 25 May – 30 September 2025) Pippa Fleetwood-Read (from 1 October 2025)**
Secretary	**Laura Hopper**
Executive Directors	**Thea McNaught-Reynolds, Director of People and Performance**
	Jerome Geoghegan, Deputy CEO and Director of Development and Building Safety
	Michael Finister-Smith, Interim Director of Finance and IT
	Rachel Sharpe, Interim Director of Housing and Neighbourhoods (June – October 2025)
	Jo Ellis, Interim Director of Housing and Neighbourhoods (from November 2025)
Bankers	**Barclays Bank Plc Islington and Camden Group PO Box 3474 London NW1 7NQ**
Statutory Auditor	**Menzies LLP Suite 16b, The Beehive Lions Drive Shadsworth Business Park Blackburn BB1 2QS**

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Statement from the Chair

2025-26 was a year of change and new beginnings.

I was delighted to start with ISHA as Chair of the Board in September, taking over from Mervyn Jones, who completed his term after six years, coinciding with a phenomenal 50 years of service to the social housing sector. Under his chairing and guidance, ISHA strengthened its governance and sector standing, continuing to lead the North River Alliance in support of small organisations contributing to the development of desperately needed new social homes, and navigating the need for a large building safety programme in the aftermath of the devastating Grenfell Tower fire.

Ruth Davison also departed in May 2025, having achieved much in her six years as Chief Executive Officer (CEO), not least in her sector-leading role in gaining access to the government's building safety fund and championing small to medium London-based housing associations as the inaugural chair of the L12. And thank you to Jerome Geoghegan, who acted as Chief Executive Officer (CEO) for a six-month period, providing important continuity for both residents and employees during the period.

We welcomed Pippa Fleetwood-Read as the new Chief Executive Officer (CEO) in October 2025, bringing with her a wealth of housing sector experience and a clear vision for ISHA's future.

With the change of leadership, Pippa and I have worked with Board and ISHA colleagues, to develop a new Corporate Strategy 2026-30, and refreshed values to underpin our work. The new strategy reinforces our commitment to the people we serve and the homes and communities in which they live.

In this report, you will see the results of the final year of the previous strategic plan 2020-25 and progress against the new consumer standards ahead of our new strategy. Through a year of change, thank you to everyone who has contributed to these results.

Bob Heapy
Chair of the Board

At a glance

Turnover
£31.1m
(Previous year: £30.7m)

Total assets less current liabilities
£327.5m
(Previous year: £323.5m)

Surplus
£1.6m
(Previous year: £7.5m)

Operating surplus
£6.6m
(Previous year: £10.8m)

Social and affordable homes in management:
2,360 homes
(Previous year: 2,340)

About ISHA

Our aim is to provide safe and affordable 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 2,360 social and affordable homes in the heart of the north and east London communities we serve.

Our values

In this last year of the strategic plan, these values have guided us:

- **Pride in Team ISHA**
- **Respect for everyone**
- **Trusted to make the difference**
- **Passionate commitment to customers**

Our Strategic Plan

The Chair of the Board, Mervyn Jones, retired in September 2025, having reached the end of his six-year term under ISHA's Code of Governance and the Chief Executive, Ruth Davison, left 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 Bob Heapy (Chair) and Pippa Fleetwood-Read (Chief Executive) to develop the new strategy upon joining.

The final year of the extended strategic plan continued our focus on eight priority areas. These were developed in consultation with our residents and staff and guided 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 and east 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 2020, our two biggest priorities were safety, and service and satisfaction, and that remains the case. With the conclusion of our existing Strategic Plan, the challenge of delivering a consistent, quality service, but one that is adaptable to the needs of individuals, is a core focus of our new Corporate Strategy 2026-30, where we have brought our targeted activity under the twin themes of People and Place. The strategy was developed with resident, colleague and Board input, ready for the new financial year.

“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 and east 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 2026, ISHA managed 2,378 homes (2025: 2,358), including 18 private rented units. During the year, there were 24 first tranche sales and 22 residents undertook staircasing and bought additional shares of their homes. Five 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.

As at 31 March 2026, ISHA’s governance grading by the Regulator was G1, and its financial viability grading was V2. We had not yet received our first Consumer grading.

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 2026.

- 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 HA
- ARHAG
- Islington and Shoreditch Housing Association (ISHA)

Business and financial review

For the year ended 31 March 2026, the Board reports a surplus of £1.6m (2025: £7.5m). This is mainly surpluses generated through:

- Five void unit sales £1.1m
- 22 staircasing sales £2.3m
- 24 first tranche sale £0.8m.

The main reasons for the £1.6m surplus compared to the prior year surplus of £7.5m are predominantly the lower surplus on the sale of properties, higher interest costs, and the movement in the fair value of investment properties.

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.

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Investment Plan

ISHA invests in maintaining existing properties, guided by its **Asset Management strategy**. We will launch a new strategy in 2026, which has seven principles:

1. **Resident-centric approach:** The strategy prioritises the needs, expectations, and safety of residents. This involves actively engaging tenants in decision-making processes regarding their homes and neighbourhoods, ensuring their voices shape investment priorities and service standards.
2. **Data-driven decisions:** Robust and accurate data is fundamental to this dynamic strategy. We will maintain a 'golden thread' of information, including comprehensive stock condition surveys, performance data, and financial information, to make informed and timely decisions about investment, maintenance, and potential disposal of assets.
3. **Compliance and safety:** Meeting all statutory and regulatory requirements is a non-negotiable principle. This includes the Decent Homes Standard, the Homes (Fitness for Human Habitation) Act, the Building Safety Act, and other health and safety regulations (eg, gas, fire, electrical, water safety). The strategy will ensure ongoing compliance and provide assurance to the governing body and regulator.
4. **Long-term financial viability and value for money:** We will balance investment needs with affordability, ensuring that resources are used in the most cost-effective way over the entire asset lifecycle (whole-life costing). This includes appraising the performance and viability of individual properties to support the business plan and maximise the return on investment.
5. **Sustainability and energy efficiency:** Addressing climate change and fuel poverty is a critical principle. We have a clear plan to improve the energy performance of homes (eg, achieving EPC Band C by 2030), and assessing opportunities to go further, reducing carbon emissions and resident energy costs.
6. **Active portfolio management:** We will continuously review the asset portfolio to ensure properties meet current and future housing demand. This may involve regeneration, remodelling, or the disposal of poorly performing assets to reinvest in more sustainable options, such as new, high-quality homes.
7. **Continuous improvement:** The strategy is flexible and regularly reviewed to respond to changes in the operating environment, such as new legislation, technology, and evolving resident expectations. During the first year of the strategy, we will review our repairs service to ensure we can improve performance and meet the needs and expectations of our residents. By adhering to these principles ISHA can ensure its assets are safe, well-maintained, financially sound and meet the needs of our north and east London communities both now and in the future.

Maintaining financial viability

ISHA's financial strategy supports its long-term sustainability and the continued delivery of services to residents. Our 30 year plan includes annually reviewed mitigating assumptions, which demonstrate that the organisation remains financially viable.

ISHA has met all loan covenants and is forecast to remain compliant. A clear strategy is in place to fund building safety costs.

Long term viability is further strengthened through:

- maintaining an up-to-date record of assets, liabilities, and contractual commitments
- stress testing the business plan against severe scenarios and identifying additional mitigations
- using Savills as treasury advisors and operating under an agreed treasury management strategy
- ongoing Board oversight of the strategic risk register.

The 2025–26 financial statements comply with 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, extending our existing ED&I strategy for a further year to align with the Corporate Strategy planning.

ISHA 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. The new strategy from 2026, targets achieving level 2 (Disability Confident Employer).

Our current 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 82 staff, with 79 Full-Time Equivalents (FTE). Our workforce was 56% women, and 44% male with the average age being 46. 59% of our workforce was from the Global Majority. Our Leadership Team was 60% female, and our next senior management group, Management Team, was 58% male.

Health and safety

ISHA recognises its responsibilities on all matters relating to health and safety and continue to comply with relevant legislation.

Our expanded building safety team ensures ISHA is compliant with building safety regulations and our compliance team manages all other health and safety requirements within residents' homes. In 2025-26, these teams came together to provide more comprehensive oversight.

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 Aluminium Composite Material (ACM) and other external wall systems which may contain combustible materials.

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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 six meetings during 2025-26 as well as one strategy away day and one residential. Each of its three committees met several times during the year with committee chairs now producing a written report to the Board at each meeting. During the year, the Board expanded the remit of its Remuneration Committee to support the Board in its responsibilities on leading on the values and culture of the organisation and ED&I (Equality, Diversity and Inclusion). As of 31 March 2026, the three committees of the Board were Audit & Risk, Property Investment, and the People Committee (formerly Remuneration).

The Resident Scrutiny Panel is a part of ISHA's governance structure and provided regular reports to the Board on their activities. Board members also attended and observed Scrutiny Panel meetings.

As mentioned earlier in this report, the Board and Leadership Team experienced significant turnover in 2025-26. At the Board level, most of these changes were known due to four members, including the Chair, reaching the end of their second three-year term in September 2025. The Board began preparing for this well in advance through recruitment of new members as well as extending the terms of two members by one year. The extensions, which are allowed under ISHA's Code of Governance and constitution, enabled us to maintain corporate knowledge and experience on the Board whilst transitioning to a new Chair and CEO.

To support and develop potential resident board members, the Board launched an associate board member programme in June 2025 and appointed its first associate member. The associate board member is not a formal member of the Board and does not have voting rights, however, the aim is that upon completion of the programme the associate board member will be ready to apply for full Board membership with ISHA or another housing association. Our first associate board member was successful in securing a board position through an open recruitment round in June 2026.

Whilst maintaining focus on monitoring building safety and investment in improvements to our homes and services, the Board also undertook two key pieces of inter-related work once the new Chair and CEO were in post. This included review of our risk management framework as well as development of a new four-year strategy. The Board and Leadership Team worked together to develop a shared view of the key risks to the organisation as well as define the Board's risk appetite for nine business assurance areas (Assets, Health & safety, Residents, Development & sales, People (Staff), Governance, Finance, IT and Data). Controls were reviewed and additional forms of assurance planned. The Board devoted time at its November residential and January strategy day to development of the new strategic plan. This included refreshed purpose and mission statements as well as a new set of values to drive forward the objectives of the new plan.

Finally, the Board undertook preparations for the regulatory inspection by reviewing performance against the consumer standards, identifying where improvements were needed and approving an action plan to strengthen compliance.

The inspection took place at the end of Q4 and concluded in May 2026 with the regulatory judgement expected to be published in July 2026.

As of 31 March 2026, the Board had eight members – three women and five men, and three members identifying as members of Global Majority communities. One member of the board took a leave of absence from January 2026 due to illness. The Board had no executive board members following the resignation of Ruth Davison in May 2025.

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 for reviewing its effectiveness. While no system can provide absolute assurance or eliminate all risk, ISHA's controls are designed to manage risk and provide reasonable assurance over safeguarding of assets, risk management, accurate accounting records and reliable financial reporting.

The Board and the Audit and Risk Committee monitor the effectiveness of internal controls and ensure that required improvements are identified and implemented. An annual programme of internal audits, delivered by an external firm, tests the effectiveness of controls. Formal procedures are in place for reporting control weaknesses or fraud, and both internal audit and senior officers have direct access to the Board and the Audit and Risk Committee.

A clear organisational structure supports effective control, underpinned by delegated authorities, policies, procedures and financial regulations.

ISHA is committed to timely and accurate financial reporting, including monthly budget monitoring, variance reporting and regular updates on performance. Staff are encouraged to raise improvement ideas openly. Directors report to the Chief Executive on the effectiveness of controls, and the Chief Executive reports to the Board.

The Board receives assurance on the effectiveness of internal controls from three principal sources: internal audit reports delivered through the three year audit cycle, management letters issued by the external auditors, and the Regulatory Judgement provided by the Regulator.

No major control failures or material weaknesses requiring disclosure have been identified.

The Board recognises that responsibility for maintaining an effective system of internal control rests solely with the Board; neither the external auditor nor the Regulator has a duty to identify shortcomings. Additional assurance is obtained through the internal audit process, which remains the primary source of assurance 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 2025–26 financial year will be presented to the Board for approval at its July 2026 meeting.

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 the 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 and 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 2025 and February 2026. 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 and December 2025 and March 2026.

In addition to this, a comprehensive update of the management and reporting of risk was developed by the Audit and Risk Committee during the year and approved by the Board. There was also a training session on the risk management framework undertaken at the Board away day in November 2025, that included workshops on risk appetite, risk scoring and risk mitigations.

Auditors

Following the October 2025 merger between Menzies LLP and Beever and Struthers, the merged firm will continue as our auditors. A resolution to reappoint Menzies LLP will be proposed at the forthcoming AGM.

The report of the Board was approved on 29 July 2026 and signed on its behalf by:

R. O. Heapy

Bob Heapy
Chair of the Board

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Value for Money

ISHA's Board remains committed to delivering and demonstrating value for money (VfM) for both its current and future residents. The Board has evaluated the association's results and produce a Value for Money strategy statement each year that includes reporting on the value for money achievements and targets relating to the different pillars of the Corporate plan.

The Chair of the Board retired in September 2025, having reached the end of his six-year term under ISHA's Code of Governance and the Chief Executive left 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 new Chair and Chief Executive led the development of the new Corporate Strategy for 2026-30. It targets improved outcomes under the key themes of People and Place and further strengthens 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.

The announcements about access to the Government's building remediation fund and rent certainty for 10 years, have further strengthened our ability to pursue our development goals to provide new affordable homes where they are most needed.

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.

Historically, ISHA's 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.

Ongoing investment in fire safety works and mitigation measures have been accelerated with the access to funds, and we will continue to monitor the impact our income and expenditure over the coming years, until all remediation activities are fully completed. We hope to accelerate the delivery of our development programme.

Value for money is assessed using the Regulator of Social Housing's seven VfM metrics, alongside wider performance measures including Tenant Satisfaction Measures (TSMs).

Our objectives are 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 benchmarks its VfM performance against a peer group of London-based housing associations with between 500 and 10,000 homes. As 2025–26 peer data is not yet available, peer performance has been estimated using trends from previous years. The table below shows ISHA's performance against the Regulator's seven VfM metrics, including historical results and comparison with estimated peer averages for 2025–26.

Metrics	ISHA 2025/26	Peer Group 2025/26	ISHA 2024/25	Peer Group 2024/25	ISHA 2023/24	Peer Group 2023/24
Total social and affordable housing units owned + managed	**2,360**		**2,340**		**2,363**	
1. Reinvestment	4.45%	5.15%	6.60%	4.9%	3.10%	4.60%
2. New supply delivered						
A – Social housing	1.83%	0.53%	0.17%	0.53%	0.0%	0.25%
B – Non-social housing units	0%	0.00%	0.00%	0.00%	0.0%	0.00%
3. Gearing %	28.55%	47.35%	27.90%	46.78%	27.30%	46.20%
4. EBITDA (MRI)	58.85%	37.82%	65.50%	57.66%	-65.90%	76.14%
5. Headline social housing costs per unit (CPU)	£9,701	£10,487	£10,149	£9,503	£10,821	£8,207
6. Operating margin %						
A – Social housing lettings	8.07%	14.78%	13.70%	14.84%	-10.00%	14.94%
B – Overall	10.27%	17.45%	16.10%	16.87%	-4.00%	16.16%
7. Return on capital employed	2.01%	2.67%	3.30%	2.49%	2.30%	2.12%
Breakdown of headline social housing costs per unit						
Management cost per unit	£2,755	£3,622	£1,994	£3,177	£1,696	£2,896
Service charge cost per unit	£2,119	£2,892	£1,459	£2,393	£2,375	£2,251
Maintenance cost per unit	£1,895	£2,440	£3,478	£2,449	£3,265	£2,106
Major repairs cost per unit	£2,825	£1,185	£3,064	£1,047	£3,430	£951
Other social housing cost per unit	£107	£348	£154	£387	£55	£296
Total	£9,701	£10,487	£10,149	£9,503	£10,821	£8,207

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 2025 to March 2026, ISHA delivered 41 housing units.

- 22 homes at High Road, Wood Green, comprising six Social Rented and 16 Shared Ownership homes, handover was in May 2025
- 19 homes at Sunnyside, comprising six Social Rented and 13 Shared Ownership homes, handover was in September 2025.

As of 31 March 2026, 55 units are in development:

- 25 homes at Barrett's Grove, comprising 21 London Affordable and four Shared Ownership homes, due for handover in July 2026.
- 30 homes at Wilmer Place, comprising 13 Social Rented and 17 Shared Ownership homes, due for handover in August 2027.

ISHA hopes to continue building low-cost homes in its areas of operation in line with our strategic plan.

Our vision in the final year of our Corporate Strategy was to co-create homes and communities where everyone can flourish. ISHA's 2020-25 development strategy, which was also extended for another year, 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 2026, our gearing ratio increased to 28.55%, from 27.9% in 2025. We continue to remain significantly below the sector's 2026 peer group average of 47.35%, reflecting our prudent approach to financial management.

ISHA continues to meet all loan obligations on time and look for opportunities to secure more favourable terms. Regular scenario and stress testing ensures our business plan stays resilient under different financial conditions.

Around one third of our homes remain unchanged, giving us flexibility and security for future borrowing. As our net assets grow, we expect gearing to decline further.

To support long term financial strength, we have agreed a set of Board approved 'golden rules' that guide major financial decisions. Our risk register is closely aligned with our strategic plan to ensure consistent, informed risk management.

The Association's EBITDA-MRI

EBITDA-MRI interest cover shows how much surplus we generate to meet interest payments, excluding income from asset sales. Although lenders no longer use this metric for covenant monitoring, it remains an important internal indicator of the sustainability of our income and our ability to maintain services without relying on disposals.

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ISHA's EBITDA-MRI interest cover worsened, decreasing from 65.5% to 58.85% in 2026. Although this remains below the Regulator of Social Housing's 100% benchmark, it is still above the 2026 peer group average of 37.82%, demonstrating that ISHA continues to perform comparatively strongly within a challenging operating environment.

This movement reflects the financial pressures affecting both the association and the wider sector, particularly the impact of building safety costs. Our operating surplus fell from £10.8m in 2025 to £6.6m in 2026, and the EBITDA-MRI result highlights how non operational factors have weighed on our financial performance.

Despite this, our 2027 business plan shows EBITDA-MRI returning to the 100% target in the medium term, supported by a more stable operating environment and improved underlying performance.

Headline social housing costs per unit (CPU)

ISHA's Headline Social Housing CPU was £9,701 in 2026, a 4% reduction from £10,149 in the previous year. This compares favourably with the peer group average of £10,487, reflecting our continued focus on cost control and value for money. Details of the individual components of Headline Social Housing CPU are set out in the Management CPU, Service CPU and Maintenance CPU sections.

These areas of spend demonstrate ISHA's commitment to resident safety and to maintaining high-quality homes.

Operating margin – social housing lettings

ISHA's operating margin for social housing lettings (SHL) reduced to 8.07% in 2026 from 13.70% in 2025 and remains below the peer group average of 14.78% for 2026. The reduction reflects the impact of ISHA's strategic decision to prioritise extensive repairs, maintenance and building safety works. While these investments increased operating costs and reduced margins in the short term, they have strengthened the quality, safety and sustainability of our homes, supporting improved performance over the longer term.

Operating margin – overall

ISHA's overall operating margin decreased from 16.10% in 2025 to 10.27% in 2026 and remained below the estimated peer group average of 17.45%. The reduction was driven by continued investment in quality and safety of our stock. The result also reflects ISHA's reduced reliance on property sales, with a greater focus on the performance of its core social housing activities and long-term financial sustainability.

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 2025–26, ISHA achieved a ROCE of **2.01%**, compared with **3.30%** in the previous year.

The reduction in ROCE was primarily driven by lower operating surpluses, reflecting continued investment in major repairs and building safety works, together with a reduction in surplus generated from the sale of assets. This reflects ISHA's strategic focus on maintaining the quality and safety of residents' homes while reducing reliance on property sales as a source of financial performance

Other metrics

Management CPU increased by 38% to £2,755 in 2026 from £1,994 in the previous year. However, this remains approximately 31% below the estimated peer group average of £3,622.

ISHA's comparatively low management costs reflect a strong focus on efficiency and effective cost control while continuing to deliver services to residents.

Service charge CPU increased to £2,119 per unit in 2026, up from £1,459 in 2025, representing an increase of approximately 45%. Despite this increase, it remains below the estimated peer group average of £2,892.

The increase primarily reflects higher charges from external managing agents, as well as inflationary pressures and increased costs associated with repairs, maintenance and communal services. Notwithstanding this increase, service charge costs remain below the peer group average, reflecting continued focus on value for money and cost control.

Maintenance CPU decreased from £3,478 in 2025 to £1,895 in 2026. While this is below the peer group estimated average of £2,440 for 2026, we have continued to invest in maintaining our homes, prioritising urgent repairs and enhancing the overall condition of our properties for the long term.

Major repairs costs per unit (CPU) also decreased to £2,825 in 2026 from £3,064 in 2025.

This decrease reflects the combined capitalised major repairs expenditure of £3.86m (2025: £5.97m) and major repairs revenue expenditure of £2.8m (2025: £1.2m).

The capitalised major repairs expenditure of £3.86m includes component replacements such as roofing, kitchens, lift installations, bathrooms, and boilers. The revenue expenditure is mainly £0.5m incurred for major repairs and £2.3m spent on planned works.

Other social housing costs per unit In 2026, ISHA's other social housing costs per unit decreased to £107, from £155 in 2025, primarily due to the absence of unrecoverable rent arrears write-offs during the year. Costs remain significantly below the peer group average of approximately £348.

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.

	2026 £	2025 £
The remuneration payable to the highest paid Director, relative to the size of the landlord	**57**	55
The aggregate amount of remuneration paid to Directors, relative to the size of the landlord	**275**	291
Management costs relative to the size of the landlord	**2,150**	1,994

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2025-26 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 2025-26.

Tenant Satisfaction Measure		2025-26	2024-25 results
TP01	Taking everything into account how satisfied or dissatisfied are you with the service provided by ISHA?	**57.2%**	57.5%
TP02	How satisfied or dissatisfied are you with the overall repairs service from ISHA over the last 12 months?	**68.9%**	63.2%
TP03	How satisfied or dissatisfied are you with the time taken to complete your most recent repair after you reported it?	**63.7%**	62.9%
TP04	How satisfied or dissatisfied are you that ISHA provides a home that is well-maintained?	**64.4%**	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?	**67.9%**	74.1%
TP06	How satisfied or dissatisfied are you that ISHA listens to your views and acts upon them?	**51%**	49%
TP07	How satisfied or dissatisfied are you that ISHA keeps you informed about things that matter to you?	**70.2%**	66.7%
TP08	To what extent do you agree or disagree with the following? "My landlord treats me fairly and with respect".	**68.2%**	72.7%
TP09	How satisfied or dissatisfied are you with ISHA's approach to complaints handling?	**24.8%**	22.2%
TP10	How satisfied or dissatisfied are you that ISHA keeps these communal areas clean and well-maintained?	**65.9%**	63.8%
TP11	How satisfied or dissatisfied are you that ISHA makes a positive contribution to your neighbourhood?	**63.6%**	62.1%
TP12	How satisfied or dissatisfied are you with ISHA's approach to handling anti-social behaviour?	**57.7%**	45.4%

Landlord's Management Information		2025-26	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	**81.1%**	79.9%
	(2) Proportion of emergency responsive repairs completed within the landlord's timescale	**92%**	99%
BS01	Proportion of homes for which all required gas safety checks have been carried out.	**94.6%**	100%
BS02	Proportion of homes for which all required fire risk assessments have been carried out.	**98.1%**	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.	**80.1%**	100%
BS05	Proportion of homes for which all required communal passenger lift safety checks have been carried out.	**92.7%**	100%
CH01	Number of complaints received per 1000 homes	**139.2 Stage 1 complaints** **40.8 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	**94.5% of stage 1 complaints** **91.3% 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	**35.6**	26.9
	(2) Number of anti-social behaviour cases that involve hate incidents opened per 1,000 homes	**0.8**	1.3

ISHA additional VFM Measures	2025-26	2024-25
Employee Engagement %	**52%**	58%
Cumulative Staff Turnover %	**28%**	28%
Average Staff Sickness Absence (Days)	**6.99**	10.19
FRA – number of overdue actions	**456**	221
Current arrears as a % of rent charged	**4.7%**	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
Satisfaction with our services has remained static, despite strong improvements in satisfaction with key areas, most notably, repairs. This is disappointing when considered against the work that has gone in to improving our services throughout the year. **We continued with our Neighbourhood Knock programme, visiting residents at home with the goal of getting to know the people behind the door. Our resident involvement approach expanded in response to feedback, and we have also invested to improve our management of anti-social behaviour, repairs and building safety and compliance.** **Through the satisfaction surveys and other resident feedback, we have clear information on where to focus our attention, and we are optimistic about continued improvement in the coming year. Our new housing management system has been in place for a year and has improved our data management in some areas, with further configuration and data checking to come. The new ISHA website has provided greater transparency on services and performance, continued with improvements.**	Our new Corporate Strategy for 2026-30 targets key activity focused on improving our homes and services, with a view to improving outcomes for residents. We will undertake service improvements with residents' input informing decision-making and under our new Resident Involvement Strategy, ensuring residents have a meaningful voice in decisions that affect them. We are continuing with our Neighbourhood Knock programme, visiting residents at home and working with TPAS to support our Resident Scrutiny Panel to effectively scrutinise priority areas. The Scrutiny Panel will be involved in the re-procurement of our new responsive repairs contract, from the beginning of the process to inform the specifications, through to the final interviews and quality assessments. The panel has also highlighted key activity in the new Corporate Strategy that they have identified for ongoing scrutiny as we deliver against the targets. Year one priorities include delivery of the planned resident portal, a dedicated new team to deliver priority service improvements, and a data exercise to inform a new Resident Insight Strategy.

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 68.9% of residents reporting satisfaction, a notable rise from 63.2% last year and 56.6% in the year before that. This positive shift reflects the impact of the ongoing improvement focus and key changes we've implemented.	Looking ahead to the coming year, our focus will be on building on this progress and continuing to improve the quality, responsiveness and consistency of our repairs service. We will strengthen our approach to compliance with Awaab's Law, ensuring we respond quickly and effectively to damp and mould and other health-related hazards.

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

Our Performance	Our Plans
In response to resident feedback we implemented a greater emphasis on employee training, especially with the introduction of our new in-house housing system, Rubixx. We invested further in Rubixx, to improve performance reporting so it could be used to better manage contractors. We added additional repairs and maintenance advisers to properly resource the team and introduced a senior surveyor role to boost capability in our surveying team. **Awaab's Law, which came into force on 27 October 2025, has also been a key driver for improvement within our repairs service. It has enabled us to review our end-to-end approach to managing damp, mould and other hazards, ensuring that we are responding more effectively and within clear timescales. As a result, we are strengthening our processes, improving communication with residents and identifying opportunities to deliver a more proactive, consistent and compliant service across all aspects of repairs.**	This will be supported by the introduction of a dedicated Resident Liaison Officer, providing enhanced support and communication to residents throughout the process. We are also exploring system and technology solutions specifically to support our Awaab's Law compliance, enabling better tracking, oversight and management of cases in line with statutory timescales. This will help us to identify risks earlier, improve coordination across teams and move towards a more proactive, rather than reactive, approach to repairs and resident safety. Alongside this, we will maintain our focus on contractor performance, service delivery standards and ongoing staff development to ensure we continue to meet residents' expectations and deliver a high-quality, reliable service.

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
Resident satisfaction with the time taken to complete repairs has continued to improve, rising to 63.7%, compared to 62.9% last year and 59.2% in 2023/24, demonstrating a steady upward trend over the past three years. **This continued improvement reflects the progress made in strengthening contractor oversight, improving communication with residents and investing in staff capability. These changes have supported more consistent delivery and a better overall resident experience when repairs are reported and completed.**	Building on this progress, our focus for the coming year will be on further improving the timeliness and reliability of our repairs service. We will continue to strengthen contractor performance management and embed consistent service standards across all aspects of delivery. A key priority will be enhancing our approach to Awaab's Law compliance, including how we track, manage and respond to damp, mould and other health-related hazards within required timescales. We are exploring system and technology solutions to support this, enabling better case management, improved oversight and earlier identification of risks. Alongside this, we will maintain our focus on staff development, resident communication and service coordination, with a clear aim of moving towards a more proactive approach that reduces delays and improves the overall resident experience.

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 64.4% of residents are satisfied with the maintenance of their homes, maintaining the significant improvement achieved in the previous year. **While this represents a small decrease from 2024–25, overall satisfaction has stabilised at a higher level than in 2023–24, reflecting sustained progress in our approach to asset management and repairs delivery.**	We remain committed to maintaining and improving the quality of our housing stock and increasing resident satisfaction. We will continue our five-year rolling programme of stock condition surveys, surveying approximately 20% of homes each year to ensure all data remains current. This approach enables targeted investment based on need, ensuring resources are focused on homes requiring the greatest improvement. We will strengthen the link between stock condition data, planned investment and responsive repairs, improving consistency in service delivery and outcomes.

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
During 2025-26, building safety remained a key priority, with continued delivery of Fire Risk Appraisals of External Walls (FRAEW), remedial works and fire safety improvements across higher-risk buildings. Stagnated remediation projects were driven forward, buildings identified as requiring action were fully engaged with developers, and we also used the Government's Cladding Safety Scheme to help expedite progress where schemes had stalled or financial support was needed.	In 2026-27 we will continue our programme of external wall assessments and remediation, with only a small number of lower-risk buildings remaining to be assessed. We will maintain focus on progressing remediation, continue close engagement with developers, consultants and contractors, and use available funding routes where appropriate to help secure timely completion of safety works and keep momentum where projects have previously stalled.

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

Our Performance	Our Plans
We have seen a slight improvement in our satisfaction scores on this area but acknowledge there is more to be done. **Our housing and neighbourhoods team undertook 'listening' training to support resident experience of feeling heard and understood.**	Our new Corporate Strategy targets improvements in key areas, which should contribute to improvements in this area. In year one of the new strategy, we will develop a new resident insight strategy – ensuring we have proper data on our residents, which will inform how we tailor services and involve residents to inform decisions that affect them.

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

Our Performance	Our Plans
We know from our complaints and TSM feedback that contacting us is not always straightforward and we are less good at following up on next steps. We've implemented our new housing management system, which supports better task allocation and follow through. **We also supported the Resident Scrutiny Panel to review complaints, repairs and anti-social behaviour performance, implementing their recommendations for improvement.**	We will continue our work with the tone of voice and how we communicate with residents, as well as our programme of Neighbourhood Knocks and Neighbourhood Night events, following through on feedback and issues raised. We are also introducing a new service improvement team, with a directive to focus on repairs processes, service charges and communication as their first projects.

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

Our Performance	Our Plans
The new-look and re-platformed website was launched late June. This modern site makes a huge difference to accessibility of key ISHA information, as it has been designed with accessibility standards in mind, and has a sophisticated accessibility function. It also has translations into key languages for our community and demographic. We have worked with focus groups of residents on further improvements to the site and communicated those plans to them. **We have made improvements to the design and content of monthly e-newsletters and twice-yearly printed magazines and Residents' Annual Report and increased website content. We introduced direct mailings to promote our Neighbourhood Nights events and began reviewing our methods of communication. A review of our tone of voice and content of everyday letters used across the business and training to staff on the importance of clarity in communication has been ongoing.** **We made direct mail-outs to residents about key legislation, such as building safety, providing them with engaging and useful information for their everyday lives, while making them aware as in our fire and home safety suite of booklets.** **We introduced new tone of voice poster campaigns for important information and behavioural nudges to improve community engagement.**	The introduction of the Resident 'My Home' portal as part of the new housing management system was delayed from last year. When launched this will allow residents access to their own information and sight of service requests for their home, and their rent payments. We will continue our printed magazines and monthly e-newsletters. Other plans include a repairs handbook and residents welcome pack and good neighbour guide. We are stepping up the Neighbourhood Knock events to get out and meet our residents in person, while Leadership Team continue regular walkabouts. Following work with residents on our new Resident Involvement Strategy, different types of engagement events will be piloted, and we will look at different methods of publicising those events and their effectiveness to further review our methods of communications. Building safety and repairs are also increasing their regular contacts, including in-person, to maximise reach and engagement and impact with residents. We introduced in-lift noticeboards for important messaging. We improved statutory noticeboard information and will be reviewing noticeboards across our estates, increasing where necessary, along with the quality of all information we display on them for clarity and tone of voice.

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 in the final year of our Strategic Plan 2020-2026 and is expected in all interactions with residents, colleagues and other stakeholders. **Our Equality, Diversity and Inclusion (ED&I) 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. We are signed up to the Government Disability Confident scheme and continue in our ambitions to be an inclusive organisation – including being proudly anti-racist and LGBTQ+ inclusive.** **Our Resident and Community Involvement Lead champions ED&I with our residents and is passionate about strengthening our inclusivity at every opportunity. Our policies and processes are reviewed by the ED&I Staff Council and also the Resident Scrutiny Panel as appropriate and are tested against ED&I measures to ensure they are inclusive.**	We are continuing our work to improve our resident data, and the new Corporate Strategy includes the development of a Resident Insight Strategy as a year one priority. We will undertake to complete gaps in our data, and once we have completed this, it is our intention to use the data to improve our services and be more responsive to resident needs. Working with colleagues, leadership and the Board, we have developed new values and behaviours to underpin delivery of our new Corporate Strategy: People-focused / Professional / Motivated to deliver / Compassionate. We believe these will provide a firm foundation for working with and for our residents. We expect all our employees to live by these values and demonstrate the associated behaviours. Our target-setting and management practices will include active monitoring.

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

Our Performance	Our Plans
While resident satisfaction with complaint handling continues to fall short of our target, we achieved a small improvement in 2025-26. We attribute this to various improvements to our complaints service this year, including implementing a new case management system in Rubixx, and expanding and embedding our complaints handling team. We have also developed tighter partnerships with our colleagues in the repairs team and our contractors, and we have worked to improve the awareness and understanding of the complaint process across the organisation, to ensure residents have a better end-to-end experience when they raise a complaint. All of these improvements have allowed us to deliver a small improvement in satisfaction, despite a significant increase in the number of complaints received.	We will continue to work towards achieving our long-term target, and have several important improvements planned for this year. Our efforts to partner more closely with our repairs team and our contractors will continue, as will our work to expand the complaints team. We are also developing and implementing a quality assurance process, which will involve case reviews to ensure that all residents are receiving a good level of service in how their complaints are handled. Finally, we are making changes to the customer journey for complainants, with an increased focus on phone calls and more in-depth conversations, to ensure that residents feel that their issues are being heard and understood. We expect all of these changes to help us to continue to improve our satisfaction scores in the coming year.

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

Our Performance	Our Plans
Resident satisfaction with the cleanliness and maintenance of communal areas has continued to improve, reaching 65.9%, compared to 63.8% last year and 63.4% in 2023/24, demonstrating a steady upward trend. **This improvement reflects the targeted actions taken over the past year, including increased inspection of communal areas, strengthened contractor oversight and a focus on addressing issues such as fly-tipping. These measures have supported a more consistent standard across our estates, although we recognise there remains further opportunity to improve.**	Over the coming year, we will continue to strengthen the quality and consistency of our estate services. A key priority will be the procurement of our estate services contract, which is due to expire. This provides an important opportunity to review current service delivery and incorporate feedback from residents. Alongside this, we will maintain our focus on ensuring communal areas are clean and well maintained.

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 and east 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 and services such as police and fire service which increased the sense of community support. **We held a 'What does home mean to you' photo competition to celebrate the pride residents take in their homes. We continued sponsorship of 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 will continue to work with our contractors and partners to coordinate neighbourhood improvement initiatives which contractors fulfil as part of their corporate social responsibility. A neighbourhood champions initiative will allow residents to hold us to account and support their neighbourhoods more meaningfully. As part of our targets in the first year of our 2026-30 strategy we will prioritise development of a Community Investment Strategy to set out our strategic goals for playing our part contributing to thriving communities.

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

Our Performance	Our Plans
TP12 Satisfaction with approach to anti-social behaviour (ASB) is 57.7%. This compares to 45.4% in 24/35. Despite this increase in satisfaction it is not where we want to be.	We will be reviewing our approach to dealing with ASB, which includes an increase in resources. We have an ASB improvement plan. As part of this we are further embedding the use of REACT software to support the management and reporting of ASB and will review our ASB policy and procedure.

Landlord's Management Information

RP01 Homes that do not meet the Decent Homes

Our Performance	Our Plans
We have continued to maintain 100% compliance with the Decent Homes Standard, with no homes falling below the standard over the past three years. **This reflects our ongoing investment in our housing stock, supported by comprehensive stock condition surveys and a planned approach to maintenance and improvement.**	As with previous years, we will continue to deliver a programme of regular stock condition surveys and planned investment to ensure all homes remain compliant with the Decent Homes Standard. Looking ahead, we are also beginning to prepare for the introduction of the new Decent Homes Standard (Decent Homes 2), which is expected to apply by 2035. While this is some way off, we are proactively reviewing our housing stock and using our stock condition data to inform long-term investment planning. This will enable us to identify future requirements early, align our investment programmes accordingly, and ensure our homes continue to meet both current and emerging standards.

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
Performance on completing repairs within target timescales has shown a mixed picture over the past year. For non-emergency repairs, performance improved slightly to 81.1%, up from 79.9% last year, although this remains below the 93.4% achieved in 2023/24. For emergency repairs, performance decreased to 92%, compared to 99% last year, but remains broadly in line with historical performance. **Overall, while there has been some recovery in non-emergency repairs, performance continues to be below expected levels, and further improvement is required to ensure repairs are consistently delivered within agreed timescales.**	Over the coming year, we will continue to focus on improving the timeliness of our repairs service, with a clear aim of building on the progress made and returning performance to previous levels. Led by our new service improvement team, this will include strengthening contractor performance management, improving the coordination of works and maintaining a strong focus on delivering repairs within target timescales. By continuing to embed these improvements, we aim to provide a more reliable and consistent service for residents.

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

Our Performance	Our Plans
We achieved 94.6% gas safety compliance during 2025-26. Outstanding certificates across three properties were related to communal boilers linked to district heat schemes. We continue to work with the managing agents across our area, to obtain evidence of compliance, in a timely manner.	We will return our gas safety compliance to 100% by working proactively with residents and contractors, and managing agents, improving access planning and maintaining strong performance monitoring. Our focus will remain on timely servicing, early intervention where appointments are missed and sustaining full compliance across all relevant homes.

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

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 456 outstanding overdue actions from all FRAs. This year a total of 1,022 actions were identified through our FRA process. **We are currently undertaking an FRA at all applicable buildings on an annual basis. This contributes to the high volume of actions that are generated.** **A significant number of actions relate to fire doors and we recognise the longer completion times arising from implementing and delivering these programmes to ensure an open and clear process for our residents, including leaseholders.** **Our process includes a comprehensive desktop review of every property requiring an FRA.** **We remain focused on reducing the number of outstanding actions using a risk based approach to put our residents safety first.**	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. We are: • Undertaking a deep dive looking at our operational processes and resources to ensure we can drive improved performance and lower the number of outstanding actions. • Reinforcing mitigation actions to ensure that where FRA actions are outstanding our buildings are safe. • Accelerating our FRAEW programme to improve our understanding of our buildings and to accelerate any necessary remedial works that arise. We have moved away from expensive waking watch to risk and fire alarm based systems to create more reliable and safer buildings for our residents.

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

Our Performance	Our Plans
We maintained 100% compliance for required asbestos management surveys and re-inspections during 2025-26. This demonstrates continued effective management of the programme, strong contractor oversight and a consistent approach to monitoring asbestos-related risk across the homes where inspections were required.	We will continue to target 100% compliance.

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

Our Performance	Our Plans
At the end of 2025-26, required water risk assessments had not been completed at five sites. The delay completing these was related to a change of sub-contractor, which caused access issues. This was resolved and all required checks were completed by the end of April.	In 2026-27 we will continue to work with our contractor to maintain a robust Legionella control programme, ensuring inspections, monitoring and any remedial actions are completed on time. We will also continue to strengthen reporting and assurance so that risks are identified and managed effectively.

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

Our Performance	Our Plans
During 2025-26 we continued to manage lift safety through planned inspections, responsive repairs and ongoing monitoring of lift performance across the stock. **Where reliability issues were identified, these informed longer-term investment decisions to help ensure lifts remained safe, operational and fit for purpose for residents.**	In 2026-27 we will continue to review lift condition, performance and lifecycle planning so that investment is targeted where it is most needed. This will support safe and reliable lift operation, reduce disruption for residents and ensure our asset strategy continues to reflect operational performance and risk.

CH01 Complaints received relative to the size of the organisation.

Our Performance	Our Plans
We have seen a sharp increase in the number of complaints received this year. We attribute this to an increased understanding and awareness of the complaints process among our residents and our colleagues. Our complaints form is prominently visible on our website, and our staff have been trained to recognise complaints even when the resident does not specifically use the word "complaint". **We did also experience some interruptions in service in our higher-demand service areas during the year, including some attrition among our repairs call handling staff, surveyors, and neighbourhood officers. All of these contributed to the increase in complaints compared to last year.**	We have addressed the staffing issues in our repairs and neighbourhoods teams and are continuing to partner closely with our repairs team and contractors to ensure that potential issues are resolved before a complaint can arise. We have also expanded our complaints team and are implementing a quality assurance process, which will allow us to reduce our escalation rate, and allocate more staff time to ensuring that lessons are learned from complaints, which should in turn help reduce the number of complaints we receive. We've committed to hiring and embedding a dedicated service improvement team, whose role will be to systematically address areas that need to improve. We expect that their work will also, in the long term, reduce our complaints.

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CH02 Complaints responded to within Complaint Handling Code timescales.

Our Performance	Our Plans
We are satisfied to have maintained our high rate of compliance with the deadlines specified by the Complaints Handling Code, particularly considering the large increase in complaints received. Despite receiving far more complaints, we responded to almost all of them in time, thanks to the efficient work of our expanded team, and the support offered by our new case management tool in Rubixx.	We have consistently achieved our corporate target for responding to complaints in time and intend to continue to do so for the coming year. We will ensure that our focus on improving quality and reducing inbound complaints does not change our ongoing focus on responding to complaints on time.

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

Our Performance	Our Plans
ASB satisfaction has increased in the past year, reflecting the work put in to recording and responding to reports. The increased number of cases per 1,000 homes reflects improvement on previous under-reporting, using the new ASB management system, REACT, to improve capture and management of new cases.	We aim to increase the focus and monitoring of how we communicate with victims of ASB, as transactional surveys indicate that poor communication is one of the main drivers of dissatisfaction in this area. We plan to increase the resource in the tenancy team from three to four tenancy officers to enable this as stretched resources has impacted on this in the past. We are also developing leaflets and information that help manage the expectations of complainants of ASB clarifying what ISHA can do to tackle ASB and the role of the victim/complainant in this process.

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ISHA additional VFM Measures

Employee Engagement %

Our Performance	Our Plans
Despite considerable work to engage employees in the past year, the engagement score remains disappointingly low. This may have been influenced by the increase in participation this year compared with previous years. We conducted a culture-deep dive with employees in 2025 to explore this further and will build on it in the new financial year.	Employees are a key strand in the new Corporate Strategy, recognising the importance of the workforce to achieving our objectives. As part of this strand we will be building on the culture piece that began in December 2025.

Cumulative Staff Turnover %

Our Performance	Our Plans
We have had a year of change, with three members of the Leadership and several members of the Management team among the leavers. The overall turnover was about the same as last year, with slightly higher numbers of voluntary leavers than involuntary leavers this year.	Employees are a key strand in the new Corporate Strategy, recognising the importance of the workforce to achieving our objectives.

Average Staff Sickness Absence (Days)

Our Performance	Our Plans
Our target for this metric was 4 days and unrealistic when compared with the national average of 9.4 days. At year end our average staff sickness absence was 6.99 (compared with 10.19 in the previous year)	We have refreshed targets to deliver these as set out in the employee strand of the new Corporate Strategy.

Current arrears as a % of rent charged

Our Performance	Our Plans
Arrears as a % of rent charged has recently dropped below 5% for the first time in several years, which is a reflection of the hard work put in by the relevant teams.	We have set an income recovery target of 4.5% for 2026/27. We aim to achieve this by reorganising resources in the income recovery team which will increase the income recovery officers post from three to four. We also plan to introduce arrears predictive analytics software that analyses rent transaction data and uses algorithms to prioritise rent arrears cases. This will support income officers to identify tenants at risk of arrears earlier and take action accordingly.

Fire Risk Assessments – number of overdue actions

Our Performance	Our Plans
At the end of the year, we had 456 outstanding overdue actions form all FRAs. This year a total of 1,022 actions were identified through our FRA process.	We will be smoothing out our programme of FRAs to improve management and oversight and we will also be increasing capacity in our contractor base to ensure that we are better able to quickly respond to actions. We have introduced further oversight of actions and FRAs by our building safety team and we will also continue to review and ensure mitigations are in place and regularly reviewed.

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Board's Responsibilities Statement

(Registered Social Housing Provider (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 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.

Independent auditor's report to the members of Islington & Shoreditch Housing Association Limited

Opinion

We have audited the financial statements of Islington & Shoreditch Housing Association Limited (the "Association") for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2026 and of its surplus 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 Board is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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

Financial statements for the year ended 31 March 2026

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 requires us to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities set out on 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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.

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 2022, 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.

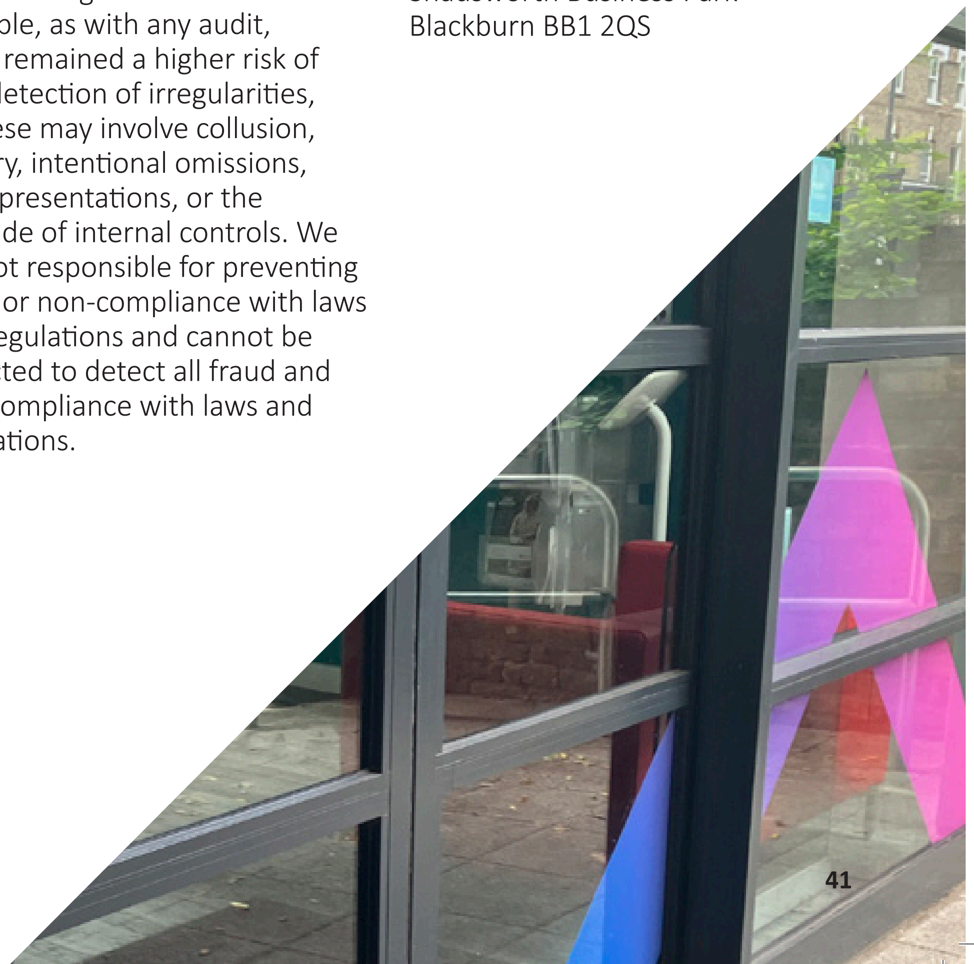
Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained 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 the audit report

This report is made solely to the Association's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.

Menzies LLP

Chartered Accountants and Statutory Auditor
Suite 16b, The Beehive Lions Drive
Shadsworth Business Park
Blackburn BB1 2QS



Statement of Comprehensive Income

for the year ended 31 March 2026

	Notes	2026 £'000	2025 £'000
Turnover	2	31,064	30,696
Operating costs	2	(27,873)	(25,751)
Surplus on sale of properties and land	20	3,405	5,873
Operating surplus	2	**6,595**	**10,818**
Interest receivable		216	524
Interest and financing costs	7	(4,386)	(3,926)
Movement in fair value of investment properties	9	(835)	125
Surplus for the year		1,589	7,541
Initial recognition of multi-employer defined benefit scheme		-	-
Actuarial gains / (losses) in respect of pension scheme	23	52	182
Total comprehensive income for the year		**1,641**	**7,723**

All amounts relate to continuing operations. The accompanying notes on pages 46 to 70 form part of these financial statements.

The financial statements were authorised and approved by the Board on 29 July 2026.

Bob Heapy
(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 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**
Comprehensive income for the year	1,586
Other comprehensive income for the year	52
Balance as at 31 March 2026	**101,751**

The accompanying notes on pages 46 to 51 form part of the financial statements.

Statement of Financial Position

as at 31 March 2026

	Notes	2026 £'000	2025 £'000
Fixed Assets			
Tangible fixed assets	8	317,501	312,700
Investment Properties	9	19,275	20,110
Intangible Assets	10	-	-
		336,776	**332,810**
Current Assets			
Properties held for sale	11	-	67
Trade and other debtors	12	2,542	2,728
Cash and cash equivalents		10,775	9,280
Creditors amounts falling due within one year	13	(22,601)	(21,392)
Net Current Assets		**(9,284)**	**(9,317)**
Total Assets Less Current Liabilities		**327,492**	**323,493**
Creditors amounts falling due after more than one year	14	224,270	220,717
Provisions for Liabilities			
Defined benefit pension liability	23	838	1,221
Other provisions	24	633	1,442
Total Net Assets		**101,751**	**100,113**
Reserves			
Share capital – Non Equity	18	-	-
Income and expenditure reserve		101,751	100,113
Total Reserves		**101,751**	**100,113**

All amounts relate to continuing operations. The accompanying notes on pages 46 to 70 form part of these financial statements. These financial statements were authorised and approved by the Board on 29 July 2026 and were signed on their behalf by:

R. o. Heapy — Jonathan Bunt — Laura Hopper

Bob Heapy
(Chairman)

Jonathan Bunt
(Chair of the Audit and Risk Committee)

Laura Hopper
(Secretary)

Statement of Cash Flows

	Notes	2026 £'000	2025 £'000
Net cash generated from operating activities	(a)	7,294	8,603
Cash flow from investing activities			
Purchase of tangible fixed assets		(14,142)	(20,782)
Proceeds from sale of tangible fixed assets		6,391	9,272
Grants received		1,325	1,328
Interest received		216	524
		1,084	(1,055)
Cash flow from financing activities			
Interest paid		(4,457)	(3,851)
Repayment of borrowings		(4,133)	(3,762)
Loan principal drawdowns		9,000	6,000
Net change in cash and cash equivalents		**1,494**	**(2,668)**
Cash and cash equivalent at the beginning of the year		**9,281**	**11,949**
Cash and cash equivalent at the end of the year		**10,775**	**9,281**

Notes to the Statement of Cash Flows

for the year ended 31 March 2026

a. Cash flows from operating activities	2026 £'000	2025 £'000
Operating surplus	6,595	10,818
Adjustments for non-cash items:		
Depreciation and amortisation of fixed assets	4,478	4,449
Impairment of housing properties	-	-
Amortisation of grant income	(1,468)	(1,473)
Decrease / (increase) in trade and other debtors	186	(279)
Decrease / (increase) in trade and other creditors	423	(1,165)
Decrease / (increase) in provisions	809	(171)
Decrease / (increase) in pension liability	(383)	(508)
Defined pension interest charged	(60)	(75)
Actuarial (loss) / gains in respect of pension scheme	52	182
Decrease / (Increase) in properties held for sale	67	1,175
Net gain from sale of fixed assets	(3,583)	(5,873)
Costs of fixed assets disposed	178	1,523
Net cash from operating activities	**7,294**	**8,603**

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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 taken advantage of the disclosure exemptions permitted under FRS 102 paragraphs 1.11-1.12 in respect of certain financial instrument disclosures.

The Association has not taken the exemption from preparing a statement of cash flows, as this is required by the Accounting Direction for Private Registered Providers for Social Housing 2022.

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 2026/27 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 the useful lives of depreciable assets at each reporting date based on the expected utility. Uncertainty arises from technological obsolescence affecting IT assets and changes to Decent Homes Standards that may require earlier replacement of components. The total accumulated depreciation at 31 March 2026 was £66.8m (note 8).

Financial statements for the year ended 31 March 2026

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 £13.95m (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 £19.28m at the year-end (2025: £20.11m). See note 9.

Subsidiary

The Association previously had a dormant subsidiary, Urban Style Limited (Registered number: 04606207, registered in England). The company had no transactions or balances during the year and was therefore not considered into the Association's financial statements on the grounds of materiality.

Urban Style Limited was formally dissolved on 23 December 2025.

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 Value Added Tax (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

Non-government grants are accounted for under the performance model in accordance with FRS 102 Section 24.

Grants that do not impose specific performance conditions on the Association are recognised as income when they are received or receivable.

Where grants are subject to specific performance-related conditions, they are recognised as a liability until those conditions are met, at which point the grant is recognised as turnover.

Value Added Tax

The Association charges VAT on certain supplies and is able to recover a proportion of the VAT incurred on expenditure in accordance with its partial exemption status. Irrecoverable VAT is included within the relevant expenditure categories in the Statement of Comprehensive Income.

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Financial statements for the year ended 31 March 2026

Amounts of VAT payable or recoverable at the year end are included within current liabilities or current assets as appropriate.

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 Social Housing Grant (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

The Association's financial instruments comprise cash, trade and other receivables, loans, and trade and other payables.

Financial instruments that meet the definition of basic financial instruments in FRS 102 Section 11 are measured at amortised cost using the effective interest method.

Non basic financial instruments are measured at fair value at each reporting date, with changes in fair value recognised in surplus or deficit 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 2026, the net defined benefit pension liability was £838k (2025: £1,221k) which has been included within the provisions for pensions liability in the financial statements.

In the year ended 31 March 2026, the expenses are charged against operating surplus. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income (see note 23).

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.

The Association previously participated in the defined benefit section of the scheme but ceased active participation on 30 November 2021, although it continues to carry obligations relating to past service.

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 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.

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 association 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

2026

	Notes	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Operating surplus £'000
Social housing lettings	3	25,179	-	23,146	2,033
Other social housing activities					
First tranche shared ownership sales		3,140	2,314	-	826
Development activities		198	-	193	5
Fees for development services		61	-	61	-
Other		295	-	-	295
Activities other than Social Housing					
Non letting services		392	-	653	(261)
Commercial properties		1,307	-	1,058	249
Private renting		492	-	447	45
Subtotal		**31,064**	**2,314**	**25,559**	**3,190**
Sale of properties and land		6,391	2,986	-	3,405
Total		**37,455**	**5,301**	**25,559**	**6,595**

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
Subtotal		**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**

3. Particulars of income and expenditure from social housing lettings

	Housing £'000	Supported Housing £'000	Shared Ownership £'000	2026 £'000	2025 £'000
Income					
Rents receivable net of identifiable service charges	16,301	631	3,204	20,136	19,581
Service charge income	2,377	286	1,022	3,686	3,423
Amortised government grant	1,358	-	-	1,358	1,258
Turnover from social housing lettings Housing	**20,036**	**917**	**4,226**	**25,179**	**24,262**
Operating costs					
Service charge costs	3,822	258	920	5,000	3,413
Management	4,753	321	1,428	6,502	4,666
Routine maintenance	4,309	163	-	4,471	6,092
Planned maintenance	2,234	84	-	2,318	2,046
Major repairs expenditure	470	18	-	488	1,198
Bad debts	42	2	-	43	290
Depreciation of housing properties	3,868	104	351	4,323	3,236
Impairment of housing property	-	-	-	-	-
Operating expenditure on social housing lettings	**19,498**	**950**	**2,699**	**23,146**	**20,941**
Operating (deficit) / surplus on social housing letting	**538**	**(33)**	**1,527**	**2,033**	**3,321**
Void losses	**(112)**	**(9)**	**(42)**	**(164)**	**(242)**

Key management personnel

The highest-paid director for the year ended 31 March 2026 was the Director of Development, Building Safety & Deputy CEO, with remuneration of £125.4k (2025: Finance Director, £162k). Remuneration per social housing unit owned and managed was £53 (2025: £69).

4. Key management personnel remuneration

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

	2026 £'000	2025 £'000
Basic salaries	550	556
National Insurance	67	67
Pension contributions	34	55
Bonus	-	-
	650	**678**

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:

	2026 No.	2025 No.
60,001 to 70,000	6	3
70,001 to 80,000	4	4
80,001 to 90,000	2	2
90,001 to 100,000	4	3
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
150,001 to 160,000	-	-
160,001 to 170,000	-	-
170,001 to 180,000	-	1

Board members

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

	2026 £	2025 £	
Mervyn Jones	5,133	10,500	(To September 2025)
Justin Fisher	6,000	5,600	
June Riley	4,000	3,600	
Daven Masri	790	2,400	(To June 2025)
Mohammed Baporia	4,000	3,600	
Alwyn Lewis	6,000	5,600	
John Biggs	1,867	3,600	(To September 2025)
Gemma Colby	4,000	3,600	
Heather Topel	1,867	5,600	(To September 2025)
Jonathan Bunt	6,000	1,177	
Alison Hatcher	4,000	1,177	
Robert Heapy	6,963	-	(Appointed June 2025)
Yasmin Khan	-	1,680	
	50,619	**48,134**	

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:

	2026 No.	2025 No.
Administration	33	32
Development	10	11
Housing & Neighbourhoods	52	48
	95	**91**

Employee costs:

	2026 £'000	2025 £'000
Wages	4,287	4,116
Social security costs	546	430
Pension costs	289	296
Temporary Staff costs	813	750
	5,935	**5,592**

6. Operating surplus

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

	2026 £'000	2025 £'000
Depreciation:		
Housing properties	4,323	4,282
Other tangible fixed assets	128	166
Amortisation of intangible assets	-	1
Impairment of housing properties	-	-
Surplus on sale of properties and land	3,405	5,873
Auditors' remuneration (excluding VAT):		
Audit of the financial statements of the association	42	40
Non-audit services – VAT advisory and Corporation tax compliance service	12	15

7. Interest and financing costs

	2026 £'000	2025 £'000
Interest on housing loans	4,179	3,737
Loan non-utilisation fees	278	290
Defined benefit pension charge	73	75
Less: Capitalised interest	(144)	(176)
	4,386	**3,926**

Capitalised interest is based on the average cost of borrowing incurred by the association during the financial year. This amounts to 3.50% (2025: 3.50%).

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	Total £'000
Cost								
At 1 April 2025	291,493	54,415	25,607	**371,516**	795	3,731	**4,526**	**376,042**
Additions	3,861	-	10,089	**13,950**	161	31	**192**	**14,142**
Reclassification	-	67	-	**67**	-	-	**-**	**67**
Interest capitalised	-	-	144	**144**	-	-	**-**	**144**
Disposals	(1,615)	(4,453)	-	**(6,068)**	-	-	**-**	**(6,068)**
Impairment	-	-	-	**-**	-	-	**-**	**-**
Schemes completed	4,880	10,129	(15,009)	**-**	-	-	**-**	**-**
At 31 March 2026	298,619	60,159	20,831	**379,609**	956	3,762	**4,718**	**384,327**
Depreciation								
At 1 April 2025	56,154	3,498	-	**59,652**	337	3,356	**3,693**	**63,345**
Released on disposals	(888)	(111)	-	**(999)**	-	-	**-**	**(999)**
Charge for the year	3,972	351	-	**4,323**	16	139	**155**	**4,478**
At 31 March 2026	59,238	3,738	-	**62,976**	353	3,495	**3,848**	**66,824**
At 31 March 2026	239,381	56,420	20,831	**316,632**	603	267	**870**	**317,502**
At 31 March 2025	235,340	50,917	25,607	**311,864**	458	375	**833**	**312,697**

Expenditure in works to existing properties

	2026 £'000	2025 £'000
Components capitalised	3,861	5,972
Amounts charged to income and expenditure	7,278	9,336
	11,138	**15,308**

Social housing assistance

	2026 £'000	2025 £'000
Total accumulated social housing grant received or receivable as at 31 March:		
Recognised in the Statement of Comprehensive Income	1,358	1,258
Held as deferred income	123,906	124,610
Subsumed within reserves	26,313	25,055
	151,577	**150,923**

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

	2026 £'000
Capitalised at 1 April 2025	20,110
Increase in value	(835)
Costs Capitalised	-
At 31 March 2026	**19,275**

The Group's commercial and market rent residential investment properties were independently valued at 31 March 2026 by Res Prop Chartered Surveyors, RICS registered external valuers. Valuations were prepared on a Market Value basis in line with IFRS 13 and RICS Red Book (VPS4).

Commercial properties were valued using a rent capitalisation (rent and yield) approach, supported by market evidence on yields, rents, and capital values from agents, auction data, and commercial databases. Residential properties were valued on an individual long leasehold sale basis, using vacant possession values adjusted for letting restrictions and cross checked against gross yields.

The portfolio is revalued annually and values are sensitive to occupancy, lease terms, yields, and wider market conditions; movements of ±5% are common.

FY2025/26 was an exceptional valuation, showing £835k loss, compared with a £125k gain in 2025 and a £166k loss in 2024.

Financial statements for the year ended 31 March 2026

10. Intangible assets

	2026 £'000
Cost	
At 31 March 2025	257
Write off	**(257)**
At 31 March 2026	-
Amortisation	
At 31 March 2025	257
Released on write off	**(257)**
Charge for the year	-
At 31 March 2026	-
Net book value	
At 31 March 2026	-
At 31 March 2025	-

11. Properties for sale

	2026 £'000	2025 £'000
Shared-ownership properties: Completed properties	-	67
	-	**67**

12. Debtors

	2026 £'000	2025 £'000
Rent and service charges receivable	1,919	2,077
Less: provision for bad and doubtful debts	(1,280)	(1,310)
	639	767
Other debtors	636	683
Prepayments and accrued income	1,267	1,278
	2,542	**2,728**

Included in the association's prepayments and accrued income are loan fees of £319k (2025: £340k) due after more than one year.

13. Creditors: amounts falling due within one year

	2026 £'000	2025 £'000
Debt (Note 15)	2,564	2,189
Trade creditors	560	1,448
Rent and service charges received in advance	1,199	1,883
Recycled capital grant fund (Note 17)	1,188	236
Deferred grant income (Note 16)	1,358	1,454
Other taxation and social security	21	210
Other creditors	4,662	5,506
Accruals and Deferred Income	11,049	8,466
	22,601	**21,392**

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

	2026 £'000	2025 £'000
Debt (Note 15)	98,593	94,103
Recycled capital grant fund (Note 17)	3,127	3,458
Deferred grant income	122,549	123,156
	224,269	**220,717**

15. Debt analysis

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2026 £'000	2025 £'000
Within one year or on demand	2,564	2,189
One year or more but less than two years	4,177	4,524
Two years or more but less than five years	8,604	14,437
Five years or more	85,812	75,142
	101,157	**96,292**

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 9.50%. The revolving facility as at March 2026 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

	2026 £'000	2025 £'000
Grant received		
At 1 April	150,923	149,056
Grant received during the year	1,784	2,997
Grant disposal during the year	(1,130)	(1,130)
At 31 March	**151,577**	**150,923**
Grant amortised		
At 1 April	26,313	25,055
Amortised to income in the year	1,468	1,473
Eliminated on disposal in the year	(111)	(215)
At 31 March	**27,671**	**26,313**
Amounts to be released within one year	1,445	1,454
Amounts to be released in more than one year	122,461	123,156
	123,906	**124,610**

17. Recycled Capital Grant Fund

	2026 £'000	2025 £'000
At 1 April	3,458	3,035
Grants recycled	-	-
Interest Accrued	**14**	(19)
Staircasing	**1,129**	1,132
Repayment of grant	**(286)**	(690)
	4,315	**3,458**

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

18. Share capital

	2026 £'000	2025 £'000
Shares of £1 fully paid and issued	9	10
Shares issued during year	3	-
Repayment of grant	(4)	(1)
	8	**9**

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

	2026 £'000	2025 £'000
At 1 April		
Expenditure contracted for but not provided in the accounts	16,795	28,440
Expenditure authorised by directors, but not contracted	9,398	-
	26,193	**28,440**

Of the above £16.8m expenditure contracted but not provided for, £1.3m (2025: £3.8m) is to be financed by SHG, £0.1m from other Grant, £1.4m (2025: £2.9m) from sales, and the remaining £14.0m (2025: £17.0m) is to be financed by existing cash resources and borrowings.

There is uncommitted expenditure for Honsey Road forecasted as at 31 March 2026.In 2025, £9.4m (2025: £7.4m) to be funded by grant £3.6m, £0.5m (2025: £2m) from sales, and the remaining £5.3m (2025: £8.4m) from other income and loan finance.

20. Surplus on sale of fixed assets – housing properties

	2026 £'000	2025 £'000
Sales proceeds	6,391	9,272
Carrying value of fixed assets	(2,986)	(3,399)
	3,405	**5,873**

21. Accommodation in management and development

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

	2026 Units	2025 Units
Social housing		
General housing:		
– social rent	1,632	1,523
– affordable rent	232	336
Supported housing & housing for older people	97	103
Intermediate rent	1	1
Shared ownership	397	399
Staff rental units	1	1
Total social housing units owned & managed	2,360	2,340
Non-social housing		
Private renting	18	18
Total owned and managed	**2,378**	**2,358**
Accommodation in development at the year end	94	102

As at 31 March 2026, the Association has no units being managed on its behalf, under management agreements by other bodies.

22. Related party disclosure

ISHA had no Resident Board Members during the year, as the only resident member sold his flat in the previous financial year (on 31/05/2025). There was one co-opted committee member, who was a non-resident leaseholder, who served during the year and resigned in June 2026. His tenancy was on normal commercial terms, and the balance shown below represents three months of service charge payments made during the year:

	2026 £	2025 £
Total service charges for the year	606	5,714
Prepayments on account at 31 March	-	2,191
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 was notified by the Trustee of the Scheme in 2021 that, following a review of historical changes made to the Scheme's benefits, there is uncertainty surrounding the validity of certain amendments. The Trustee is seeking clarification from the Court on these matters, and this legal process remains ongoing. A determination is not expected before the end of 2026 at the earliest. Until the Court's decision is received, it is not possible to determine whether any increase in liabilities will arise or, if so, the extent of any increase. Accordingly, no adjustment has been made in these financial statements in respect of this matter.

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 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 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.

The company's share of the SHPS net deficit at 31 March 2026 is £838k (2025: **£1,221k**).

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

	2026 £'000	2025 £'000
Fair value of plan assets	7,658	7,170
Present value of defined benefit obligation	(8,496)	(8,391)
(Deficit) in plan	(838)	(1,221)
Net defined benefit asset (liability) to be recognised	**(838)**	**(1,221)**

Reconciliation of opening and closing balances of the defined benefit obligations

	2026 £'000
Defined benefit obligation at start of period	8,391
Expenses	13
Interest expense	480
Actuarial losses (gains) due to scheme experience	(47)
Actuarial losses (gains) due to changes in demographic assumptions	75
Actuarial losses (gains) due to changes in financial assumptions	(109)
Benefits paid and expenses	(307)
Defined benefit obligation at end of period	**8,496**

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

	2026 £'000
Fair value of plan assets at start of period	7,170
Interest income	420
Experience on plan assets (excluding amounts included in interest income) – gain (loss)	(29)
Employer contributions	404
Benefits paid and expenses	(307)
Fair value of plan assets at the end of period	**7,658**

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

	2026 £'000
Expenses	13
Net interest expense	60
Fair value of plan assets at the end of period	**73**

Defined benefit costs recognised in other statement of comprehensive income

	2026 £'000
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	(29)
Experience gains and losses arising on the plan liabilities – gain (loss)	47
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	(75)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	109
Total amount recognised in Other Comprehensive Income – gain	**52**

Assets

	2026 £'000	2025 £'000
Global Equity	849	803
Absolute Return	-	-
Distressed Opportunities	-	-
Credit Relative Value	-	-
Alternative Risk Premia	-	-
Liquid Alternatives	1,364	1,330
Emerging Markets Debt	-	-
Risk Sharing	-	-
Insurance-Linked Securities	11	22
Property	374	359
Infrastructure	-	1
Private Equity	16	6
Real Assets	721	858
Private Debt	-	-
Opportunistic Illiquid Credit	-	-
Private Credit	925	878
Credit	305	274
Investment Grade Credit	450	221
High Yield	-	-
Cash	1	97
Long Lease Property	-	2
Secure Income	232	120
Liability Driven Investment	2,335	2,172
Currency Hedging	-	11
Net Current Assets	75	16
Total assets	**7,658**	**7,170**

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

Key assumptions

	31 March 2026 % per annum	31 March 2025 % per annum
Discount Rate	6.08%	5.82%
Inflation (RPI)	3.31%	3.10%
Inflation (CPI)	3.03%	2.79%
Salary Growth	4.03%	3.79%
Allowance for commutation of pension for cash at retirement	75%*	75%*

* of maximum allowance

The mortality assumptions adopted at 31 March 2026 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2025	20.9
Female retiring in 2025	23.2
Male retiring in 2045	22.2
Female retiring in 2045	24.6

24. Provisions for liabilities – other provisions

	2026 £'000	2025 £'000
Burbage & Limegrove cladding	-	730
City Road grant interest	633	633
Bulk refuse charges refund	-	79
At 31 March	**633**	**1,442**

As at 31 March 2026, the only remaining provision is £0.6m for interest payable on funding for the City Road development. This amount is retained pending identification of a suitable project; otherwise, the grant may need to be returned or the interest cost absorbed.

The provision for fire safety remedial works was released during 2025. The planned cladding works have been completed, and confirmation has been received that no further remedial works are required. Accordingly, no additional expenditure is anticipated. The provision relating to the 2024 bulk refuse overcharges has also been released. All legacy complaints and associated service charge adjustments have been resolved, and the relevant refunds have been processed. As a result, the provision is no longer required.

There is an ongoing investigation into an incident at one of ISHA's properties. As at 15 July 2026 there are no claims in existence and as such, there is currently no liability. It follows that ISHA should not require a provision to be included in this year's accounts.

25. Financial assets and liabilities

Categories of financial assets and financial liabilities

	2026 £'000	2025 £'000
Financial assets that are debt instruments measured at amortised cost		
Other debtors	**2,542**	**2,716**
Financial liabilities measured at amortised cost		
Loans (Note 15)	101,157	96,292
Trade and other creditors	148,277	148,479
	249,434	**244,771**

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:

	2026 £'000	2025 £'000
Floating rate on money market deposits	6,061	4,999
Financial assets on which no interest is paid	4,714	4,281
	10,775	**9,280**

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:

	2026 £'000	2025 £'000
Fixed rate	77,063	86,694
Floating rate	24,095	9,598
	101,158	**96,292**

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 3.5% (2025: 3.54%) and the average period for which it is fixed is 17 years (2025: 17 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:

	2026 £'000	2025 £'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. £9 million drawdown of the facility was made during the year (2025 – £6million) to facilitate the purchase of our new Sunnyside 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:

	2026 £'000	2025 £'000
Within one year	6	6
Between two and five years	10	16
	16	**22**

27. Net debt analysis

	At 1 April 2025	Cash flows	Other non-cash changes	At 31 March 2026
Cash and cash equivalents				
Cash	10,351	423	-	10,775
Overdrafts	(1,071)	1,071	-	-
Cash equivalents	9,280	1,495	-	10,775
Borrowings				
Debt due within one year	(2,189)	(375)	-	(2,564)
Debt due after one year	(94,103)	(4,490)	-	(98,593)
	(96,292)	(4,865)	-	(101,157)
Total	(87,012)	(3,370)	-	(90,382)

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