

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2025

REGISTERED RSH NO. L0461

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

CONTENTS

	Page Number
Board Membership and Advisors	2
Board Report	3 - 7
Independent Auditor's Report to the Members	8 - 10
Statement of Comprehensive Income	11
Balance Sheet	12
Statement of Changes in Equity	13
Statement of Cash Flows	14 - 15
Notes to the Financial Statements	16 - 35

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

BOARD MEMBERSHIP AND ADVISORS

Board	Dale Walker (Chair) Marina Robertson (Vice - Chair) Ben Hutton (Treasurer) Maggie McCann Josephine Parsons Gareth Jones Ayo Akinwale Sian Hajba Tyron Julien
--------------	--

Chief Executive	Shahron Shah
------------------------	--------------

Secretary	Michael Pughsley
------------------	------------------

Registered Office	Energy Centre 31 Church Hill London E17 3RU
--------------------------	--

Bankers	Lloyds Bank plc 39 Threadneedle Street, London, EC2R 8AU
----------------	--

Auditors	Knox Cropper Chartered Accountants 5 th floor, 65 Leadenhall Street London EC3A 2AD
-----------------	--

Regulator of Social Housing Registered Number	L0461
--	-------

Co-operative and Community Benefit Society Number	21186R
--	--------

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BOARD REPORT

FOR THE YEAR ENDED 31 MARCH 2025

1. Principal activity

Waltham Forest Housing Association (WFHA) is a registered provider of social housing. We have operated solely in the London Borough of Waltham Forest for more than sixty years.

We currently own 329 homes; 155 general needs, 152 sheltered housing, 21 supported housing and 1 is leased to another provider to house young homeless people.

The supported housing units are provided in partnership with Outward Housing and Outlook Care who are specialist organisations in supporting people with learning disabilities and autism.

All our homes are provided at social rent.

We are a community focused, values-based, tenant-centric organisation with an excellent reputation for “punching above our weight”.

Our vision: WFHA is working to deliver a future where everyone, in every community we serve, has a safe, truly affordable home and great life chances in a society where they are valued and respected.

Our values:

- We **RESPECT** people and communities through our belief in equality, inclusion and the value of diversity. We believe that structural inequalities in our society create systemic disadvantages. We are an anti-racist organisation with zero tolerance to discrimination.
- We **EMPOWER** people and communities by maximising strengths and opportunities and building resilience.
- We are **AMBITIOUS**, constantly improving, delivering better value for money and striving to provide more homes and services.
- We **CARE** about what we do, step up to take responsibility and are passionate about our social purpose and making a positive difference.
- We are **HONEST**, act with integrity and are accountable to our tenants, our partners and each other.

2. Performance

In 2024/25 WFHA achieved an operating deficit of £118,752 following expensed abortive development costs of £787,716. Our operating surplus in 2023/24 was £326,630.

The abortive costs relate to a planned development of 21 new units in Chingford. Unfortunately, the scheme became unviable due to vastly increased build costs, low grant levels and planning difficulties.

During the year we were able to achieve £227k on savings through prioritising health and safety works, damp and mould issues and essential repairs, thereby ensuring that expenditure was directed to the most urgent areas. Consequently, our cash reserves stand at £1,444,175 at the end of 2024/25 compared to £890,996 at the end of 2023/24.

We achieved excellent results across all Key Performance Indicators, including Landlord Health and Safety, rent collection and satisfaction with repairs. The full results can be found in the Annual Report accompanying these accounts.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BOARD REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2025

3. Board effectiveness

In early 2024 we commissioned an independent governance review.

The review concluded that the **governance of WFHA is strong, and the Board is effective**. In comparison with other reviews, there are elements of excellent governance:

- i. There is a **strong relationship** between Executive and Non-Executive Directors; an **inclusive culture** of ‘one team’.
- ii. Board Members bring a **diversity of style and experience**.
- iii. **Committee membership is not limited** to those with technical expertise in that area, encouraging a broad perspective and supporting ongoing personal development for members.
- iv. New Board Members feel **welcomed and supported**.
- v. Board Members referenced **good challenge** and debate.
- vi. **Board has evolved** from one which was focused on ‘check and challenge’ to one which has more of a future-focus and a deep understanding of what it means to be a small housing provider in a complex system.
- vii. There is strong **fiduciary oversight** and a collective appreciation of the financial **golden rules**.
- viii. Board and Committee meeting packs are **comprehensive**.
- ix. Despite WFHA being a relatively small organisation, there is **good governance support** and a **comprehensive suite of governance documentation**.

During 2025, we addressed the detailed findings of the review through a Board led Task & Finish Group.

4. Value for Money

4.1 Our Value for Money Strategy

Our Value for Money Strategy commits us to delivering economy, efficiency, effectiveness and equity, and is mapped to our Business Plan for 2024/27, the objectives of which are:

1. Our tenants - Ensure that our tenants continue to receive excellent services, can influence their development and improvement, and that we’re held accountable by our tenants for our performance.
2. Our homes - Ensure that our homes remain safe and affordable, and become fuel efficient, contributing to carbon reduction.
3. Our organisation - Ensure that our organisation continues to be values-based, well governed, efficient, and resilient.
4. Our voice - Continue to use our voice to influence sector and wider initiatives, in the best interests of the communities we serve.

4.2 Regulator of Social Housing (RSH) Value for Money metrics

RSH metric		Achieved 2023/24	Achieved 2024/25	Target 2024/25	Benchmark 2023/24	Target 2025/26
1	Reinvestment	1.0%	1.84%	3.0%	2.63%	4%
2	New supply	0%	0%	0%	0%	0%
3	Gearing	4.54%	0.07%	5.2%	16.00%	3.88%
4	EBITDA interest cover	617%	114%	401%	218%	410%
5	Cost per unit	£6,268	£6,061	£6,573	£5,720	£6,902
6	Operating margin:					
	Social housing	11.66%	22.08%	11.1%	18.82%	10.1%
	Overall	12.75%	(3.80)%	10.9%	16.60%	13.2%
7	ROCE	2.39%	(0.79)%	1.40%	2.64%	2.58%

BOARD REPORT (continued)

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

FOR THE YEAR ENDED 31 MARCH 2025

Key points:

- a. The benchmarks for 2023/24 are taken from the Acuity Benchmarking Report 2023/24 (published September 2024). Acuity Benchmarking for 2024/25 will be published in September 2025.
- b. Operating margin demonstrates the profitability of operating assets, before exceptional expenses are taken into account.

RSH benchmarking data shows that associations with large proportions of Supported Housing or Housing for Older People (such as WFHA) tended to record lower operating margins (by around 8 percentage points), compared to those with smaller proportions of HOP or none at all - our targets for 2024/25 were set accordingly.

The overall operating margin and EBITDA interest cover achieved are below our target for 2024/25 and this is mainly due to the expensed abortive development cost in the year.

Following our challenging past few years, we are pleased with the improvement in our results despite being faced with high inflationary cost. This is mainly due to the continued investment in previous years and the dedication of the staff to improve the profitability of the Association.

- c. Cost per unit remains high due in part to our location and our continuing investment in our housing stock. Our target for 2025/26 of £6,902 represents a 5% increase from 2024/25 as the Association continues to manage its cashflow during this high inflationary environment with high cost of materials and labour.
- d. The Association has low levels of historic debt finance and significant balance sheet capacity in order to leverage finance to deliver future development plans. We currently have a facility of £5m from Handelsbanken of which we have drawn down £1m to date.

5. Compliance with the Regulatory Framework and Code of Governance

The Association is compliant with the Governance and Financial Viability Standard as set out by the Regulator of Social Housing.

The Association has elected to adopt the principles of the new National Housing Federation's Code of Governance (2020) and was compliant by 31 March 2025.

6. Statement of Board responsibilities in respect of the accounts

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

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland).

The Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BOARD REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2025

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

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent; 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 books of account that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy, at any time, the Association's financial position and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Board is responsible 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 corporate and financial information included in the Association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

7. Internal controls

The Board is responsible for the Association's system of internal control, and recognises that such a system can provide reasonable, but not absolute, assurance against material misstatement or loss.

The main features of the internal financial control system are:

- written standing orders and financial regulations which delineate responsibilities and levels of authorities
- financial golden rules
- annual budgets, set in the context of a longer-term business plan with clear accountability for control of each part of the budget
- formal budgetary control arrangements with a quarterly reporting cycle
- Board approval of the parameters under which new investments in properties are entered into
- an independent internal audit function working to a risk-based audit plan

The Board has reviewed the effectiveness of the system of internal control over the past year and are satisfied that internal controls are effective.

8. Risk management

The executive team regularly update the risk register which, in the form of a risk map, is reviewed by the Finance Audit and Risk Committee (FARC) and formally approved by the Board annually. New and emerging risks are reported at each meeting of FARC.

Going concern

At 31 March 2025, the Association has a strong positive balance sheet with cash of £1,444,175 (2024: £890,996) and net current assets of £897,572 (2024: £1,237,606). The Association's medium-term cash flow is regularly reviewed by the Board and has been tested in order to determine its durability to anticipated increases in rental arrears and void periods as a result of the current economic climate. These demonstrate that the Association will be able to operate within its available resources and will be in compliance with all current loan covenants.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BOARD REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2025

As such, the Board has a reasonable expectation that the Association has adequate resources to continue in operation for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements. Therefore, the Association continues to adopt the going concern basis in preparing the financial statements.

9. Disclosure of information to the auditor

In the case of each person who was a Board member at the time this report was approved, so far as each member is aware:

- There was no relevant audit information of which the Association's auditor was unaware; and
- Each member had taken all steps that the member ought to have taken as a member to make herself or himself aware of any relevant audit information and to establish that the Association's auditor was aware of that information.

By order of the Board

Ben Hutton

Ben Hutton (Sep 18, 2025, 6:45pm)

Ben Hutton

Board member and Treasurer

Date: 18 Sep 2025

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALTHAM FOREST HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Waltham Forest Housing Association for the year ended 31 March 2025, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of Waltham Forest Housing Association's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the board report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALTHAM FOREST HOUSING ASSOCIATION LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities, the Board is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine 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

We have been appointed as auditor under section 83 of the Co-operative and Community Benefit Society Act 2014 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Association and determined that the most significant are the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Co-operative and Communities Benefit Societies Act 2014, and the Housing and Regeneration Act 2008.
- We understood how the Association is complying with those frameworks via communication with those charged with governance, together with the review of the Association's documented policies and procedures.
- We assessed the susceptibility of the Association's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. These included risks associated with revenue recognition, application of accounting estimates and management override of controls, which were discussed and agreed by the audit team.
- Our approach included agreeing the Association's recognition of income to the terms of tenancy agreements, reviewing the assumptions used and controls applied in the calculation of accounting estimates, the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the board members with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Association.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALTHAM FOREST HOUSING ASSOCIATION LIMITED (CONTINUED)

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

Use of our report

This report is made solely to the Association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report or for the opinion we have formed.



Knox Cropper LLP

**Chartered
Accountants
Statutory Auditor**

**65 Leadenhall
Street
London**

EC3A 2AD

Date: 23 Sep 2025

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

**WALTHAM FOREST HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Turnover	3	3,013,325	2,801,933
Operating costs	3	(3,132,077)	(2,475,303)
Gain on disposal of housing properties		-	-
Operating (deficit)/surplus		(118,752)	326,630
Interest receivable	5	7,314	2,699
Interest payable	6	(54,549)	(56,489)
(Deficit)/Surplus for the year	4	(165,987)	272,840
Other comprehensive income			
Actuarial gain/ (loss) on defined benefit pension plan for the year	20	7,000	(49,000)
Total comprehensive (loss)/income for the year		(158,987)	223,840

All amounts relate to continuing activities.

The notes on pages 16 to 35 form part of these financial statements.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	2024 £
Fixed assets			
Intangible fixed assets	9	53,141	68,720
Tangible fixed assets - Housing properties	10	13,885,993	14,110,321
Other tangible fixed assets	12	109,605	121,906
		<hr/>	<hr/>
		14,048,739	14,300,947
Current assets			
Debtors	13	196,914	848,653
Cash and cash equivalents		1,444,175	890,996
		<hr/>	<hr/>
		1,641,089	1,739,649
Creditors			
Amounts falling due within one year	14	(743,517)	(502,043)
		<hr/>	<hr/>
Net current assets		897,572	1,237,606
		<hr/>	<hr/>
Total assets less current liabilities		14,946,311	15,538,553
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	14	7,130,368	7,517,623
Provisions for liabilities	17, 20	119,000	165,000
		<hr/>	<hr/>
		7,249,368	7,682,623
Capital and reserves			
Called-up share capital	18	19	19
Revenue reserves	19	7,696,924	7,855,911
		<hr/>	<hr/>
		14,946,311	15,538,553
		<hr/>	<hr/>

The financial statements were issued and approved by the Board of Management on 18 September 2025 and were signed on its behalf by:

Dale Walker

Dale Walker (Sep 18, 2025, 6:45pm)

Dale Walker
Board Member & Chair

Ben Hutton

Ben Hutton (Sep 18, 2025, 6:45pm)

Ben Hutton
Treasurer

Michael Pughsley

Michael Pughsley (Sep 18, 2025, 6:47pm)

Michael Pughsley
Secretary

The notes on pages 16 to 35 form part of these financial statements.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

**WALTHAM FOREST HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 MARCH 2025

	Share Capital £	Revenue Reserves £	Total £
Balances at 1 April 2023	19	7,632,071	7,632,090
Total comprehensive income for the year	-	223,840	223,840
Balances at 31 March 2024	19	7,855,911	7,855,930
Total comprehensive loss for the year	-	(158,987)	(158,987)
Balances at 31 March 2025	19	7,696,924	7,696,943

The notes on pages 16 to 35 form part of these financial statements.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

**WALTHAM FOREST HOUSING ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Net cash generated from operating activities	A	935,885	756,331
Cash flow from investing activities			
Interest received		7,314	2,699
Proceeds from sale of fixed assets		-	-
Purchase of tangible fixed assets		(257,953)	(733,451)
Net cash used in investing activities		(250,639)	(730,752)
Cash flow from financing activities			
Interest paid		(54,549)	(95,454)
New bank loan		-	500,000
Repayment of borrowings		(77,518)	(70,289)
Net cash used in financing activities		(132,067)	334,257
Net decrease in cash and cash equivalents		553,179	359,836
Cash and cash equivalents at beginning of year		890,996	531,160
Cash and cash equivalents at end of year	B	1,444,175	890,996

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

**WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 MARCH 2025

A. Reconciliation of operating surplus to cash generated by operations

	2025	2024
	£	£
(Loss)/Surplus for the year	(165,987)	272,840
Interest receivable	(7,314)	(2,699)
Interest payable	54,549	56,489
Accelerated depreciation on fixed assets	4,273	30,649
Depreciation charge on tangible fixed assets	490,309	490,940
Amortisation charge on intangible fixed assets	15,579	15,122
Decrease/(Increase) in debtors	651,739	22,398
Increase/(Decrease) in creditors	17,098	(146)
Net employer contribution after administration costs	(39,000)	(44,000)
Amortisation of government grant	(85,361)	(85,262)
	<hr/>	<hr/>
Net cash generated from operating activities	935,885	756,331
	<hr/>	<hr/>

B. Reconciliation of net debt

	At 1 April	Cashflows	Other non-	At 31
	2024		cash	March 2025
	£	£	changes	£
			£	
Cash at bank and in hand	890,996	553,179	-	1,444,175
Borrowings due within 1 year	(77,518)	77,518	(132,504)	(132,504)
Borrowings due in more than 1 year	(1,453,381)	-	132,504	(1,320,877)
	<hr/>	<hr/>	<hr/>	<hr/>
	(639,903)	630,697	-	(9,206)
	<hr/>	<hr/>	<hr/>	<hr/>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. PRINCIPAL ACCOUNTING POLICIES

1.1 General Information

The Association is a Registered Provider of Social Housing registered with the Regulator of Social Housing and is incorporated under the Co-operative and Community Benefit Societies Act 2014.

A description of the nature of the Association's operations and its principal activity is disclosed in the Board Report on page 3.

The Association's registered office is Energy Centre, 31 Church Hill, London, E17 3RU.

1.2 Basis of Accounting

The accounts are prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Housing SORP 2018 "Statement of Recommended Practice for registered social housing providers 2018" ("the SORP") and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

In accordance with FRS 102 (3.3A), the Association is a public benefit entity that has applied the "PBE" prefixed paragraphs.

1.3 Going concern

At 31 March 2025, the Association has cash of £1,444,175 (2024: £890,996) and net current assets of £897,572 (2024: £1,237,606). The Association's medium-term cash flow is regularly reviewed by the Board and has been tested in order to determine its durability to anticipated increases in rental arrears and void periods as a result of the ongoing economic crisis. These demonstrate that the Association will be able to operate within its available resources and will be in compliance with all current loan covenants.

As such, the Board has a reasonable expectation that the Association has adequate resources to continue in operation for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements. Therefore, the Association continues to adopt the going concern basis in preparing the financial statements.

1.4 Turnover

Turnover represents rental and service charge income, certain revenue grants, management fees and other income. Rental income is recognised on the basis of the amount receivable for the year. Rental income received in advance is disclosed within creditors in the Balance Sheet.

Revenue grants are accounted for once the Association is legally entitled to the grant and there is reasonable assurance that the grant will be received. The grant is recognised within income in line with the expenditure which it funds.

Other income is accounted for on the basis of the value of goods or services supplied during the period.

1.5 Property managed by agents

Where the Association carries the majority of the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.6 Operating Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease, including where payments are not required to be made on a straight-line basis. Lease incentives are similarly spread on a straight-line basis over the relevant lease terms.

1.7 Taxation

The Association has charitable status and is therefore not subject to Corporation tax on the surplus arising from charitable activities. The Association is not registered for VAT and is not able to recover any part of the VAT it incurs. Unrecoverable VAT is included with the costs on which it is charged.

1.8 Intangible assets

Computer software is carried at cost less accumulated amortisation and impairment losses. Cost associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Association are recognised as intangible assets when the criteria as follows is met:

- it is technically feasible to complete the software so that it is available for use;
- management intends to complete the software and use it;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial, and other resources to complete the development and to use the software are available, and the expenditure attributable to the software during the development can be reliably measured.

Amortisation is charged on a straight-line basis over the expected useful life of the software. The expected useful life is considered to be five years. The software is reviewed for impairment where there are triggers such as technological advancement or changes in market price that indicate that the carry amount may be impaired.

1.9 Property, plant and equipment

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit.

Freehold and long leasehold housing properties are stated at cost less any provision for any diminution in value and depreciation. The cost of land is not depreciated.

The cost of properties is the initial purchase price together with those costs that are directly attributable to acquisition and construction.

Where the Association receives a donation of land and/or other asset or acquires land and/or other asset at below its market value from a government source this is considered to be in substance a non-monetary government grant. The difference between the fair value of the asset donated or acquired and the consideration paid for the asset is recognised as a government grant and included in the Balance Sheet as a liability.

Where an asset comprises components with materially different useful economic lives, those assets are separately identified and depreciated over those individual lives.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Subsequent expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in incremental future benefit is capitalised and the carrying amount of any replaced component or part component is derecognised.

Depreciation

Depreciation is provided on a straight-line basis over the periods shown below:

Freehold Land	Infinite
Freehold structure	50-120 years
Leasehold land and structure	Period of lease
Roofs	15-30 years
Lifts	30 years
Doors and windows	30 years
Wiring	25 years
Bathrooms	25 years
Central heating and boilers	20 years
Kitchens	15 years

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

Capitalisation of interest

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Other tangible fixed assets

Depreciation of tangible assets, except freehold land, is charged by equal annual instalments from the date of acquisition at rates estimated to write off their cost or valuation, less any residual value, over the expected useful lives, as follows:

Improvements to offices	40 years or remaining lease period, if less than 40 years
Office and Information Technology equipment	3 years
Furniture, fixtures and equipment	6 years
Housing furniture and equipment	3 to 7 years
Housing Support equipment	5 years

1.10 Impairment

Non-financial assets

Non-financial assets comprise property, plant and equipment.

Non-financial assets, other than those measured at fair value, are assessed for indications of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

A non-financial asset is impaired where there is objective evidence that, as a result of one or more events after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of a non-financial asset is the higher of its fair value less costs to sell and its value in use.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Value in use for housing properties which are able to be let in their current condition and which are fulfilling the social purpose for which they were acquired is based on the depreciated replacement cost of the asset. For other schemes, value in use is defined as the net present value of the future cash flows before interest generated from the scheme.

Financial assets

Financial assets comprise trade and other debtors, cash and cash equivalents, trade and other payables, accruals and loans and overdrafts.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

1.11 Grant

Government grants

Government grants include grants receivable from Homes England, 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 (excluding land), on a pro rata basis under the accrual model of accounting.

The unamortised element of the government grant is recognised as deferred income in creditors due within one year or due after more than one year as appropriate in the Balance Sheet.

Where a component is replaced the amount of any unamortised government grant associated with this component is taken to income.

Government grant is repayable indefinitely unless formally abated or waived. On the occurrence of certain relevant events, primarily following the sale of property, the Government Grant repayable or to be recycled will be restricted to the net proceeds of sale where appropriate. In recognition of this, external lenders seek the subordination of Homes England's right to recover Government Grant to their own loans.

Government grant received in respect of revenue expenditure is recognised within income in the same period as the related expenditure, provided that the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received using the performance model of grant accounting.

Recycled capital grant fund

Following certain relevant events, primarily the sale of dwellings, Homes England can direct the Association to recycle capital grant or to repay the recoverable capital grant back to the Authority. Where the grant is recycled the recoverable capital grant is credited to a Recycled Capital Grant Fund which is included as a creditor due within one year or due after more than one year as appropriate.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose a specific future performance condition is recognised as revenue when the grant proceeds are receivable. A grant that imposes a specific 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 shown as a liability in the Balance Sheet.

1.12 Financial Instruments

Financial assets and liabilities comprise trade and other debtors, cash and cash equivalents and trade and other payables.

Financial assets and financial liabilities are recognised when the Association becomes party to the contractual provisions of the financial instrument.

All financial assets and financial liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Association intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of Section 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are only derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire or are settled,
- the Association transfers to another party substantially all the risk and rewards of ownership of the financial asset, or,
- the Association, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Association does not use standalone derivative financial instruments to reduce exposure to interest rate movements.

Cash and Cash Equivalents comprise cash in hand and at bank and short-term deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.13 Employee benefits

Multi-employer defined benefit pension scheme

The Association is party to a multi-employer defined benefit (final salary) contributory pension scheme administered independently by The Pensions Trust. The Association recognises in its Balance Sheet the present value of its defined benefit obligations less the fair value of plan assets. The current service cost is charged against operating profit. Interest on the scheme liabilities net of the expected return on scheme assets is included in the finance costs.

The defined benefit obligation is calculated at each period end by independent actuaries using the projected unit credit method. The present value of the obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and which have terms to maturity approximating to the terms of the related pension liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are reflected in the Statement of Comprehensive Income in the period in which they arise.

Short term employee benefits

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the Balance Sheet date and has been carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

1.14 Provisions

Provisions for liabilities and charges are recognised when the Association has a present obligation (whether legal or constructive) as a result of a past event that can be reliably estimated and it is probable that a transfer of economic benefit will be required to settle the obligation.

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The preparation of financial statements requires the use of estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses for the year. Although these estimates and associated assumptions are based on historical experience and the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Critical judgements in applying the Association's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Board has made in the process of applying the Association's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Identification of housing property components

The Association accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components (land, structure, kitchens, bathrooms etc.) and in determining the useful economic lives of each component.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS (continued)

Key sources of estimation uncertainty

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

The estimates and assumptions which have the most significant effect on amounts recognised in the financial statements are discussed below:

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to 'technological obsolescence' with regard to IT equipment/software and any changes to decent homes standard requiring frequent replacement of components. The accumulated depreciation at 31 March 2025 was £559,141 (2024: £544,623) for other fixed assets and £5,420,387 (2024: £4,975,514) for housing properties.

Amortisation of government grants

Government grants received for housing properties are recognised in income over the useful life (as identified for the depreciation charge) of the housing property (excluding land), on a pro rata basis under the accrual model. See note 15 for carrying amounts.

Bad debt provision

The rent arrears balance comprises a number of small balances. The financial statements have been predicated on the assumption that the overall bad debt provision is sufficient to cover the outstanding debts which, ultimately may prove to be uncollectible. There is a possibility that the provision maybe inadequate. See note 13 for carrying amounts.

Multi-employer pension obligation

Various estimates are used in the calculation of the defined pension liability, such as discount rate, inflation and mortality rates. In determining the appropriate discount rate, consideration is made to the interest rates of corporate bonds with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Inflation is set by considering market expectations, for example taking the difference between yields available on long-dated fixed-interest and index-linked gilts. Mortality rates are set in line with SAPS tables S2, adjusted to allow for any expectation of higher or lower life expectancy of scheme members due to geographic, socio-economic or demographic factors. At 31 March 2025, a liability of £119,000 (2024: £165,000) for pensions is recorded in the Balance Sheet.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	2025 Turnover £	2025 Other income £	2025 Operating expenditure £	2025 Operating surplus £
Social Housing Lettings	2,957,513	-	(2,304,398)	653,115
Other social housing activities				
Community support	-	-	(39,963)	(39,963)
Abortive development costs	-	-	(787,716)	(787,716)
Operating deficit from social housing activities	2,957,513	-	(3,132,077)	(174,564)
Activities other than Social Housing Activities				
Other income	55,812	-	-	55,812
TOTAL	3,013,325	-	(3,132,077)	(118,752)
	2024 Turnover £	2024 Other income £	2024 Operating expenditure £	2024 Operating surplus £
Social Housing Lettings	2,759,790	-	(2,437,895)	321,895
Other social housing activities				
Community support	-	-	(37,408)	(37,408)
Operating surplus from social housing activities	2,759,790	-	(2,475,303)	284,487
Activities other than Social Housing Activities				
Other income	42,143	-	-	42,143
TOTAL	2,801,933	-	(2,475,303)	326,630

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3a. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	2025 £	2024 £
Income		
Rent receivable net of identifiable service charges	2,181,540	2,020,878
Service charge income	690,612	653,650
Amortisation of government grant	85,361	85,262
	<hr/>	<hr/>
Turnover from social housing lettings	2,957,513	2,759,790
	<hr/>	<hr/>
Operating expenditure		
Management	853,209	852,290
Service charge costs	589,392	646,561
Routine maintenance	130,992	102,569
Planned maintenance	132,516	183,746
Major repairs expenditure	115,156	143,791
Bad debts	3,069	9,164
Housing property depreciation	475,791	469,125
Accelerated depreciation on fixed assets	4,273	30,649
	<hr/>	<hr/>
Operating expenditure on social housing lettings	2,304,398	2,437,895
	<hr/>	<hr/>
Operating surplus from social housing lettings	653,115	321,895
	<hr/>	<hr/>
Rent losses from voids	(18,178)	(26,833)
	<hr/>	<hr/>

4. (LOSS)/SURPLUS FOR THE YEAR

	2025 £	2024 £
Is stated after charging:-		
Auditor's remuneration (excluding VAT)		
Prior year (over)/under provision	(280)	(4,050)
Current year provision	11,556	11,500
Depreciation-owned assets		
- housing properties	475,791	469,125
- office building	3,566	3,566
- other fixed assets	10,952	18,249
Accelerated depreciation on fixed assets	4,273	30,649
Amortisation of intangible assets	15,579	15,122
Operating lease rentals - office equipment	-	3,860
	<hr/>	<hr/>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

5. INTEREST RECEIVABLE

	2025	2024
	£	£
Bank interest	7,314	2,699

6. INTEREST PAYABLE

	2025	2024
	£	£
Interest payable	116,133	95,454
Net interest costs on pension	7,000	7,000
	123,133	102,454
Less: Interest capitalised on developments	(68,584)	(45,965)
	54,549	56,489

7. EMPLOYEE INFORMATION

	2025	2024
	Number	Number
The average monthly number of persons (including the Chief Executive) employed during the year was: (full time equivalents calculated on a 35 hours week).	10	10
Staff costs (for the above persons)		
	£	£
Wages and salaries (including termination payments)	479,821	453,840
National Insurance contributions	46,065	43,844
Pension costs	48,808	71,362
	574,694	569,046

Directors are defined as the members of the Board, the Chief Executive and members of the senior management team. The full time equivalent number of staff whose remuneration is payable in relation to the period of account fell within each band of £10,000 from £60,000 upwards as follows:

	2025	2024
	Number	Number
£60,000 - £69,999	-	1
£70,000 - £79,999	1	-
£80,000 - £89,999	-	1
£90,000 - £99,999	1	-

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

8. DIRECTORS' EMOLUMENTS

	2025 £	2024 £
The aggregate emoluments paid to or receivable by Executive Directors, including pension contributions	214,267	175,324
Non-Executive Directors: Board Chair £5,576 (2023-24 £5,000); Vice Chair £2,995 (2023-24 £2,500); Committee members £16,411 (2023-24 £13,346)	<u>24,982</u>	<u>20,846</u>
The emoluments paid to the highest paid Director of the Association excluding pension contributions:	<u>98,506</u>	<u>89,504</u>

The Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply. There are no additional pension arrangements.

9. INTANGIBLE FIXED ASSETS

	Computer software £	Total £
COST		
At 1 April 2024	83,842	83,842
Additions	-	-
At 31 March 2025	<u>83,842</u>	<u>83,842</u>
DEPRECIATION		
At 1 April 2024	15,122	15,122
Charge for year	15,579	15,579
At 31 March 2025	<u>30,701</u>	<u>30,701</u>
NET BOOK VALUE		
At 31 March 2025	<u>53,141</u>	<u>53,141</u>
At 31 March 2024	<u>68,720</u>	<u>68,720</u>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

10. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Housing Properties Completed £	Housing Components £	Remodelled F £	Total £
COST				
At 1 April 2024	11,829,892	6,901,868	354,075	19,085,835
Additions	-	255,736	-	255,736
Disposals	-	(35,191)	-	(35,191)
At 31 March 2025	11,829,892	7,122,413	354,075	19,306,380
DEPRECIATION				
At 1 April 2024	2,227,199	2,612,986	135,329	4,975,514
Charge for year	173,713	294,997	7,081	475,791
Disposals	-	(30,918)	-	(30,918)
At 31 March 2025	2,400,912	2,877,065	142,410	5,420,387
NET BOOK VALUE				
At 31 March 2025	9,428,980	4,245,348	211,665	13,885,993
At 31 March 2024	9,602,693	4,288,882	218,746	14,110,321
			2025 £	2024 £
Housing properties comprise:				
Freeholds			8,558,758	8,558,758
Long Leaseholds			3,106,971	3,106,971
Remodelled Units & Components			7,640,651	7,420,106
			19,306,380	19,085,835

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

11. UNITS AT END OF YEAR - SOCIAL HOUSING

	2025 Units	2024 Units
Owned & Managed Housing:		
Social rent, general needs housing	153	153
Supported housing and housing for older people	170	170
	<hr/>	<hr/>
	323	323
	<hr/>	<hr/>
Managed by others: Supported	6	6
	<hr/>	<hr/>
	329	329
	<hr/>	<hr/>

12. TANGIBLE FIXED ASSETS - OTHER

	Furniture and Equipment £	Leasehold Off £	Total £
COST			
At 1 April 2024	523,877	142,652	666,529
Additions	2,217	-	2,217
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2025	526,094	142,652	668,746
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2024	504,697	39,926	544,623
Charge for year	10,952	3,566	14,518
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2025	515,649	43,492	559,141
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2025	10,445	99,160	109,605
	<hr/>	<hr/>	<hr/>
At 31 March 2024	19,180	102,726	121,906
	<hr/>	<hr/>	<hr/>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

13. DEBTORS

	2025	2024
	£	£
Amounts falling due within one year		
Rent arrears	188,000	153,750
Less: Provision	(60,175)	(57,106)
	<hr/> 127,825	<hr/> 96,644
Prepaid development costs	-	677,914
Prepayments and accrued income	65,659	63,995
Staff loans	3,000	4,950
Other debtors	430	5,150
	<hr/> 196,914	<hr/> 848,653
	<hr/> <hr/>	<hr/> <hr/>

14. CREDITORS

	2025	2024
	£	£
Amounts falling due within one year		
Rents received in advance	68,100	69,994
Housing loans	132,504	77,518
Trade creditors	119,601	129,785
Other creditors and accruals	154,952	127,984
Other taxation and social security	13,708	11,500
Deferred Government grant (note 15)	85,361	85,262
Recycle grant (note16)	169,291	-
	<hr/> 743,517	<hr/> 502,043
	<hr/> <hr/>	<hr/> <hr/>
Amounts falling due after more than one year		
Loans repayable by instalments: -		
- Between one and two years	10,278	85,564
- Between two and five years	1,039,430	1,081,891
- In five years or more	271,169	285,926
Deferred Government grant (note 15)	5,809,491	5,894,951
Recycle capital grant	-	169,291
	<hr/> 7,130,368	<hr/> 7,517,623
	<hr/> <hr/>	<hr/> <hr/>

The housing loans are secured by specific charges on the Association's housing properties and are repayable at interest rates varying from 2.85% to 12.42%.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

15. DEFERRED GOVERNMENT GRANT

	Recognised in profit or loss £	Held as deferred income £	Total 2025 £	Total 2024 £
At 1 April	-	5,980,213	5,980,213	6,065,475
Release to income in the year	85,361	(85,361)	(85,361)	(85,262)
At 31 March	85,361	5,894,852	5,894,852	5,980,213
Grants previously released to profit or loss	2,079,636	-	2,164,997	2,079,636
Total grant received as at 31 March	2,164,997	5,894,852	8,059,849	8,059,849

Social Housing Grants have been provided by Homes England to fund the development of Social Housing for rent. As at 31 March 2025 the total unamortised government grant is £5,894,852 split into due to be amortised over more than one year £5,809,491 and due to be amortised within one year £85,361.

16. RECYCLE CAPITAL GRANT

	2025 £	2024 £
At 1 April	169,291	169,291
Grants previously amortised	-	-
At 31 March	169,291	169,291
Due within one year	169,291	-
Due after one year	-	169,291

17. PROVISIONS FOR LIABILITIES

	2025 £	2024 £
Pension scheme obligations (see note 20)	119,000	165,000

18. CALLED UP SHARE CAPITAL

	2025 £	2024 £
Allotted issued and fully paid shares of £1 each		
At start and end of the year	19	19
	19	19

The shares do not have a right to any dividend or distribution in a winding-up and are not redeemable. Each share has full voting rights.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

19. RESERVES

The revenue reserve represents the accumulated surpluses and deficits.

Although under its rules the Association does not trade for profit, its financial affairs are planned so that each year income exceeds expenditure. The annual surplus is vital to enable the Association to meet its commitments to providers of private finance, continue to raise further private finance and have reserves to provide for unexpected situations.

In relation to its reserves, the Board of Waltham Forest Housing Association has set out its financial risk appetite to ensure its cash reserves do not fall below a minimum of 6 months' operating costs; this would cover salary, maintenance and all other operating commitments in the worst scenario.

20. PENSION OBLIGATIONS

The Association's employees and past employees are deferred members or pensioners of the Social Housing Pension Scheme.

The Association currently contributes to one defined contribution pension scheme for certain employees. During the year, the Association recognised £41,709 (2024: £40,047) of pension costs in relation to the defined contribution scheme.

Social Housing Pension Scheme

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. The actuarial valuation was issued in August 2024. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

20. PENSION OBLIGATIONS (continued)

Pension scheme liabilities recognised in the Statement of Financial Position

	2025	2024
	£	£
Pension obligations recognised as Defined Benefit schemes	119,000	165,000
	<hr/>	<hr/>
Total pension scheme liabilities	119,000	165,000
	<hr/>	<hr/>

Principal actuarial assumptions at the financial position date:

	2025	2024
	%	%
Discount rate	5.82	4.90
Inflation (RPI)	3.10	3.15
Inflation (CPI)	2.79	2.78
Salary growth	3.79	3.78
Allowance of commutation of pension for cash at retirement (% of maximum allowance)	75.0	75.0

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

	Life expectancy (years)
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.7
Female retiring in 2045	24.5

Amounts recognised in the Income Statement

	2025	2024
	£	£
Net interest expense	7,000	7,000
Current service costs	3,000	2,000
Expenses paid	4,000	4,000
	<hr/>	<hr/>
Total expenses	14,000	13,000
	<hr/>	<hr/>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

20. PENSION OBLIGATIONS (continued)

Amounts recognised in Other Comprehensive Income

	2025 £	2024 £
Experience on plan assets (excluding amounts included in net interest cost) - (loss)/gain	(62,000)	(20,000)
Experience gains and losses arising on the plan liabilities - (loss)/gain	(29,000)	(45,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/(loss)	-	11,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	98,000	5,000
	<hr/>	<hr/>
Total actuarial gains and losses - gain/(loss)	7,000	(49,000)
	<hr/>	<hr/>

Present values of defined obligation, fair values of assets and defined benefit assets / (liabilities)

	2025 £	2024 £
Fair value of plan assets	705,000	729,000
Present value of funded retirement benefit obligation	(824,000)	(894,000)
	<hr/>	<hr/>
Net liability	(119,000)	(165,000)
	<hr/>	<hr/>

Reconciliation of movements on the defined benefit obligation

	2025 £	2024 £
Defined benefit obligation at the start of the year	894,000	855,000
Current service cost	3,000	2,000
Interest cost	43,000	41,000
Contribution by members	3,000	3,000
Actuarial losses/(gains) due to scheme experience	29,000	45,000
Actuarial (gains)/losses due to changes in demographic assumptions	-	(11,000)
Actuarial (gains)/losses due to changes in financial assumptions	(98,000)	(5,000)
Expenses	4,000	4,000
Benefits paid	(54,000)	(40,000)
	<hr/>	<hr/>
Defined benefit obligation at the end of the year	824,000	894,000
	<hr/>	<hr/>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

20. PENSION OBLIGATIONS (continued)

Reconciliation of movements on the fair value of plan assets

	2025	2024
	£	£
Fair value of the plan assets at the start of the year	729,000	702,000
Interest income	36,000	34,000
Experience on plan assets (excluding amounts included in net interest cost) - (loss)/gain	(62,000)	(20,000)
Contributions by the employer	53,000	50,000
Contributions by plan participants	3,000	3,000
Benefits paid	(54,000)	(40,000)
	<hr/>	<hr/>
Fair value of the plan assets at the end of the year	705,000	729,000
	<hr/>	<hr/>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 was a loss of £26,000 (2024: gain of £14,000).

The fair values of each main class of assets held by the Fund are set out in the following table.

Categories of plan assets as a percentage of the total plan assets are as follows:

	2025	2024
	£	£
Absolute Return	-	28,000
Alternative Risk Premia	-	23,000
Cash	10,000	14,000
Credit	27,000	-
Credit Relative Value	-	24,000
Currency Hedging	1,000	-
Distressed Opportunities	-	26,000
Emerging Markets Debt	-	9,000
Global Equity	79,000	73,000
Infrastructure	-	74,000
Insurance-Linked Securities	2,000	4,000
Investment Grade Credit	22,000	-
Liability Driven Investments	213,000	296,000
Liquid Alternatives	131,000	-
Long Lease Property	-	5,000
Net Current Assets	2,000	1,000
Opportunistic Credit	-	-
Opportunistic Illiquid Credit	-	28,000
Private Credit	86,000	-
Private Debt	-	29,000
Private Equity	1,000	1,000
Property	35,000	29,000
Real Assets	84,000	-
Risk Sharing	-	43,000
Secure Income	12,000	22,000
	<hr/>	<hr/>
Total Assets	705,000	729,000
	<hr/>	<hr/>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

21. CAPITAL COMMITMENTS

At the year-end there was no capital expenditure contracted for but not provided for in the financial statements (2024 - £nil); nor was there any capital expenditure authorised by the Board but not yet contracted for (2024 - £nil).

22. OPERATING LEASES PAYABLE

The future minimum lease payments under non-cancellable leases are as follows:

	2025 £	2024 £
Within one year	1,910	1,032
Within two to five years	-	-
	<hr/> 1,910	<hr/> 1,032
	<hr/> <hr/>	<hr/> <hr/>

23. OPERATING LEASES RECEIVABLE

The Association leases out certain of its properties under operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2025 £	2024 £
Within one year	78,424	24,515
Within two to five years	-	-
	<hr/> 25,515	<hr/> 24,515
	<hr/> <hr/>	<hr/> <hr/>

24. RELATED PARTY TRANSACTIONS

There were no tenants of the Association, who served as Board members during the year (2024: none).

Key management are the persons having authority and responsibility for planning, controlling and directing the activities of the Association. In the opinion of the Board, the key management are the senior management team.

At the year-end, the Association had no loans owed by a member of key management personnel of £nil (2024: £nil).

The total remuneration of key management personnel during the year inclusive of payments for redundancy and taxes was £239,249 (2024: £215,654).