Co-operative and Community Benefit Society no 8137R

WOMEN'S PIONEER HOUSING LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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Legal and administrative details

Women's Pioneer Housing (the association) is a charitable housing association registered under the Co-operative and Community Benefit Societies Act 2014 (no 8137R) and as a Registered Provider under the Housing and Regeneration Act 2008 (no LH1548).

Registered office
227 Wood Lane, London, W12 0EX

Board Members

Maureen Hopcroft	Chair - resigned March 2020
Kim Vernau	Chair - from March 2020
Sofia Nilsson	Vice Chair until April 2020
Louise Wolfson	Vice Chair from April 2020
Vivienne King	
Caroline Portsmouth	
Claire Thurston	
Shushil Chohan	Co-opted January 2019
Kasia Kwilecka	Elected June 2019
Eleena Broadfoot	Resigned June 2019
Chris Brown	Resigned April 2019
Judith Page	Co-opted May 2020
Mike Reed	Co-opted May 2020
Ruth Buckingham	Co-opted May 2020
Yemi Aladerun	Co-opted May 2020

Secretary
Mark Cole

Executive Directors

Denise Fowler	Chief Executive
Jess Page	Director of Housing
Mark Cole	Director of Resources
Sue Hockett	Director of Property and Estate Services

Independent Auditor
Nexia Smith & Williamson, 25 Moorgate, London, EC2R 6AY

Principal Bankers
HSBC, 133 Regents Street, London, W1B 4HX

Principal Solicitors
Trowers and Hamlins, 3 Bunhill Row, London EC1Y 8YZ

Board Report

The Board of Women's Pioneer Housing (WPH) is pleased to present its report, together with the audited financial statements for the year ended 31 December 2019.

Principal Activities

The association's principal activity is letting and managing homes for women at rents consistent with its charitable status. It provides both general needs and sheltered housing.

Other activities include developing new homes for rent and managing leasehold properties.

The group has a wholly owned subsidiary Women's Pioneer Homes Limited (WPHL) which was set up in December 2014 to develop and provide additional accommodation at a wider variety of rent levels. As at 31 December 2019 the subsidiary owned 15 properties let at market rent.

History

Women's Pioneer was founded in 1920 by women and men who understood the link between providing women with good quality affordable accommodation and the wider fight for women's suffrage and independence.

Almost a century on since we were founded, gender inequality remains a huge issue. The need for an organisation that understands and champions women's housing needs has never been more relevant.

Property Portfolio

We have a portfolio of properties in North and West London (North and South of the river Thames) acquired over nearly a century. Two thirds are in Kensington and Chelsea and the rest are spread over seven other boroughs. Most of our homes are converted flats within large Victorian buildings. Many of these are listed or in conservation areas. Recently we have begun developing new buildings. Our assets allow us to provide good quality homes and also act as a valuable investment that supports our work and growth.

Most of our properties are studios or one bedroom flats. 758 homes are let as general needs, that is to women who require no additional support. We also provide 182 homes for older women in sheltered housing schemes. Historically a number of residents have exercised the right to buy and so we also manage a portfolio of 90 leasehold properties. We also manage 15 properties held as an investment and rented at market rents through our wholly owned subsidiary WPHL. Finally 46 homes are owned but managed by other providers.

Mission, Vision and Objectives

The group's objectives and strategy are set out in our 2018-2022 corporate plan.

Our Vision: Making a positive difference to women's lives.

Our Mission: We provide homes and services which offer a springboard to independent women to achieve their potential. We aim to influence others to do the same.

Objectives: Our 5 corporate objectives are:

1. Providing high quality homes and services
2. Supporting our residents' independence and well-being
3. Growing locally to provide more homes
4. Being a leading voice for women's housing
5. Developing our organisational strength

Performance in 2019

Below reports our performance in 2019 under each objective:

1. Providing high quality homes and services

Satisfaction with the overall service

77% of our residents said they were satisfied with WPH overall service. This compares with 78% in 2018. We benchmark our performance by comparing our results to our peers through Housemark. The Housemark data is based on 11 housing associations in London & the South East with less than 5,000 homes. This result puts us in quartile two compared to our peers on Housemark, above average for the sector but below our target of 80%.

In 2019 we have transformed our way of working to enable front line staff to work more effectively together through patch-based working. All staff have received customer service training. There have been significant improvements in our policies and procedures including on Tenancy Management, Leasehold Management, Voids Management, Rent Arrears, ASB and Estates Management. These are helping to improve performance. For example Anti-Social Behaviour cases are now closed in 40 days on average, well within our target of 82 days, a significant improvement on 2018 when the average was 117 days. For most of the year resident satisfaction was on an upwards trend. However, in the last quarter of 2019 there was a dip in satisfaction. We think this was partly attributable to a short-term staff shortage.

Satisfaction with repairs and maintenance

74% of all residents said they were satisfied with our repairs and maintenance service (2018: 78%). This puts us in quartile two compared to our peers on Housemark, above average for the sector but below our target of 80%. However of those who have had a repair carried out this year 95% were satisfied (also 95% in 2018). This puts us in the top quartile compared to our peers on Housemark. We are also completing 97% of all repairs on time (also 97% in 2018).

Satisfaction with the quality of residents' homes

In 2019, our resident satisfaction surveys reported satisfaction of 70% with the overall quality of their home (2018: 76%). The results show that we are in quartile 4 compared to our Housemark peers and so this is a priority area for action. Some resident comments received through the surveys mentioned dissatisfaction with the size of their home and/or the quality of the kitchen and/or bathroom.

Around 46% of our stock is studio accommodation. While some of these flats are desirable, with high ceilings and large bedsitting rooms, others are small by modern day standards. In December 2019, the Board agreed that some of these studios should be let at market rents to enable us to fund improvements to kitchens and bathrooms. Up to 5% of our homes may be market rented.

The Board approved a Home Standard in November 2018 and over the next 6 years, we have a substantial capital investment programme which aims to replace approximately 270 Kitchens and 320 bathrooms. In 2019 we completed 36 new kitchens, and 30 new bathrooms. At the end of 2019 we procured a preferred contractor to carry out the capital investment works which will commence in 2020. We expect resident satisfaction with their home to increase as this work is done. However, the programme has been paused as a result of the Coronavirus public health emergency.

Health and safety

The health and safety of our residents remains our top priority. Certificates and risk assessments for gas, fire, electrical, asbestos and legionella are in place for 100% of our properties. New systems for monitoring actions arising from inspections are ensuring that actions are implemented within reasonable timescales. Investment in new agile technology has enabled our estates services officer to monitor issues on site more effectively, report back and ensure that work required is implemented efficiently.

Resident Engagement

We have an active Resident Engagement and Scrutiny Panel (RESP) which works with us to improve our services to residents. The Panel reports directly to Board. We employ an independent organisation Acuity to carry out a survey of 40% of our tenants annually. 100 tenants are interviewed by telephone each quarter. The results are reviewed by all teams in the organisation and reported to Board quarterly.

In 2019 staff and the RESP worked with residents to review a number of policies and procedures including rent arrears, anti-social behaviour and ending fixed term tenancies. Residents have also been involved in agreeing specifications for services and in procurement panels. For example, the new kitchen & bathroom programme. Residents have also taken part in recruitment panels for staff for our new housing officers. Residents and the local community were consulted on the Wood Lane development (including attending design workshops). We received positive feedback and a strong desire from many residents to live in the scheme.

Frontline Staff continued to hold patch based surgeries for residents to discuss current issues and Managers did the same at quarterly "Meet the Managers" evenings.

Our quarterly newsletter for residents "Pioneer Press" is produced by an editorial board containing staff and residents.

60% of residents stated that they feel that we listen and act on tenant's views (2018: 61%). This performance is in quartile two compared to our Housemark peers, above average but below our target of 70%.

Complaints

In 2019 we received 26 complaints compared to 16 complaints in 2018. This is likely to be because our complaints procedure has been well publicised. We did a lot of work this year to improve our complaints procedures. This included making it easier for residents to complain if they were dissatisfied and a greater focus on resolving complaints more swiftly. We have seen an improvement in complaint resolution performance with 69% of complaints resolved at our first stage compared to 56% in 2018.

2. Supporting our residents' independence and well-being

In 2019, 83% of our residents felt that their home supported their independence and wellbeing meeting our target of 80%.

Most WPH homes are in good locations, close to transport, with easy access to amenities. However, some of our heritage properties, flats in Victorian and Edwardian buildings without lifts, are not ideal for women with disabilities or many older women. Many women move to our sheltered schemes when they feel that this could become an issue. However, our new homes are being designed to lifetime homes standards and can be easily adapted as women's needs change throughout their lives.

Our focus on health and safety supports residents' well-being by providing assurance. In 2019, in addition to our regular FRAs, we carried out Person Centred Fire Risk Assessments (PCFRA) for all our residents in sheltered housing. In early 2020 we expanded the programme to include vulnerable residents in general needs housing. These allow us to make adjustments for those who may find it difficult to evacuate in the event of a fire. We will continue to maintain these records and take any actions required following these assessments.

The work of our Financial Inclusion Officer (FIO) continues to be invaluable to our residents. The FIO closely monitors and takes action on Universal Credit arrears and supports tenants with their claims and appeals. There has been an increase of 67 residents claiming Universal Credit (176 in total) but arrears for this group have been tightly controlled. Further, the FIO has provided additional support to tenants who have other benefit claims such as disability benefits, in one appeal case winning a £6,000 lump sum pay out.

WPH's sheltered schemes enable older women to continue to live independently and be part of a community of other like-minded women. Activities at the schemes, organised by WPH staff or residents which are available to all WPH residents include art classes, zumba, yoga and social events.

We continue to recognise the importance of providing safe, secure homes for women. We have close relationships with agencies such as Solace Women's Aid and IKWRO (Iranian and Kurdish Women's Rights Organisation) who work with women who have experienced domestic abuse or honour based violence. We also work with organisations such as the London Cyrenians, St Mungos or the Richmond Fellowship who support women who are homeless or who have experienced trauma. 25% of our voids are allocated to these agencies to provide permanent accommodation for women who need to move on from supported housing and re-establish their lives. We have maintained our Domestic Abuse Housing Alliance (DAHA) accreditation.

3. Growing locally to provide more homes

When the corporate plan was approved in November 2017, the organisation set a target to achieve 15% growth (150 homes) by 2022. Following a review of the financial plan in 2018, the level of growth has been revised to 12.5% by 2024. This was to allow more resources to be allocated to a greater asset management programme for our existing stock and to ensure the association is not overstretched financially.

Our major development achievement for 2019 is the Wood Lane project. This is our most ambitious development for many years. It is a flats for land deal, whereby WPH lease land to a developer Hub to build a co-living scheme, and in return HUB will build WPH flats and a new office. To increase the number of flats available WPH has agreed to pay an addition £1.8 million. In November 2019 the Development Committee approved the submission of a planning application for the construction of a scheme for a 350 unit co-living scheme (to be owned and managed by our development partner HUB) and 80 one bed flats and new offices for WPH. This was submitted to the local authority in January 2020.

The Development Committee also approved entering into a contract for the development of nine new homes for market renting at Norman Court, to be created through the construction of an additional storey. The approval was subject to the resolution of some quite complex fire safety issues. These have been progressed and resolved with the help of our fire safety expert. Work is currently paused in light of the Coronavirus public health emergency but the scheme is expected to start on site later in 2020.

Finally, we completed two new homes at Colinette Road which are owned by the subsidiary and are let out on a market rent basis.

4. Being a leading voice for women's housing

In 2019 our influence has significantly increased. Women's housing needs are beginning to move up the sector's agenda.

The Women's Housing Forum (WHF), which WPH founded and co-chairs has over two hundred members. The Forum has worked with the National Housing Federation to publish research into the impact of women's lower lifetime earnings on housing affordability. In 2019 it had the following achievements:

- held a very successful Women and Housing conference in January. Over 100 people attended and the issues were much discussed on social media. Inside Housing and 24 Housing published articles about the event. The WHF then produced a report of the event, containing statistics about the gender housing affordability gap, domestic abuse, homelessness and design has been shared with numerous other organisations.
- co-hosted a parliamentary event with the Women's Budget Group in July. The event launched their report on Women's Housing "A Home of Her Own" which included much of the research in the WHF's report.
- established a website for the WHF which is a valuable resource for women's housing issues. Content is developed in partnership with other key organisations such as DAHA and Homeless Link.

Staff, Board members and residents have spoken at 15 different events including the conferences held by the National Housing Federation and the Chartered Institute of Housing, the TPAS Conference and the Social Housing conference. Our Chief Executive also took part in a Podcast for Inside Housing.

The Heritage Lottery Fund Project continues to make excellent progress with a new project lead. This includes finishing and publishing a film about our history: Women's Pioneer Housing: Pioneering Courage. This is on our website and has been shared on social media.

Nine articles have been published about WPH in 2019, including articles on our heritage, the need for women's housing and our plans for the Wood Lane Development.

In October, we also appointed a new Communications Officer who has been improving and expanding our social media presence, with more regular updates to twitter and creation of WPH Instagram and LinkedIn pages. We have also started investigating ways to improve our website to make it more user friendly and we hope to see these results in 2020.

5. Developing our organisational strength

Financial Strength

We aim to remain a well-regarded, independent body with strong financial health. Our results continue to show that we meet our ongoing financial commitments. The group has continued to diversify during 2019 and our subsidiary completed the development of 2 market rented properties. The profits generated by the subsidiary will be gift aided back to the association to support our core activities.

The Board agreed the strategy of disposing up to 25 studio flats to our subsidiary in December 2019. The overall number of market rented properties will be capped at 5%. The additional income generated from market rented flats will help to fund our capital investment programme so that we are less reliant on loan finance.

Arrears performance at the end of 2019 was 2.96% compared with 3.18% at the end of 2018. This puts us in quartile 1 when compared with our Housemark peers. This is an exceptional achievement given that the number of Universal Credit claims has increased by 70% from December 2018 to December 2019. Arrears attributable to Universal Credit (UC) are being reduced due to the benefits advice and other financial advice provided by our Financial Inclusion Officer. This has meant that the average arrears per resident on UC has decreased.

Re-letting voids has remained challenging this year. Our standard voids were re-let in 38 days on average, against a target of 30 days. Our major voids were re-let in 83 days on average against a target of 80 days. This performance would put us in quartile 3 against our Housemark peers and is a priority area for improvement in 2020.

We regularly stress-test our financial plans to ensure we are resilient to changes in economic assumptions in relation to internal and external factors. Our financial plan has undergone rigorous stress testing to ensure we remain financially strong.

At the end of 2019 we appointed Treasury advisors (David Tolson Partnership) who will carry out a refinance exercise in 2020 and ensure we have the right structure in place to support our capital investment and development programmes. At 31 December 2019 we have £15.5m of loans drawn which are repayable in 2021. £10m was repayable in May 2021 and £5.5m repayable in December 2021. We expected to commence a refinance of these loans in April 2020 but market volatility due to the Coronavirus pandemic has led us to delay this decision. To ensure sufficient cash resources remain in place we have negotiated a 12 month extension of the £10m loan facility, on the same terms and conditions. We are expecting to complete the refinance exercise later in 2020.

Governance

The new governance arrangements took effect in 2018 and are working well. The introduction of a Development Committee has enabled more detailed exploration of our development plans, opportunities and risks. Similarly our Remuneration and Nominations Committee has enabled more detailed consideration of board member effectiveness and a more a strategic approach to board recruitment. It also provides clarity and transparency regarding the Chief Executive's appraisal and remuneration. Further details of the governance structure are reported on page 21.

Our programme of internal audits provide assurance to the Chief Executive and the Board. Recommended actions are recorded and monitored and progress is reviewed by the Audit and Risk Committee. This Committee also regularly reviews risk and reports to the Board. The Board consider risk bi-annually. Board Away days enable Board members to explore issues in more detail.

IT

A number of IT projects have been underway in 2019, including configuration and implementation of a case management module on our housing system. This has been used for ASB and will be used for complaints handling in 2020. We also have an IT consultant who has been configuring the asset management system. Progress has been good and we have used this module to produce a stock condition plan, which is included in the financial plan.

We have invested in mobile technology, which has enabled more mobile working. This includes inspection software for our Estate Service Officers and remote desktop applications to enable all staff to work from home. This has been of enormous value during the current public health emergency.

A new repairs platform was also rolled out in 2019, which has streamlined the repairs process and we will implement dynamic purchasing software for repairs (Plentific) in 2020. We expect this to drive down contractor costs and help ensure the value for money of our responsive repairs.

People

2019 saw substantial changes to our ways of working. All staff were involved in an operational review of working practices. Process mapping within teams and together at all staff away days has gained buy in for these new ways of working. These were supported by an increased focus on learning and development plan and the introduction of new IT to support agile working. We are due to move to new offices in late 2020 to enable the Wood Lane project to start on site. This provides a further opportunity to develop the new approach. We have employed a consultant to work with us to search for our interim office and design the new office at Wood Lane. They have worked with the executive team and staff to find out what is required in terms of design, layout and equipment. Feedback from this has been a valuable asset in searching for our interim office and in designing proposals for Wood Lane.

Staff turnover in 2019 was 24% (2018: 13%) and staff sickness was 5.4% (2018: 6.0%). The staff turnover reflected the level of change going on in WPH. Sickness performance was skewed by three long-term sickness absences.

A salary benchmarking exercise was also carried out at the beginning of the year and increases in line with the sector and median salaries were given where appropriate.

Merger opportunity

Throughout 2019, a significant amount of work was conducted to explore a potential merger with Housing for Women. Consultants were procured to undertake due diligence and a resident consultation exercise was carried out. However in September 2019 the Board decided that now was not the right time to proceed with the merger.

Coronavirus (Covid 19)

In March 2020 the Coronavirus pandemic affected the UK. Social isolating measures were introduced to protect the public and to help prevent the spread of the virus. WPH activated the business continuity plan and continually reviewed and revised our services as the public health emergency progressed.

Thanks to our investment in technology WPH has been able to continue with most services. Frontline staff such as our Sheltered Scheme Managers and Estates Services Officers have continued to provide essential services to residents which cannot be done remotely. Office based staff have been able to successfully work from home and to support frontline staff and residents throughout the period. All phones were diverted and housing management support, essential repairs and health and safety activities have continued. Services to those ill, in self-isolation or being shielded have had to be restricted but we have ensured that their health and safety has been our top priority. A skeleton staff have attended the office as required to scan in post, send out letters to residents and provide supplies to front line workers.

Agile technology including video and telephone conferencing have helped us maintain effective communications with staff, residents and stakeholders.

Risks and uncertainties

Risks that may prevent the group from meeting its objectives are considered and reviewed regularly by the group's management team, the Audit and Risk Committee and by the Board. The risks are recorded and assessed by reference to their impact and likelihood.

Major risks, presenting the greatest threats to the group, are analysed in the tables below.

Key Risk	Action to manage risk
Failure to manage health & safety requirements leading to a major incident This risk covers issues relating to resident health and safety and to business resilience and disaster recovery.	We report resident health and safety aspects to senior management on a weekly basis and at all Board meetings. Key actions mitigating health and safety risks include: • Annual gas safety checks are undertaken by a Gas Safe approved supplier. • All properties have up to date Fire Risk assessments, Asbestos surveys and Legionella risk assessments. • An independent consultant oversees servicing arrangements including completing spot checks. • We maintain detailed business continuity and disaster recovery plans including overnight emergency contacts for residents and a resilient IT infrastructure including remote working and daily IT back up off site. We had three flat fires in 2019 and a further fire in February 2020. No breach of health and safety regulations were noted. We reported each event and any lessons learnt to the Board. We continue to enhance our fire safety measures in both general needs and sheltered accommodation and introduced additional controls such as person centred fire risk assessments.
Delivery of the Wood Lane development This risk covers the issues arising from our major development at Wood Lane. Risks include the failure to deliver on time and in budget, the failure to deliver to a standard that will be maintained economically, the total failure of the programme and the subsequent loss of income and the failure of a workable exit.	We have made use of reputable advisors to procure the development opportunity at our office site on Wood Lane. The Development Committee is established with Board members with specific skills to oversee the project effectively. The agreement in place for this development places the planning and financial risk on the developer rather than the association. The failure of the development has been stress tested within our financial plan and the Board are aware of available actions should the development fail.

Risks and uncertainties (continued)

Key Risk	Action to manage risk
Failure of Governance and/or a breach of regulatory requirements This risk covers our inability to meet our regulatory requirements, including governance and financial viability standard, the Homes and Tenancy Standard, and Resident Empowerment.	We have an appropriate governance structure in place. The Board delegate some strategic matters to committees for audit and risk, development and remuneration and nominations to provide more in depth scrutiny. An internal audit function reports to the Audit and Risk Committee. We have a suite of policies and procedures which are reviewed and updated regularly. We have a number of Board members standing down in June 2020 and have recruited four new members with the appropriate skill sets.
Failure to provide high quality homes and services The risk is associated with the service and the quality of the home we provide fall below the standards expected by our residents. In addition the risk relates to any of our properties not meeting the decent homes standard set by the regulator.	We have an asset management strategy in place and a clear "Home standard" for our properties. In 2019 we procured new contractors to undertake a new capital investment programme which will increase the number of new kitchens and bathrooms being installed in tenanted properties. Satisfaction is monitored through our quarterly residents' surveys and feedback is addressed.
Resident Engagement WPH's reputation is negatively impacted by a perceived failure to listen to and respond to residents' concerns.	We have a resident engagement strategy in place. As part of the strategy we work closely with our Resident Engagement and Scrutiny Panel who undertake task and finish groups to review specific aspects of our service. This year they also worked with us to consult residents on the potential merger. We will continue to involve residents in our procurement activities in for example drawing up the specifications and sitting on tender panels. We have involved residents in the recruitment of front line staff. In addition, we undertake quarterly surveys to obtain resident feedback and benchmark results against our peer group of London housing associations. The Board receives performance reports on a quarterly basis.

Risks and uncertainties (continued)

Key Risk	Action to manage risk
Insufficient finances to meet our development and operational requirements We invest significantly in our properties each year as well as having a growing development pipeline. The risk covers issues with treasury arrangements and available liquidity so that we can meet the needs of the association.	The Board approves the annual budget and development plan. We also maintain an 18 month cashflow which demonstrates funds are in place to meet our commitments. We have engaged the services of treasury consultants who will be assisting us with a refinance exercise in 2020 to ensure we have suitable long term funding in place. We have capacity available should we require further loan finance for additional development or capital activities.
Financial performance causes a breach in loan covenants The agreements with our lenders have a number of covenants in place which must be met each year. If covenants are not met, our loan margins may increase or the loans could be recalled.	The Board approves the annual budget and long-term financial plan which demonstrates loan covenants are met. The financial plan is regularly stress tested with multiple assumptions to see what adverse situations would be needed to breach our loan covenants. We have also assessed the impact Coronavirus may have on our 2020 budget, and have concluded the financial results are robust enough to meet all covenants.
Arrears Management The risk relates to changes in residents' circumstances reducing income to such an extent that the resident is unable to pay rent/service charges. For example the implementation of universal credit and rules regarding "no recourse to public funds" will significantly increase the number of residents requiring benefit advice.	We have clear rent arrears policy and procedures. We utilise software which helps predict recent receipt activity and enables our Housing Officers to review arrears cases in an efficient manner. We employ a financial inclusion officer to specifically help residents with the universal credit (UC) and other benefit issues In addition we report the level of arrears monthly to the Executive team and quarterly to Board.
Scale of change As we implement our corporate plan, this risk relates to the failure to maintain standards for day to day business during a significant change programme.	We are working closely with staff to ensure that we manage the changes effectively. Staff resources have been increased and software has been implemented to monitor actions, risks and performance.

Risks and uncertainties (continued)

In March 2020 we added a new risk to our risk register in relation to the impact of Coronavirus:

Key Risk	Action to manage risk
Coronavirus The coronavirus pandemic affected the UK from March 2020. Social isolating measures were introduced to protect the public and to help prevent the spread of the virus. This UK government have put in place a number of packages to help businesses and individuals throughout this period. Nevertheless, this pandemic has had a significant impact on the way WPH operates and has required us to implement business continuity measures.	We introduced a specific pandemic action plan which identified and addressed the most likely risks to business operations as a result of the Coronavirus pandemic. The action plan covers the business, staff and our residents. During this period we implemented the following key actions: • Reviewed every aspect of our service in light of government guidance. • Implemented home working for all staff who could work from home. • Reviewed frontline roles (scheme managers and estate services officers) and focussed on essential services such as support to vulnerable residents and health and safety. • Reviewed our outsourced activities such as repairs and estate services focussed on essentials. • Our financial inclusion officer is advising any residents who are finding it difficult to pay their rent. • Where possible we are still completing works to vacant properties and assisting residents with any re-lets. We have sufficient financial resources to operate during this period as well as the next 12 months and continue to monitor our financial and operational performance on a monthly basis.

Value for Money

What does Value for Money mean to Women's Pioneer

The association has a Value for Money strategy which was approved in September 2018. The strategy sets out what we do to deliver value for money in helping us meet our objectives.

We do this through:
- Making the best use of our properties
- Working with our partners
- Investing in our Resources
- Streamlining our services
- Cost control and effective procurement
- Benchmarking and monitoring performance

We also aim to add social value by working closely with our partners who offer residents access to support with benefits, employment and training, including IT training. We also add social value by influencing other providers to meet women's specific housing needs e.g. through the Women's Housing Forum.

Overall control of these areas lies with the Board, which monitors performance and seeks assurance through independent audit. We benchmark against other housing associations through Housemark, through the Regulator's global accounts, and report our comparative performance to the Board and set targets based on our knowledge of good practice elsewhere in the sector.

We are regulated by the Regulator of Social Housing which publishes a standard setting out its requirements in respect of value for money. The performance metrics set out in the standard are set out below.

Measuring Value for Money

Our value for money assessment below considers the following:
- Making the best use of our properties
- Comparing performance
- Providing social value
- Value for money achievements
- Future value for money plans

Value for Money – Making the best use of our properties

Our existing property portfolio is a mix of rented and leasehold properties funded by original private investment, grants, reserves and recent loans. The following policies define how we make the best use of our assets:

Policy	What is achieved
Asset management strategy	The asset management strategy defines the standard we will invest in our homes to ensure we meet the decent homes standard.
Development strategy	The development strategy describes the level and mix of growth which will be delivered and how this will be achieved.

Policy	What is achieved
Disposal policy	The disposal policy sets out the criteria we will use to identify specific homes for either disposal or a change in use. This includes the disposal of specific properties into the commercial subsidiary which will allow us to increase and diversify our income streams.

Existing Stock

Our responsive maintenance service is supported by professional advice, on site staff presence for diagnosis and a post inspection regime. Resident satisfaction surveys are provided after every repairs visit and contribute to contractor appraisal. We benchmark our performance through Housemark and the cost of our service to a selection of similar small providers.

Planned maintenance is also benchmarked through Housemark. The programme is informed by a stock condition survey and supervised by external consultants to ensure appropriate cost and quality. It is fully costed and provided for within the business plan and budgets approved by the Board. This includes our capital investment programme that systematically improves older stock, enables work to be carried out in the most cost effective way and reduces our direct responsive maintenance costs.

Development

The Board had originally set a target of achieving 15% growth over 5 years. However, in 2018 this was reduced to growth of 12.5% over 7 years to ensure the association does not overstretch itself financially. The growth will include diversifying our housing asset streams further to include shared ownership. This has been factored into the long term financial plan, has undergone stress testing and will put the organisation in a stronger position over the long term.

One major project in achieving this growth is the redevelopment of our offices and properties at Wood Lane which will deliver 80 new homes and a new office. We are working in partnership with Hub Residential Ltd (procured through an OJEU process) in a land for flats deal. This will result in the delivery of a £19m asset for just a cost of c£1.8m and the lease of a small area of land. This is an excellent example of maximising our assets, whilst minimising financial risk. In January 2020 a significant milestone was reached with the submission of planning permission for 350 co-living flats (which will be owned by Hub) and 80 flats and a new office which will be owned by the association. Once planning permission is granted works will begin at the end of 2020.

In addition to the Wood Lane development we expect to deliver a further 9 homes in 2021 which will be let at market rent. This completes our 'hidden homes' programme. This programme was born from the assessment of all our buildings to appraise their potential for providing additional or larger homes. In total 32 new homes have been delivered. All rental investment activity is expected to payback within 30 years using the current risk weighted long term cost of capital for the organisation. In this way we are improving the return on our assets within our long term business plan capacity.

Market Rent Properties

As a group, including the 9 properties in development, we will own and manage 25 market rented properties. The rental income received from these properties is substantially higher compared to our social housing properties. By diversifying our assets the higher income streams will help support future development aspirations of the organisation.

At the end of 2019 the Board approved a strategy to dispose of up to 25 studio properties to the subsidiary to be let out at market rent. The profits generated will be gift aided back to the association.

Value for Money – Comparing performance

In addition to the value for money metric reported below, the Board also monitor the following performance indictors:

	Target	2019	2018	Housemark Quartile
Resident satisfaction				
Satisfaction with the overall service	80%	77%	78%	Q2
Satisfaction with the overall quality of the home	80%	70%	76%	Q4
Satisfaction that landlord listens to/actions upon tenants' views	70%	60%	61%	Q2
Satisfaction with the repairs and maintenance service	80%	74%	78%	Q2
Residents that felt that their home supported their independence and wellbeing	80%	83%	-	-
Rent collection rate (over 12 months)	100%	99.8%	100%	-
Current resident rent arrears	3.00%	2.96%	3.18%	Q1
Void re-let time	28 days	38 days	30 days	Q3
Repairs completed on time	98%	97.1%	97.3%	-
Satisfaction with repairs	95%	95.0%	94.8%	-

Performance for each metric is considered in our performance report above (pages 3 to 9).

Value for Money Metrics

Following consultation with the sector the Regulator of Social Housing (RSH) issued value for money metrics to ensure performance to be measured consistently for each Registered Provider. We have adopted these which are reported below:

Group Performance		Median (2018/19)	2019	2018	Target (2019)
Business Health	Operating Margin (overall)	22.7%	15.4%	16.3%	15%
	Operating margin (Social Housing)	24.7%	16.4%	16.5%	15%
	EBITDA-MRI Interest Cover	167.2%	74.8%	29.9%	(50%)
Development	New Supply	1.3%	0.2%	0.2%	0.2%
	Gearing	36.5%	38.3%	32.5%	40%
Asset Management	Reinvestment %	4.3%	2.2%	4.8%	5%
	ROCE	2.6%	2.2%	1.9%	1.75%
Cost per unit	Headline social housing cost	£5,789	£7,954	£7,294	£7,500

The median metrics are based on the 2019 global accounts of registered providers and has been refined to include Registered Providers in London and the South East with less than 5,000 social housing properties and with more than 70% general needs stock. The median above is based on 17 Registered Providers.

Business Health

Group Performance		Median (2018/19)	2019	2018	Target (2019)
Business Health	Operating Margin (overall)	22.7%	15.4%	16.3%	15%
	Operating margin (Social Housing)	24.7%	16.4%	16.5%	15%
	EBITDA-MRI Interest Cover	167.2%	74.8%	29.9%	(50%)

Operating margin results have exceeded our budget target level and generally consistent with the previous year.

Overall operating margin is lower than the social housing margin because 10% of group turnover relates to development income which is directly matched to costs. In addition costs associated with the abortive merger negotiations accounted for 1.3% of total costs. Excluding these activities, the overall margin would be 18.5%. This is still below the median for our peer group. However this is due to the high cost nature of our heritage stock (see social housing cost per unit on page 18).

EBITDA-MRI for the group remains below 100%. This is due to costs associated with maintaining our buildings (see social housing cost per unit on page 18) and our capital investment programme. The increase in interest cover in 2019 is due to less capital expenditure incurred of £1.3m compared to £1.7m in 2018. Our investment programme is scheduled to last for a further 6 years and EBITDA-MRI is expected to remain below 100% during this period. We have a long-term financial plan which is stress tested and demonstrates over the long term we become a financially strong organisation.

Growth

Group Performance		Median (2018/19)	2019	2018	Target (2019)
Development	New Supply	1.3%	0.2%	0.2%	0.2%
	Gearing	36.5%	38.3%	32.5%	40%

The group has developed 2 new homes during 2019 in line with expectations. A further 9 homes are expected to start on site in 2020 (completing in 2021), and our major development of 80 homes is expected to start on site in November 2020 for completion in 2023.

Gearing is in line with target and close to our median peer group. When our major development is delivered our gearing ratio will significantly improve as it provide us with an £19m asset for a cost of c£1.8m. This will provide us additional capacity to raise more debt for further growth.

Asset Management

Group Performance		Median (2018/19)	2019	2018	Target (2019)
Asset Management	Reinvestment %	4.3%	2.2%	4.8%	5%
	ROCE	2.6%	2.2%	1.9%	1.75%

The level of re-investment was less than expected in 2019 as the development start on site at Norman Court was deferred as we dealt with complex fire safety measures. These are complete now but the work has been further delayed by the Coronavirus pandemic. The scheme should start on site in 2020.

Return on capital employed (ROCE) increased compared to 2019 due to a property sale generating a surplus of £170k. Without the property sale ROCE would have been consistent with 2018 and in line with target. The results are below the median for our peer group due to the high cost nature of our stock and our portfolio is less diversified (for example we do not have any shared ownership properties).

Social housing cost per unit

The value for money metrics include the social housing cost per unit. This can be broken down into the following cost headings:

Cost per home	Median (2018/19)	Women's Pioneer (2019)	Women's Pioneer (2018)	Peer group rank
Housing management	£1,171	£1,290	£1,221	11
Service charges	£1,117	£1,477	£1,318	14
Responsive maintenance	£1,097	£1,179	£1,163	12
Planned maintenance	£350	£1,285	£1,554	15
Major repairs (including capital works)	£928	£1,580	£2,001	14
Other social housing costs	£348	£1,143	£37	12
Headline social housing costs	**£5,789**	**£7,954**	**£7,294**	**16**
Less: Development costs recovered and abortive merger costs		(957)	-	
Cost per unit without Wood lane development costs		**£6,997**	**£7,294**	**16**

The overall cost per home is significantly higher than the peer group median, especially with regards to service charges, planned maintenance and major repairs. The key reasons are explained below:

- Due to the location, type and age of our properties they can be expensive to maintain and improve and can require significant investment. Many are 19th century properties in Kensington and Chelsea and a significant number are listed or in conservation areas.
- As a result of the above, the cost of providing major works (including capital works) is significantly higher than our peer group due to the higher unit costs and level of investment required compared to newer properties. This is also impacted by our significant capital investment programme which saw a full refurbishment of 26 homes in 2019.
- We invested heavily in planned maintenance activities and have aligned our cyclical maintenance works with any development activities on our existing stock. In addition, enhanced health and safety work have contributed to the high costs.
- The cost of providing services is high due to the nature of the stock of which 98% are flats. Each flat has a service charge attached to them which can be very significant depending on the services being provided. The costs of services are reviewed and retendered on a regular basis to ensure we make efficiency savings where possible.

In addition, other social housing costs for 2019 are significantly higher than 2018 costs and our peer group. The key reasons for this are:

- We have recovered £846k of development expenditure associated with the Wood Lane development. The one-off costs are included within the RSH metric definitions.
- We incurred £97k during merger negotiations. These one-off costs are also included within the RSH metric definition.

If the costs above are discounted, the cost per social housing property is £6,997, represents a fall of £297 per unit compared to 2018 and is within our target of £7,500 per unit.

Our future plans on value for money (discussed below) inform how we plan to increase our margins and reduce our social housing cost per unit.

Value for Money – Adding Social value

Where possible, we aim to add social value. Our overall vision is to make a positive difference to women's lives. Our work plays a vital role in tackling gender inequality.

Our work under objectives 1 and 3 of our Corporate Plan enables us to provide good quality, safe and secure homes for women who have difficulty finding and keeping accommodation in the private sector. This helps them to achieve their potential in society.

Our work under objective 2 further supports our residents' independence and wellbeing. In achieving this objective we aim to work effectively with partners, LAs and other organisations to offer residents access to support with benefits, employment and training opportunities as well as IT training.

Our work under objective 4 raises the profile of women's housing issues and influences other housing providers to also do more to meet women's housing needs.

Value for Money achievements

During 2019 we achieved the following:

- Procurement of our capital investment programme to meet our new homes standard. This will commence in 2020 and deliver almost 600 new Kitchens and Bathrooms over the next 6 years. Through economies of scale the capital investment contract should save us approximately £3,000 per Kitchen or Bathroom which equates to £1.8m over the next 6 years.
- Procurement of treasury advisors who will assist us in the refinancing of £20m and raising an additional £10m. The advisors are specialists in the sector and will have access to the treasury markets and can advise on deals that represent the best value for money.
- Procurement of estate service contracts such as:
    - Pest control contract: the service was consolidated into a contract with one supplier who are maintaining monthly checks. This is less expensive compared to individual works orders when pest control issues are reported.
    - Utility contracts: We use an energy broker who is able to access and negotiate the best prices in the market when we renew our annual contracts.
- Implementation of a board portal so that all papers are held on-line which substantially reduces paper and printing costs.
- Implementation of inspection software which enables our staff to conduct health and safety or tenant inspections electronically. This increases efficiency as well as saving paper.
- Approval of a strategy to dispose up to 25 studio flats into the subsidiary to let at market rent. Profits will be gift aided back to the association to help fund the capital investment programme.

- Our rent arrears continue to be low. We have a rent payment predictive software which has assisted our housing team in targeting arrears cases more efficiently. In addition we have a financial inclusion officer who specialises in handling universal credit cases. This enabled our rent arrears in 2019 to remain below 3%.
- Staff learning and development was established and coaching was provided to the Senior and Middle Management teams helping to improve work practices and increase efficiency.

Value for Money Future Plans

2020 and beyond will continue to see changes within Women's Pioneer as we deliver on the objectives set in our corporate plan. Value for money initiatives include:

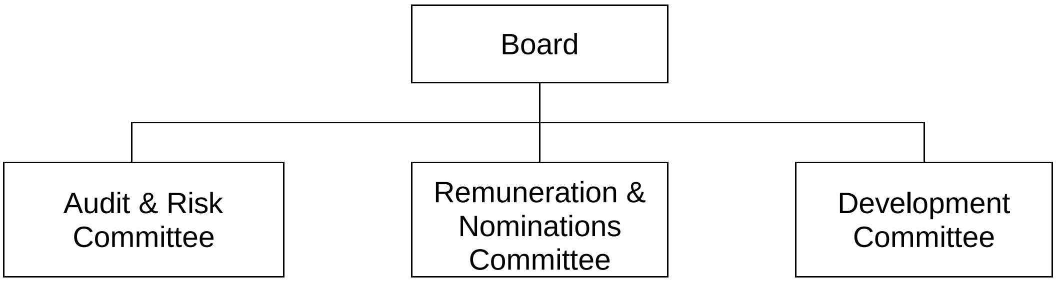
- Work effectively with partners, Local Authorities and other organisations to:
  - offer residents access to support with benefits, employment and training, including IT training
  - provide information on social, health and leisure activities locally
  - maintain our DAHA accreditation.
- Continued investment in IT in order to maximise the use of our housing, repairs and finance systems as well as improve the efficiency of our work. This includes the implementation of a dynamic purchasing system which will help us achieve value for money on our responsive repairs.
- Procurement of new contracts such as a new gas safety programme and repairs contract.
- Further investment in our staff and development plan. This will improve staff knowledge and expertise to improve the services we provide to our residents.

Governance

Women's Pioneer Housing is governed by a Board composed of up to 12 non-executive members. Details of the Board, who are drawn from a range of backgrounds, are set out on page 1. We commenced Board recruitment in Spring 2020 and at the date of signing 4 new Board members have been co-opted.

The group has adopted the National Housing Federation's 'Code of Governance: Promoting Board Excellence for Housing Associations (2015 edition)' and has committed to uphold it and keep to the high standards expected.

The following Governance structure is in place:



The Board delegates some of its responsibilities to the committees above. Each committee has clear terms of reference and delegated authority.

Audit & Risk Committee

The Audit and Risk Committee oversees the work of both the internal and external audit function and the risk management and internal controls for the group. The Committee review the audited financial statements for the group and recommend them to the relevant Board for approval. Through the reports it receives, the Audit and Risk committee gains external assurance that the group has appropriate systems of internal control in place and these are working effectively.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee considers the remuneration of the Chief Executive and the appointment and appraisal of Board members.

Development Committee

The Development committee oversees the development activities of the group. It comprises of 4 Board members and key staff members with specialist skills in this area.

Executive Directors

The group is managed by the Senior Management Team headed by the Chief Executive and supported by the Director of Resources, Director of Housing, Director of Property and Estate Services and the Head of HR and Corporate Services.

The Senior Management Team and other staff have no interest in the Association's shares and act as executives within the authority delegated by the Board.

The Chief Executive and other Senior Management Team members are on notice periods ranging from three to six months. Details of their remuneration are shown in note 9. Board members receive expenses but no remuneration for their services.

Insurance policies are in place to indemnify Board members, Executive Directors and staff against liability when acting for the group.

Resident Involvement

Residents are actively encouraged to become involved in decision making by the group. We have two resident Board members and an independent Resident Engagement and Scrutiny Panel (RESP).

In 2019 staff and the RESP worked with residents to review a number of policies and procedures including rent arrears, anti-social behaviour and ending fixed term tenancies. Residents have also been involved in agreeing specifications for services and in procurement panels as well as recruitment panels.

Statement of Board's responsibilities

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation in England 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 group and of the surplus or deficit for that period. In preparing the financial statements the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group 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 group and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England from April 2019. It is also responsible for safeguarding the assets of the group and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The Board is responsible for ensuring that the Board report includes a fair review of the development and performance of the business and the position of the group and its subsidiaries included in the consolidation, together with the disclosure of the principal risks and uncertainties they face.

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.

Internal controls assurance

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

The Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the group's assets and interests.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the group and a robust and prudent business planning, risk and control framework is in place. This approach has operated throughout the year under review up to and including the date of approval of the Consolidated Financial Statements.

Key elements of the control framework include:

- an organisational structure with clearly defined lines of responsibility and delegation of authority,
- policies that are regularly reviewed by the Board and supported by detailed procedures designed to ensure proper implementation of policy,
- detailed risk management action plans, reviewed by the board and audit committee regularly to ensure that it accurately reflects changes in the housing sector arising principally from changes in government policy with management action plans changed accordingly,
- robust strategic and business planning processes with detailed budgets, financial forecasts, and stress testing,
- formal recruitment and development policies for all staff together with a formal appraisal process to manage staff development and performance,
- clear procedures for managing fraud risk across the group,
- the operation of an outsourced internal audit function reporting directly to the audit and risk committee,
- benchmarking our processes with others; and
- a programme of regularly reporting to the Board on the group's financial position, including compliance with loan covenants and requirements for new finance.

Financial Review

Going concern and post balance sheet events

After making enquiries, the Board has a reasonable expectation that the overall group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. The group was due to conduct a refinance exercise in April 2020 but this has been delayed as a result of market volatility due to the Coronavirus pandemic.

At 31 December 2019 we have £15.5m of loans drawn which are repayable in 2021. £10m was repayable in May 2021 and £5.5m repayable in December 2021. To ensure sufficient cash resources remain in place we have negotiated a 12 month extension of the £10m loan facility, on the same terms and conditions. We are expecting to complete the refinance exercise later in 2020.

The Coronavirus pandemic has also impacted our business operations. We introduced a specific pandemic action plan which identified and addresses the risks to the operations of WPH. The action plan covers the business, staff and our residents and key mitigations are reported in the risk review (pages 10-13). The group is sufficiently robust and has the financial resources to operate during this period as well as the next 12 months. This is due to the following:

- The group has £4.5m of secured loan finance available to use
- Based on the group scenario testing of the financial plan, irrecoverable rent arrears levels would need to reach 10% before interest cover covenant levels would be breached. Our arrears levels at 30 April 2020 are 3.86%.
- The group has the ability to defer any cyclical maintenance contracts to ensure covenants restrictions are complied with.

We will continue to monitor financial and operational performance on a monthly basis. For this reason, it continues to adopt the going concern basis in the financial statements.

Results

Five-year trends for the group are set out below:

Statement of Comprehensive Income	**2019 £'000**	**2018 £'000**	**2017 £'000**	**2016 £'000**	**2015 £'000**
Income from social lettings	6,721	6,810	7,068	7,045	6,854
Income from other lettings	575	375	132	100	-
Other activities	1,118	663	596	197	207
Amortised Social Housing Grant	263	245	408	276	276
Total Turnover	8,677	8,093	8,204	7,618	7,337
Operating costs	(7,362)	(6,772)	(6,906)	(6,196)	(5,586)
Gain on disposal of properties	170	-	141	-	-
Movement in value of investment properties	(410)	(90)	2,062	3,157	-
Operating surplus	1,075	1,231	3,501	4,579	1,751
Net interest payable	(969)	(892)	(877)	(954)	(990)
Surplus transferred to reserves	106	339	2,624	3,625	761
Statement of Financial Position	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Housing Properties net of depreciation	61,574	61,679	60,259	58,444	57,827
Investment Properties	7,796	8,169	6,909	4,083	-
Other fixed assets	1,555	1,715	1,772	1,510	1,354
Fixed assets	70,925	71,563	68,940	64,037	59,181
Net current assets/(liabilities)	1,528	549	(1,035)	1,285	2,357
Total assets less current liabilities	72,453	72,112	67,905	65,322	61,538
Loans (due over one year)	25,703	25,204	20,953	20,449	20,015
Social Housing Grant	26,316	26,579	26,962	27,506	27,781
Total Liabilities	52,019	51,783	47,915	47,955	47,796
Total Net Assets	20,434	20,329	19,990	17,367	13,742
Reserves	20,434	20,329	19,990	17,367	13,742

Results (continued)

The results for 2019 show an increase of £584k (7.2%) in group turnover. This is due to the following:

- Development services income (social housing) has increased because in 2019 we entered into an agreement with a developer who provide 80 new homes and a new office. This is in exchange for land. As part of the agreement, the developer agreed to pay our feasibility works and most of our ongoing consultancy fees. The income associated with this is £903k (2018: £nil)
- Increase in market rental income £311k (2018: £222k)
- The above is offset by a fall in development services income (non-social housing) as this project completed at the end of 2018. Income for 2019 was £57k (2018: £288k).
- The above is also offset by a 1% rent reduction for social housing properties as well as a fall in resident service charges. Total income was £6,720k (2018: £6,810k).

Operating costs report an increase of £590k (8.7%) due to the following:

- Development services costs (social housing) have £861k (2018: £nil). The costs relate to the feasibility and consultancy costs involved the Wood Lane development recharged to the developer.
- One off costs associated with merger negotiations accounts for £98k
- The above is offset by a fall in social housing costs and relate to less planned maintenance activities compared to 2018.

Included in the overall surplus for the year is a 5% decrease in value of investment properties of £410k (2018: decrease of £90k) which reflects current market conditions. Fifteen properties owned by the subsidiary and one property owned by the association were let on a market rent basis during 2019.

Group reserves at the year end amounted to £20.4m (2018: £20.3m). See the Statement of Changes in Reserves for further details (pages 33-34).

Key statistics for the last 5 years are set out below:

	2019	**2018**	**2017**	**2016**	**2015**
General Needs properties	804	805	808	813	818
Housing for Older people	182	182	182	184	185
Market rented	16	14	9	5	-
Rent losses* (void loss as a % of income from lettings)	1.16%	1.35%	1.36%	0.83%	2.58%
Rent arrears* (arrears as a % of income from lettings)	2.96%	3.18%	3.34%	3.18%	3.59%
Debt per property owned*	£25,725	£25,193	£20,828	£20,437	£19,955
Reserves per property owned*	£16,012	£15,612	£15,121	£14,181	£13,751
Interest cover (EBITDA)*	1.97	2.04	2.10	1.98	2.43

* Association results only

Capital structure and treasury management

Borrowings at the year end were £25.7m (2018: £25.2m) and undrawn facilities were an additional £4.5m. The debt is borrowed from banks and building societies in the UK. Our approach is to borrow at fixed and variable rates to minimise our overall exposure to interest rate risk. We do not currently use interest rate swaps or other free-standing derivatives to manage risk. Our average interest rate for our loans (including margins) at the reporting period date was 3.43% (2018: 3.52%).

We report performance to the Board each quarter through the management accounts. Over the same timescale we report compliance with lenders' loan covenants. Based on our current plans we have sufficient funds to meet our commitments at least until May 2021.

At 31 December 2019 we have £15.5m of loans drawn which are repayable in 2021. £10m was repayable in May 2021 and £5.5m repayable in December 2021. We were due to commence a refinance of these loans in April 2020 but market volatility due to the Coronavirus pandemic has led us to delay this decision. To ensure sufficient cash resources remain in place we have negotiated an extension of the £10m loan facility, on the same terms and conditions. We are expecting to complete the refinance exercise later in 2020.

In the event that loan finance is not available the development programme is not committed and can be scaled back. We also have significant assets in high value areas if we are required to raise additional funds.

Housing properties

Social housing properties are held at cost in the Statement of Financial Position and market rented properties are stated at fair value. At 31 December 2019 the group owned and managed 940 properties with a further 46 properties owned that are managed by LBH&F (36 homes) and St Mungos (10 homes)

The carrying value of social housing properties (not including under construction) net of depreciation is £61.0m (2018: £60.6m) and has increased by 0.6% as a result of capital improvement works.

The Board estimates the value of our housing properties to be more than £400m on a vacant possession basis. This is based on a 2014 valuation undertaken by Savills.

Independent auditors and annual general meeting

The annual general meeting will be held on 23 June 2020 and a resolution to re-appoint external auditors will be proposed at that meeting. Nexia Smith & Williamson have expressed a willingness to continue in office.

At the date of this report, each Board member confirms the following:

- So far as each Board member is aware, there is no relevant information needed by the association's and group's auditor in connection with preparing their report of which the association's and group's auditor is unaware
- Each Board member has taken all the steps that they ought to have taken as a Board member in order to make themselves aware of any relevant information needed by the association's and group's auditor in connection with preparing their report and to establish that the association's and group's auditor is aware of that information. In approving the Consolidated Financial Statements we also approve the Board report included therein, in our capacity as company directors.

Statement of compliance

The Board confirms that the association has met the Regulator of Social Housing's regulatory expectations in respect of the Governance and Financial Viability Standard.

The group has adopted the National Housing Federation's 'Code of Governance: Promoting Board Excellence for Housing Associations (2015 edition)' and has committed to uphold it and keep to the high standards expected. During 2019 and up to June 2020 there is an area of non-compliance as we extended the tenure of 2 board members (the former Chair and former Vice Chair) by one year beyond the maximum term of 9 years. This was to ensure continuity whilst merger discussions took place. One board member resigned from the Board in March 2020 and the other board member will stand down from the Board in June 2020.

The Board report was approved by the Board on 26 May 2020 and signed on its behalf by:

Kim Vernau
Chair

Independent Auditor's Report to the Members of
Women's Pioneer Housing Limited

Opinion

We have audited the financial statements of Women's Pioneer Housing Limited (the 'association') for the year ended 31 December 2019 which comprise the consolidated and association Statement of Comprehensive Income, the consolidated and association Statement of Financial Position, the consolidated and association Statement of Changes in Reserves, the consolidated Statement of Cashflows and the 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 the group and association's affairs as at 31 December 2019 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 in England 2019.

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 group and 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report (continued)

Emphasis of matter – impact of Covid-19

We draw attention to Note 2 of the financial statements, which describes the impact of Covid-19 on the group. Our opinion is not modified in respect of this matter.

Other information

The Board is responsible for the other information. The other information comprises the information included in the Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 statement are not in agreement with the association's 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 Board's Responsibilities set out on page 22, 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 controls 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 group and 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 group or association or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

Nexia Smith & Williamson

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London
EC2R 6AY

Nexia Smith & Williamson
Statutory Auditors

Date: 03 June 2020

WOMEN'S PIONEER HOUSING LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

		GROUP		ASSOCIATION	
	Notes	**2019**	**2018**	**2019**	**2018**
		£	**£**	**£**	**£**
Turnover	3	8,676,555	8,093,116	8,587,208	8,003,816
Operating expenditure	3	(7,361,767)	(6,772,444)	(7,304,562)	(6,700,014)
Operating Surplus before gain on disposal of property, plant and equipment and decrease in valuation of investment properties	3	**1,314,788**	**1,320,672**	**1,282,646**	**1,303,802**
Gain on disposal of property, plant and equipment	6	169,915	-	169,915	35,540
Decrease in valuation of investment properties		(410,232)	(90,281)	-	(25,000)
Operating surplus		**1,074,471**	**1,230,391**	**1,452,561**	**1,314,342**
Interest receivable		10,342	5,693	42,466	22,562
Interest and financing costs	7	(979,395)	(897,152)	(979,395)	(897,152)
Surplus before tax	8	**105,418**	**338,932**	**515,632**	**439,752**
Taxation		(19)	-	-	-
Surplus for the financial year		**105,399**	**338,932**	**515,632**	**439,752**
Total comprehensive income for the year		**105,399**	**338,932**	**515,632**	**439,752**

All amounts relate to continuing activities

The financial statements on pages 31 to 57 were approved and authorised for issue by the Board on 26 May 2020 and signed on its behalf by:

Kim E Venau

Kim Venau
Chair

Louise Wolfson
Board member

Mark Cole
Secretary

The notes on pages 36 to 57 form part of these financial statements

WOMEN'S PIONEER HOUSING LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	GROUP 2019	GROUP 2018	ASSOCIATION 2019	ASSOCIATION 2018 Restated
		£	£	£	£
Fixed assets					
Tangible fixed assets	11	61,573,891	61,679,178	61,573,891	61,679,178
Other tangible fixed assets	12	1,555,007	1,714,805	1,555,007	1,714,805
Investment properties	13	7,796,520	8,168,931	275,000	275,000
Investment in subsidiary	14	-	-	435,500	435,500
		70,925,418	71,562,914	63,839,398	64,104,483
Current assets					
Debtors	15	974,895	770,748	3,773,616	3,441,103
Investments	16	532,819	543,595	532,819	543,595
Cash and cash equivalents		2,115,349	1,926,326	1,871,781	1,788,966
		3,623,063	3,240,669	6,178,216	5,773,664
Creditors: amounts falling due within one year	17	(2,094,814)	(2,691,301)	(2,058,068)	(2,670,219)
Net current assets		**1,528,249**	**549,368**	**4,120,148**	**3,103,445**
Total assets less current liabilities		**72,453,667**	**72,112,282**	**67,959,546**	**67,207,928**
Creditors: amounts falling due after more than one year	18	52,019,125	51,783,140	52,019,125	51,783,140
Total net assets		**20,434,542**	**20,329,142**	**15,940,421**	**15,424,788**
Capital and reserves					
Non-equity share capital	20	22	21	22	21
Revaluation reserve	21	4,755,632	5,165,864	-	-
Income and expenditure reserve	21	15,678,888	15,163,257	15,940,399	15,424,767
Total reserves		**20,434,542**	**20,329,142**	**15,940,421**	**15,424,788**

The financial statements on pages 31 to 57 were approved and authorised for issue by the Board on 26 May 2020 and signed on its behalf by:

Kim Venau	**Louise Wolfson**	**Mark Cole**
Chair	**Board member**	**Secretary**

The notes on pages 36 to 57 form part of these financial statements

WOMEN'S PIONEER HOUSING LIMITED
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2019

GROUP	Share Capital £	Retained Earnings £	Revaluation Reserve £	Total £
At 1 January 2019	21	15,163,257	5,165,864	20,329,142
Surplus for the financial year	-	105,399	-	105,399
Transfer to revaluation reserve	-	410,232	(410,232)	-
Total comprehensive income for the year	-	515,631	(410,232)	105,399
Shares issued	1	-	-	1
At 31 December 2019	22	15,678,888	4,755,632	20,434,542

GROUP	Share Capital £	Retained Earnings £	Revaluation Reserve £	Total £
At 1 January 2018	25	14,759,044	5,231,145	19,990,214
Surplus for the financial year	-	338,932	-	338,932
Transfer to revaluation reserve	-	65,281	(65,281)	-
Total comprehensive income for the year	-	404,213	(65,281)	338,932
Shares cancelled	(4)	-	-	(4)
At 31 December 2018	21	15,163,257	5,165,864	20,329,142

The notes on pages 36 to 57 form part of these financial statements

WOMEN'S PIONEER HOUSING LIMITED
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2019

ASSOCIATION	**Share Capital**	**Retained Earnings**	**Total**
	£	**£**	**£**
At 1 January 2019	21	15,424,767	15,424,788
Surplus for the financial year	-	515,632	515,632
Total comprehensive income for the year	-	515,632	515,632
Shares issued	1	-	1
At 31 December 2019	22	15,940,399	15,940,421

ASSOCIATION	**Share Capital**	**Retained Earnings**	**Total**
	£	**£**	**£**
At 1 January 2018	25	14,985,015	14,985,040
Surplus for the financial year	-	439,752	439,752
Total comprehensive income for the year	-	439,752	439,752
Shares cancelled	(4)	-	(4)
At 31 December 2018	21	15,424,767	15,424,788

The notes on pages 36 to 57 form part of these financial statements

WOMEN'S PIONEER HOUSING LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	£	£
Cash flow from operating activities		
Surplus for the financial year	**105,399**	**338,932**
Adjustments for:		
Depreciation of tangible fixed assets	928,982	942,740
Amortisation of government grants	(262,607)	(245,327)
Movement in fair value of investment properties	410,232	90,281
Interest payable and financing costs	950,146	867,903
Interest receivable and finance income	(10,342)	(5,693)
Taxation expense	19	-
Gain on disposal of property, plant and equipment	(169,915)	-
Decrease/(increase) in investment	10,776	(1,899)
(Increase) in trade and other debtors	(204,146)	(95,485)
(Decrease) in trade and other creditors	(172,849)	(100,237)
Amortisation of loan set up costs	29,249	29,249
Net cash generated from operating activities	1,614,944	1,820,464
Cash flow from investing activities		
Purchase and construction of housing properties	(975,926)	(3,497,272)
Purchase of other fixed assets	(67,693)	(159,082)
Proceeds from sale of tangible fixed assets	395,991	-
Interest received	10,342	5,693
Net cash used in investing activities	(637,286)	(3,650,661)
Cash flow from financing activities		
Interest paid	(938,896)	(867,903)
Issue / (cancellation) of shares	1	(4)
New secured loans	500,000	4,250,000
Repayment of Social Housing Grant	(344,479)	-
Repayment of borrowings	(27,760)	(25,195)
Net Cash from financing activities	(811,134)	3,356,898
Net change in cash and cash equivalents	**166,524**	**1,526,701**
Cash and cash equivalents at beginning of year	1,926,326	399,625
Cash and cash equivalents at end of year	**2,092,850**	**1,926,326**

Cash and cash equivalents at the end of the year comprise:

Cash and cash equivalents	2,115,349	1,926,326
Bank overdraft and short-term facilities	(22,499)	-
Cash and cash equivalents at end of year	**2,092,850**	**1,926,326**

The notes on pages 36 to 57 form part of these financial statements

Notes to the financial statements for the year ended 31 December 2019

1. Legal status

Women's Pioneer Housing Limited is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Homes and Communities Agency as a housing provider. The registered address is 227 Wood lane, London W12 0EX, United Kingdom.

2. 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 2019.

The financial statements have been prepared under the historical cost convention as modified by the application of fair value following the valuation of certain properties. They have been prepared on a going concern basis and in accordance with applicable accounting standards in the United Kingdom. They are presented in sterling (£). As a public benefit entity, Women's Pioneer Housing Limited has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

The preparation of the financial information required management to exercise its judgement in applying the group's accounting policies. Areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are explained in the accounting policies below.

The financial statements have been updated to account for the changes required under the FRS 102 triennial review and the 2019 Accounting Direction including restatement of comparative information where applicable. The key changes include:

- Sale of housing properties and changes to the value of investment properties are reported within operating surplus. Previously these were shown as exceptional items after operating surplus.
- A Net Debt Reconciliation has been presented within the financial statements (note 22).
- Reduced disclosure requirements for the reporting of historic cost items in the financial instrument note (note 26).

A prior year adjustment has been recognised to reflect the legal terms of the intercompany loan agreement and present the balance as due within one year. There is no effect on net assets, surplus for the year or reserves.

Going Concern

The group's and association's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The group and association reviews its business plan on an annual basis and considers the impact on any loan covenants and debt requirements. We also conduct stress testing of the plan on a range of scenarios.

From March 2020 the Coronavirus pandemic affected the UK. Social isolating measures were introduced to protect the public and to help prevent the spread of the virus. The group activated the business continuity plan and continually reviewed and revised our services as the public health emergency progressed. The board have considered potential implications including a fall in rent receipts and operational matters with an increased staff sickness. The group and association has sufficient financial resources to operate for the foreseeable future and will continue to monitor financial and operational performance on a monthly basis. There is also sufficient headroom to ensure there will be no breach on any loan interest cover requirements.

2. Accounting policies (continued)

The group was due to conduct a refinance exercise in April 2020 but this has been delayed as a result of market volatility due to the Coronavirus pandemic. At 31 December 2019 the group has £15.5m of loans drawn which are repayable in 2021. £10m was repayable in May 2021 and £5.5m repayable in December 2021. To ensure sufficient cash resources remain in place we have negotiated a 12 month extension of the £10m loan facility, on the same terms and conditions. Therefore we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Basis of consolidation

The group financial statements are the result of the consolidation of the financial statements of the association and its subsidiary. Uniform Accounting policies have been used throughout the group. All intra-group transactions, balances and surpluses are eliminated on consolidation.

Turnover and revenue recognition

Rent	Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Rental income represents the amount receivable, net of any empty properties, for the period.
Service charges	Service charge income and costs are recognised on an accruals basis. The group operates variable service charges on a scheme by scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered they are held as creditors or debtors in the Statement of Financial position.
Revenue grants	Revenue grants are recognised when the performance related conditions are met or when the grant proceeds are received or become receivable if no conditions are imposed.
Amortisation of Government grants	Grants provided to purchase or construct social housing assets are recognised on a systematic basis over the useful economic life of the asset for which the grant is intended to compensate.
Interest Receivable	Interest income is recognised on a receivable basis
Gift aid	Gift aid is recognised on a receivable basis

Taxation

The association has charitable status and is not subject to corporation tax on surpluses in furtherance of charitable objectives. The profits of its subsidiary are subject to corporation tax but it has elected to distribute its profits to the association via gift aid.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits,
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met, and
- Where timing differences relate to interests in subsidiaries, associates and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

2. Accounting policies (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax.

Value added tax
The group is registered for VAT but is only partially able to recover VAT incurred on expenditure. The financial statements therefore include VAT suffered on expenditure.

Finance costs
Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Employee benefits
A liability is recognised to the extent of any employee benefits including unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted cost to the employees of the future holiday entitlement and accrued at the reporting date.

Pensions
The cost of providing retirement pensions and related benefits is charged to management expenses over the period benefitting from employees' services. The group offers a direct contribution Group Personal Pension for all employees and during the year made a contribution of up to 8% on their behalf.

Housing properties
Housing properties are principally properties available for rent and are stated at cost less depreciation. Costs includes the cost of acquiring land and buildings, cost of construction and expenditure in improving or reinvesting in existing properties. The cost of construction may also include appropriate amount for staff costs and other costs of managing development.

Housing properties in the course of development are stated at cost less any impairment, and are transferred to completed properties when ready for letting.

Works to existing properties, for example as part of the 'more than decent' programme, which result in an increase in net rental stream over the lives of the properties, enhancing their economic benefits, are capitalised as improvements. An increase on the net rental stream may arise through an increase in the rental income, a reduction in future maintenance cost, or a significant extension in the life of the property. Where the works are either repair or replacement with no additional benefit, the costs are charged to the Statement of Comprehensive Income.

2. Accounting policies (continued)

Housing properties have been split between land and structure costs and a specific set of major components which require periodic replacement. Refurbishment or replacement of such components is capitalised. Freehold land is not depreciated. Depreciation is charged on completed housing properties, excluding the land element, on a straight line basis over the useful economic lift of the components as follows:

Component	Useful economic life (years)
Land	Not depreciated
Structure	130
Roof	60
Kitchen	20
Bathroom	30
Heating	25
Electrical	20
Lifts	25
Carpets	8
Other scheme equipment	10-15

Lifts, carpets and other scheme equipment are depreciated through 'Property fittings and equipment' in other fixed assets.

Leasehold properties are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

Investment properties
Investment properties are defined as properties held to earn rentals and for capital appreciation on a commercial basis. The group holds properties rented on the open market.

Investment properties are initially measured at cost and subsequently at fair value. This is determined in accordance with the guidance notes on the valuation of assets issued by the Royal Institute of Chartered Surveyors.

Properties held as investments are revalued annually and the surplus or deficit is recognised in the Statement of Comprehensive Income. No depreciation is provided in respect of investment properties.

Investment properties in the course of construction are stated at cost as there is considered to be no material difference to fair value. Development costs include the cost of acquiring land and the cost of construction.

Other fixed assets
Other fixed assets are stated at historical purchase cost less accumulated depreciation. Costs include the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on a straight-line basis as follows:

- Freehold office structure 25 years
- Computer equipment 5 years
- Office equipment and vehicles 5 years

2. Accounting policies (continued)

Property Impairment

Annually housing properties are assessed for impairment indicators. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash-generating units for which impairment is indicated to their recoverable amounts. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The group defines a cash-generating unit as a scheme. Where the carrying amount of an asset or cash-generating unit is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount. This is likely to be the value in use of the asset based on its service potential. The resulting impairment loss is recognised in the statement of comprehensive income.

The group has used the depreciated replacement cost as a measure when assessing impairment of social housing properties which are able to be let at their current condition and which are fulfilling the social purpose they were acquired for. For other schemes value in use is defined as the net present value of the future cashflows.

Government grants

Grant received in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the Statement of Financial Position and released to income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018 the useful economic life of the housing property structure has been selected.

Where Social Housing Grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met.

Provisions

Provisions have been included in the financial statements only to the extent that there is a present legal or constructive obligation to transfer economic benefits.

Contingent liabilities

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

Debtors & Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income.

The group estimates the recoverable value of rental and other receivables and a provision established when there objective evidence that the group will not be able to collect all the amounts due. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

2. Accounting policies (continued)

Long term debtors, loans, and current asset investments
All long term debtors, loans, and current asset investments held by the group, are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price, less any transaction costs (historical cost). Basic financial instruments are subsequently measured at amortised cost when the adjustment is considered material, using the effective interest rate method so that the amount recognised is at a constant on the carrying amount. If the adjustment is not material the financial instruments are stated on the Statement of Financial Position at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Financial liabilities and equity
Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Cash and cash equivalents
Cash and cash equivalents in the group's consolidated Statement of Financial Position consist of cash at bank, in hand, and current asset investments with an original maturity of three months or less.

Revaluation reserve
The group maintains a revaluation reserve which represents the gain in value of investment properties compared to original cost.

Critical accounting judgements and estimation uncertainty
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affects the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Critical accounting judgements and estimation uncertainty (continued)

1. Development expenditure. The group capitalised development expenditure in accordance with the group's accounting policy. Initial capitalisation of costs is based on management's judgement that the development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

2. Categorisation of housing properties. The group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the group has considered if the asset is held for social benefit or to earn commercial rentals. The group has determined that market rented property are investment properties.

3. Impairment. The group has identified a cash generating unit for impairment assessment purposes at a property scheme level. Factors taken into consideration in assessing indicators of impairment include the economic viability and expected future financial performance of each scheme. The group have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on expected future cashflows from the continuing use of that asset and its ultimate disposal.

2. Accounting policies (continued)

Other key sources of estimation uncertainty

Tangible fixed assets (see notes 11 & 12 for carrying amounts)
Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management’s assessment of the properties. Individual useful economic lives are assigned to these components.

Investment properties (see note 13 for carrying amounts)
The fair value of completed investment properties is determined by using valuation techniques which make judgements based upon the current strength of tenants, remainder of lease term of tenancy, location, and other developments which have taken place in the form of open market lettings, rent reviews, lease renewals, and planning consents.

The Board are of the opinion that the fair value of investment property under construction is not materially different to cost.

3 Turnover, operating costs and operating surplus

GROUP	2019		
	Turnover	**Operating costs**	**Operating * surplus / (deficit)**
	£	**£**	**£**
Social Housing lettings (note 4)	6,983,522	(5,858,618)	1,124,904
Other social housing activities			
Heritage Lottery project	33,177	(33,177)	-
Accommodation managed by others	264,284	(160,474)	103,810
Abortive merger costs	-	(97,190)	(97,190)
Development services**	846,125	(861,083)	(14,958)
Other	1,396	(3,050)	(1,654)
Non-social housing activities			
Market rented lettings	311,206	(90,218)	220,988
Leaseholder service charges	179,438	(200,550)	(21,112)
Development services	57,407	(57,407)	-
	8,676,555	(7,361,767)	1,314,788

GROUP	2018		
	Turnover	**Operating costs**	**Operating * surplus / (deficit)**
	£	**£**	**£**
Social Housing lettings (note 4)	7,055,144	(5,892,514)	1,162,630
Other social housing activities			
Heritage Lottery project	9,857	(9,857)	-
Accommodation managed by others	151,929	(116,811)	35,118
Other	23,624	(29,579)	(5,955)
Non-social housing activities			
Market rented lettings	222,644	(90,058)	132,586
Leaseholder service charges	342,038	(345,744)	(3,706)
Development services	287,881	(287,881)	-
	8,093,117	(6,772,444)	1,320,673

* Operating surplus / (deficit) before gain on disposal of property, plant and equipment and decrease in valuation of investment properties

** Included in development services is £846,125 of income and costs relating to the reimbursement of Wood Lane costs by our development partner

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

3 Turnover, operating costs and operating surplus:

ASSOCIATION	**2019**		
	Turnover	**Operating costs**	**Operating * surplus / (deficit)**
	£	**£**	**£**
Housing lettings (note 4)	6,983,522	(5,858,618)	1,124,904
Other social housing Activities			
Heritage Lottery project	33,177	(33,177)	-
Accommodation managed by others	264,284	(160,474)	103,810
Abortive merger costs	-	(97,190)	(97,190)
Development services**	846,125	(861,083)	(14,958)
Other	743	(3,050)	(2,307)
Non-social housing activities			
Market rented lettings	197,576	(33,013)	164,563
Leaseholder service charges	204,374	(200,550)	3,824
Development services	57,407	(57,407)	-
	8,587,208	(7,304,562)	1,282,646

ASSOCIATION	**2018**		
	Turnover	**Operating costs**	**Operating * surplus / (deficit)**
	£	**£**	**£**
Housing lettings (note 4)	7,055,144	(5,892,514)	1,162,630
Other social housing Activities			
Heritage Lottery project	9,857	(9,857)	-
Accommodation managed by others	151,929	(116,811)	35,118
Other	148,179	(43,939)	104,240
Non-social housing activities			
Market rented lettings	8,788	(3,268)	5,520
Leaseholder service charges	342,038	(345,744)	(3,706)
Development services	287,881	(287,881)	-
	8,003,816	(6,700,014)	1,303,802

* Operating surplus / (deficit) before gain on disposal of property, plant and equipment and decrease in valuation of investment properties

** Included in development services is £846,125 of income and costs relating to the reimbursement of Wood Lane costs by our development partner

4 Turnover and operating expenditure

GROUP & ASSOCIATION	2019			2018
	General needs housing	Housing for older people	Total	Total
	£	£	£	£
Rent receivable	4,562,602	1,030,473	5,593,075	5,622,790
Service income	721,607	406,233	1,127,840	1,187,027
Net rental income	5,284,209	1,436,706	6,720,915	6,809,817
Amortised government grants	168,597	94,010	262,607	245,327
Turnover from Social housing lettings	5,452,806	1,530,716	6,983,522	7,055,144
Management	967,130	245,572	1,212,702	1,152,765
Service charge costs	882,264	506,300	1,388,564	1,244,115
Responsive maintenance	929,022	179,280	1,108,302	1,097,992
Planned maintenance	1,093,735	113,836	1,207,571	1,466,950
Major repairs expenditure	165,398	23,690	189,088	168,757
Bad debts	36,632	9,158	45,790	30,115
Depreciation of Housing Properties	488,529	212,962	701,491	726,865
Property Leases	5,110	-	5,110	4,955
Operating expenditure on Social Housing Lettings	4,567,820	1,290,798	5,858,618	5,892,514
Operating surplus on Social housing lettings	**884,986**	**239,918**	**1,124,904**	**1,162,630**
Void losses	58,812	19,395	78,207	91,721

5 Accommodation under management and in development

	GROUP		ASSOCIATION	
	2019	2018	2019	2018
Social Housing				
General needs housing	758	762	758	762
Supported housing and housing for older people	182	182	182	182
Non-Social Housing				
Market rented	16	14	1	1
Total owned and managed	956	958	941	945
Leasehold properties managed	90	90	90	90
Accommodation managed by others	46	43	46	43
Properties under development	-	2	-	-

6 Gain on disposal of property plant and equipment

	GROUP		ASSOCIATION	
	2019	**2018**	**2019**	**2018**
	£	**£**	**£**	**£**
Proceeds of sales	410,000	-	410,000	217,856
less: Cost of Sales	(226,076)	-	(226,076)	(182,316)
Less: Other costs	(14,009)	-	(14,009)	-
Gain on disposal of property plant and equipment	169,915	-	169,915	35,540

7 Interest payable and similar charges

	GROUP		ASSOCIATION	
	2019	**2018**	**2019**	**2018**
	£	**£**	**£**	**£**
On loans repayable within five years	395,636	291,491	395,636	291,491
On loans wholly or partly repayable in more than five years	554,510	576,412	554,510	576,412
Costs associated with financing	29,249	29,249	29,249	29,249
	979,395	897,152	979,395	897,152

8 Surplus on ordinary activities

	GROUP	
	2019	**2018**
	£	**£**
The operating surplus is stated after charging:		
Depreciation of housing properties	701,491	726,865
Depreciation of other tangible fixed assets	227,491	215,875
Surplus on sale of other fixed assets	169,915	-
Auditors remuneration (excluding VAT):		
Audit of the group financial statements	20,645	17,750
Audit of subsidiary	6,830	5,500
Fees payable to the association's auditor and its associates for other services to the group:		
Tax compliance services	1,200	1,000

9 Board members and executive directors

	GROUP		ASSOCIATION	
	2019	**2018**	**2019**	**2018**
	£	**£**	**£**	**£**
Aggregate emoluments payable to executive directors	347,416	351,596	347,416	351,596
Emoluments payable to the highest paid director, excluding pension contributions	106,745	110,840	106,745	110,840
Aggregate amount of executive directors pensions	25,515	21,507	25,515	21,507
Aggregate amount of any compensation paid or payable to directors in respect of loss of office or other termination payments in the reporting period	-	30,000	-	30,000

The current Chief Executive is an ordinary member of the Women's Pioneer Group Personal Pension, a defined contribution scheme to which the association contributes up to 8% of salary. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by Women's Pioneer of £7,907 was paid in addition to the personal contributions of the current Chief Executive (2018: £7,752).

Directors (key management personal) are defined as the Chief Executive and other members of the Senior Management Team, being the Director of Resources, Director of Housing and Director of Property Services.

None of the board members received emoluments. Total expenses reimbursed to Board members amounted to £588.17 (2018: £247.20).

10 Employee Information

	GROUP		ASSOCIATION	
	2019	**2018**	**2019**	**2018**
	No.	**No.**	**No.**	**No.**
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:				
Administration	11	10	11	10
Housing and support	11	13	11	13
Services	12	14	12	14
	34	37	34	37
Staff costs	**£**	**£**	**£**	**£**
Wages and Salaries	1,293,481	1,241,806	1,293,481	1,241,806
Social Security costs	122,769	113,653	122,769	113,653
Other pension costs	91,900	81,407	91,900	81,407
	1,508,150	1,436,866	1,508,150	1,436,866
Aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the period:	**No.**	**No.**	**No.**	**No.**
£60,001 to £70,000	-	1	-	1
£70,001 to £80,000	1	2	1	2
£80,001 to £90,000	2	-	2	-
£90,001 to £100,000	-	-	-	-
£100,101 to £110,000	1	-	1	-
£110,101 to £120,000	-	1	-	1

11a Tangible Fixed Assets

	Housing properties		
GROUP	**Housing Properties held for letting**	**Housing Properties under construction**	**Total**
	£	**£**	**£**
Cost			
At start of the year	70,993,172	1,045,103	72,038,275
Additions	-	372,496	372,496
Works to existing properties	1,295,910	-	1,295,910
Recharged to development services	-	(846,125)	(846,125)
Disposals of properties	(266,388)	-	(266,388)
Disposals of components	(228,273)	-	(228,273)
At end of the year	71,794,421	571,474	72,365,895
Depreciation			
At start of the year	10,359,097	-	10,359,097
Charge for the year	701,491	-	701,491
Eliminated on disposals of properties	(40,312)	-	(40,312)
Eliminated on disposals of components	(228,272)	-	(228,272)
At end of the year	10,792,004	-	10,792,004
Net Book value at 31 December 2019	61,002,417	571,474	61,573,891
Net Book value at 31 December 2018	60,634,075	1,045,103	61,679,178

Housing Properties comprise:	**2019**	**2018**
	£	**£**
Freehold land and buildings	57,606,188	57,489,392
Long leasehold land and building	3,967,703	4,189,786
	61,573,891	61,679,178

Works to existing properties in the year	**2019**	**2018**
	£	**£**
Components capitalised	1,295,910	1,720,075
Amounts charged to expenditure	1,396,659	1,635,707
	2,692,569	3,355,782

The aggregate amount of interest and finance cost included in the cost of housing properties is £nil

The carrying value of tangible fixed assets pledged as security for liabilities is £20,362,105 (2018: £19,700,146).

11b Tangible Fixed Assets

	Housing properties		
ASSOCIATION	**Housing Properties held for letting**	**Housing Properties under construction**	**Total**
	£	**£**	**£**
Cost			
At start of the year	70,993,172	1,045,103	72,038,275
Additions	-	372,496	372,496
Works to existing properties	1,295,910	-	1,295,910
Recharged to development services	-	(846,125)	(846,125)
Disposals of properties	(266,388)	-	(266,388)
Disposals of components	(228,273)	-	(228,273)
At end of the year	71,794,421	571,474	72,365,895
Depreciation			
At start of the year	10,359,097	-	10,359,097
Charge for the year	701,491	-	701,491
Eliminated on disposals of properties	(40,312)	-	(40,312)
Eliminated on disposals of components	(228,272)	-	(228,272)
At end of the year	10,792,004	-	10,792,004
Net Book value at 31 December 2019	61,002,417	571,474	61,573,891
Net Book value at 31 December 2018	60,634,075	1,045,103	61,679,178

Housing Properties comprise:	**2019**	**2018**
	£	**£**
Freehold land and buildings	57,606,188	57,489,392
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	61,573,891	61,679,178

Works to existing properties in the year	**2019**	**2018**
	£	**£**
Components capitalised	1,295,910	1,720,075
Amounts charged to expenditure	1,396,659	1,635,707
	2,692,569	3,355,782

The aggregate amount of interest and finance cost included in the cost of housing properties is £nil.

The carrying value of tangible fixed assets pledged as security for liabilities is £20,362,105 (2018: £19,700,146).

12 Other fixed assets

	Other fixed Assets			
Group & Association	**Freehold Offices**	**Office equipment and vehicles**	**Properties fittings & equipment**	**Total**
	£	**£**	**£**	**£**
Cost				
At start of the year	478,441	382,895	2,160,664	3,022,000
Additions	-	42,682	25,011	67,693
Disposals	-	-	-	-
At end of the year	478,441	425,577	2,185,675	3,089,693
Depreciation				
At start of the year	70,470	205,838	1,030,887	1,307,195
Charge for the year	7,438	59,212	160,841	227,491
Disposals	-	-	-	-
At end of the year	77,908	265,050	1,191,728	1,534,686
Net Book value at 31 December 2019	400,533	160,527	993,947	1,555,007
Net Book value at 31 December 2018	407,971	177,057	1,129,777	1,714,805

13 Investment properties held for letting

	Properties held for letting	**Properties under construction**	**Total**
GROUP	**£**	**£**	**£**
At start of the year	6,961,755	1,207,176	8,168,931
Additions	-	37,821	37,821
Completed in the year	1,010,269	(1,010,269)	-
(Loss) from adjustment in value	(410,232)	-	(410,232)
At end of year	7,561,792	234,728	7,796,520
ASSOCIATION			
At start of the year	275,000	-	275,000
(Loss) from adjustment in value	-	-	-
At end of year	275,000	-	275,000

The investment properties held for letting have been independently valued by Aspect Surveyors Limited (chartered surveyors). The properties were valued on a Market Value basis in accordance with the RICS Red Book on Valuation Standards using the direct comparison method of valuation appraisal. The properties under construction have been valued by the directors.

14 Investment in subsidiary

The group includes the following subsidiary registered in England:

Company	Incorporation	Ownership	Nature of business	Regulated / non-regulated
Women's Pioneer Homes Ltd	Company	100%	Market rent	Non-regulated

	ASSOCIATION	
	2019	2018
	£	£
Cost		
At start of the year and end of the year	435,500	435,500
Impairment		
At start of the year and end of the year	-	-
Net Book Value at start and end of the year	435,500	435,500

As required by statute, the financial statements consolidate the results of Women's Pioneer Housing Limited and its subsidiary. The association has the right to appoint members to the board of its subsidiary, thereby exercising control. The Board believe that the carrying value of the investment is supported by their underlying assets.

15 Debtors

	GROUP		ASSOCIATION	
	2019	2018	2019	2018 Restated
	£	£	£	£
Rent and service charges receivable	471,754	364,909	465,199	360,651
less: provision for bad and doubtful debts	(162,244)	(111,707)	(161,316)	(107,533)
	309,510	253,202	303,883	253,118
Other debtors	454,045	206,111	454,045	206,111
Prepayments and accrued income	211,340	311,435	197,470	294,888
Amounts due from group undertakings	-	-	2,818,218	2,686,986
	974,895	770,748	3,773,616	3,441,103

Amounts due from group undertakings includes a loan to Women's Pioneer Homes of £2.5m (2018: £1.2m)
The loan is presented as a current asset as the association can recall the loan giving 21 days notice.

16 Current asset investments

	GROUP		ASSOCIATION	
	2019	2018	2019	2018
	£	£	£	£
Cash held on deposit	532,819	543,595	532,819	543,595

17 Creditors: amounts falling due within one year

	GROUP		ASSOCIATION	
	2019	2018	2019	2018
	£	£	£	£
Loans (note 18b)	30,657	27,760	30,657	27,760
Bank Overdraft	22,499	-	22,499	-
Trade creditors	403,278	481,760	403,278	481,760
Deferred Social Housing Grant (note 19)	271,863	271,863	271,863	271,863
Rents and service charges received in advance	344,191	228,898	320,761	215,856
Other taxation and social security	57,915	56,990	57,915	56,990
Accruals and deferred income	964,411	1,279,551	951,095	1,271,511
Social Housing Grant repayable	-	344,479	-	344,479
	2,094,814	2,691,301	2,058,068	2,670,219

18a Creditors: amounts falling due after more than one year

	GROUP		ASSOCIATION	
	2019	2018	2019	2018
	£	£	£	£
Loans (note 18b)	25,702,665	25,204,073	25,702,665	25,204,073
Deferred Social Housing Grant (note 19)	26,316,460	26,579,067	26,316,460	26,579,067
Total	52,019,125	51,783,140	52,019,125	51,783,140

18b Loan analysis

	GROUP		ASSOCIATION	
	2019	2018	2019	2018
Loans repayable by instalments	£	£	£	£
Within one year	30,657	27,760	30,657	27,760
In one year or more but less than two years	33,702	30,657	33,702	30,657
In two years or more and less than five years	123,129	111,750	123,129	111,750
In five years or more	71,760	116,841	71,760	116,841
	259,248	287,008	259,248	287,008
Loans not repayable by instalments				
Within one year	-	-	-	-
In one year or more but less than two years	15,356,000	-	15,356,000	-
In two years or more and less than five years	-	14,856,000	-	14,856,000
In five years or more	10,034,979	10,034,979	10,034,979	10,034,979
	25,390,979	24,890,979	25,390,979	24,890,979
add: loan premium	262,312	274,234	262,312	274,234
less: issue costs	(179,217)	(220,388)	(179,217)	(220,388)
Total loans	25,733,322	25,231,833	25,733,322	25,231,833
Total loans split by:				
Loans repayable within one year (note 17)	30,657	27,760	30,657	27,760
Loans repayable after one year (note 18a)	25,702,665	25,204,073	25,702,665	25,204,073
Total loans	25,733,322	25,231,833	25,733,322	25,231,833

Loans are secured by specific charges on the Association's individual housing properties.

The interest rate profile of the Association at 31 December 2019 was:

	Total	Variable rate	Fixed rate	Weighted average rate
	£	£	£	%
Instalments Loans	259,248	-	259,248	9.96%
Non-instalment loans	25,390,979	5,500,000	19,890,979	3.35%
	25,650,227	5,500,000	20,150,227	3.43%

At 31 December 2019 the Association has the following borrowing facilities:

	2019	2018
	£	£
Undrawn facilities	4,500,000	5,000,000

19 Deferred Social Housing Grant

	GROUP		ASSOCIATION	
	2019	**2018**	**2019**	**2018**
	£	**£**	**£**	**£**
At start of the year	26,850,930	27,235,061	26,850,930	27,235,061
Released to income in the year	(262,607)	(245,327)	(262,607)	(245,327)
Less: Capital grant to be repaid	-	(138,804)	-	(138,804)
At end of the year	26,588,323	26,850,930	26,588,323	26,850,930
Amount due to be released < 1 year	271,863	271,863	271,863	271,863
Amount due to be released > 1 year	26,316,460	26,579,067	26,316,460	26,579,067
	26,588,323	26,850,930	26,588,323	26,850,930

The total amount of grant received and potentially repayable is £35,388,157 (2018: £35,388,157)
This includes grant amortised to the Statement of Comprehensive Income.

20 Non-equity share capital

	2019	2018
	£	**£**
Shares of £1 each issued and fully paid:		
At 1 January	21	25
Shares issued during the year	1	-
Shares surrendered during the year	-	(4)
At 31 December	22	21

The shares provide members with the right to vote at general meetings of the association but do not have a right to any dividend or distribution in a winding-up and are not redeemable.

21 Reserves

A description of each reserve is set out below.

Retained earnings
This reserve represents to the cumulative surpluses and deficits

Revaluation reserve
The revaluation reserve relates to the cumulative revaluation of investment property compared to historic cost.

22 Net Debt Reconciliation

Group & Association	As at 1 January 2019	Cashflow	Other non-cash changes	As at 31 December 2019
	£	£	£	£
Cash at Bank and in hand	1,926,326	189,023	-	2,115,349
Overdraft	-	(22,499)	-	(22,499)
Total cash and cash equivalents	1,926,326	166,524	-	2,092,850
Bank borrowing due within 1 year	27,760	(27,760)	30,657	30,657
Bank borrowing due in more than 1 year	25,204,073	500,000	(1,408)	25,702,665
Total borrowings	25,231,833	472,240	29,249	25,733,322
Net debt	23,305,507	305,716	29,249	23,640,472

23 Capital Commitments

	2019	2018
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	-	41,000
Capital Expenditure that has been authorised by the Board but has not yet been contracted for	2,907,000	2,040,000
	2,907,000	2,081,000

The association expects these commitments to be financed with the undrawn loan facilities

	2019	2018
Capital Commitments will be incurred over the next:		
In one year or more but less than two years	2,907,000	2,081,000
In two years or more and less than five years	-	-
In five years or more	-	-
	2,907,000	2,081,000

24a Related Parties

During the year the Board had two resident members. Resident members who serve on the board hold tenancy agreements on normal terms and cannot use their position to their advantage.

Rent charged to Board member Caroline Portsmouth was £6,636 (2018: £6,721) and the amount on her tenancy at the reporting period end was £570 in credit (2018: £570 credit).

Rent charged to Board member Kataryzna Kwilecka was £6,968 and the amount on her tenancy at the reporting period end was £34 in credit.

24a Related Parties (continued)

Directors (key management personal) are defined as the Chief Executive and other members of the Senior Management Team, being the Director of Resources, Director of Housing and Director of Property Services. Total emoluments including employers national insurance and employers pension amounted to £382,629 (2018: £383,847).

During the year the Director of Resources was provided with a season ticket loan of £5,814 (2018: £5,340) which is repaid over a 12 month period. The balance at the reporting end date is £3,392 (2018: £3,114).

24b Related Parties (transactions with subsidiary)

Women's Pioneer Housing Limited is the Parent entity in the Group and ultimate controlling party.
The parent provides management services, other services and has a loan facilities with its subsidiary Women's Pioneer Homes Limited

During the year the association had the following intra-group transactions with its subsidiary

	2019 £	2018 £
Management charges	40,000	28,000
Other charges	84,969	86,790
Interest charges	32,123	16,870
Gift aid receivable	145,648	84,228
Balance due at 31 December (including intra-group loan)	2,818,218	2,686,986

Management Charges

Intra-group management fees are receivable by the association from the subsidiary to cover the running costs the association incurs on behalf of managing the subsidiary and providing services. The management fee is calculated based on an allocated time by staff members providing the following services:

Housing Management (including arrears & repairs management)
IT services
Finance services including purchase ledger and management accounting
Executive services

Other Charges

Other intragroup charges are payable to the association from the subsidiary and relate to the cost of providing communal services and repairs to the properties owned by the subsidiary.

Interest Charges

Interest charges relate to a £5m loan facility which the association has provided to the subsidiary. At 31 December 2019, £2.5m (2018: £1.2m) of this has been drawn down. Interest is charged at a variable rate of LIBOR + 0.45%.

Gift aid receivable

Gift aid approved by the directors of the subsidary to be distibuted to the association

25 Contingent Liabilities

On the 2 January 2019 the association received £631,500 from a developer in relation to the head office development. The amount is repayable in full if the association does not fulfil the terms of the contract by providing vacant possession of the office and the building at Browning House.

26 Financial instruments

The Group and Association's financial instruments may be analysed as follows:

	GROUP		ASSOCIATION	
	2019	2018	2019	2018
Financial Assets	£	£	£	£
Financial Assets measured at fair value				
Current asset investments	532,819	543,595	532,819	543,595

Financial assets measured at fair value through the Statement of Comprehensive Income comprise current asset investments.

The Group and Association's income and expenses in respect of the financial instruments are summarised below:

	GROUP		ASSOCIATION	
	2019	2018	2019	2018
Interest income and expense	£	£	£	£
Total interest income for financial assets at amortised costs	10,342	5,693	42,466	22,562
Total interest expense for financial liabilities at amortised co	979,395	897,152	979,395	897,152

27 Post Balance Sheet Event

From March 2020 the COVID-19 pandemic affected the UK. Social isolating measures were introduced to protect the public and to help prevent the spread of the virus. The group activated the business continuity plan and continually reviewed and revised our services as the public health emergency progressed. The group will continue to monitor financial and operational performance on a monthly basis.

The impact of COVID-19 is considered to be a non-adjusting post balance sheet event and as such the Statement of Financial Position, including property valuations, has been prepared on the facts and circumstances as at 31 December 2019

On 19th May 2020 the Board agreed an extension of the Santander loan for a further 12 months to May 2022. The existing loan facility has a balance of £9.856m and has been extended under the same terms and conditions.