

WOMEN'S PIONEER HOUSING LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



**WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Contents	Page
Legal and Administrative Details	1
Board Report incorporating the Strategic Report and Value for Money statement	2
Directors Responsibilities	14
Report of the Independent Auditors	15
Consolidated Statement of Comprehensive Income	17
Consolidated Statement of Financial Position	18
Consolidated Statement of Changes in Reserves	19
Consolidated Statement of Cash Flows	20
Notes to the Financial Statements	21

WOMEN'S PIONEER HOUSING LIMITED BOARD REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

Caroline Tolhurst	Chair
Maureen Hopcroft	Vice-Chair
Eleena Broadfoot	
Shushil Chohan	
Sofia Nilsson	
Jo Ghelmini	
Andrea Gwilliam	
Michael Harle	
Vivienne King	
Louise Wolfson	
Caroline Portsmouth	(co-opted from 27 January 2015)

Secretary

Janet Davies

Executive directors

Janet Davies	Chief Executive
Christine Desborough	Director of Housing
Nathan Mallows	Director of Finance (until 15 January 2016)
Rosemary Farrar	Director of Finance (from 5 February 2016)
Sue Hockett	Director of Property and Estate Services

Auditors

Beever and Struthers, 15 Bunhill Row, London EC1Y 8LP

Bankers

HSBC, 89 Buckingham Palace Road, London SW1W 0QL

Solicitors

Trowers and Hamblins, 3 Bunhill Row, London EC1Y 8YZ

WOMEN'S PIONEER HOUSING LIMITED

BOARD REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

Strategic report

The board of Women's Pioneer Housing (the group) is pleased to present its report, together with the audited financial statements for the year ended 31 December 2015.

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 to provide additional accommodation at a wider variety of rent levels. As at 31 December WPHL owned one piece of land for development. Details are shown in Note 23.

History

Women's Pioneer Housing was established in 1920 by women and men who believed in gender equality and the need to redress the disadvantages women experienced in obtaining and retaining a secure home. Despite changes in social attitudes and legislation, women are still disadvantaged when it comes to getting housing, owing to their relatively low incomes and the extra responsibilities many have of caring for others. Women's Pioneer's main objective is to interpret our founders' intentions in a 21st century social and political context by providing attractive rented homes for women who have moderate incomes.

Most of our accommodation comprises converted flats within large Victorian buildings that were purchased in the interwar period. Two thirds of homes are within Royal Borough of Kensington and Chelsea and the remainder in eight other west London boroughs. We are committed to continuing to work in our core areas so that women on low incomes can continue to afford to live in central London. We also need to protect the investment we have made in these communities and support their economic diversity.

Board members and executive directors

The board members who have served during the year and who are in post as at the date of the signing of these Financial Statements are set out on page 1.

The executive directors are the chief executive and the other members of the senior management team. They hold no interest in the group's shares and act within authority delegated from the board.

The executive directors are members of the group's Group Personal Pension Plan, a defined contribution arrangement to which the group contributes 7% to 8% of salary for all members. All employees, including the executive directors, are covered under group life insurance and permanent health insurance schemes.

Board members receive no remuneration for their services. Expenses incurred on group business are reimbursed. Insurance policies indemnify board members, executive directors and staff against liability when acting for the group.

Objectives and strategy

The group's objectives and strategy are set out in our business plan that is reviewed and approved by the board each year.

WOMEN'S PIONEER HOUSING LIMITED BOARD REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Objectives and strategy (continued)

Our objectives are:

- growing locally to provide more rented homes
- providing excellent housing services for existing and future tenants
- enabling our tenants to live healthy and fulfilled independent lives
- being a voice for women's housing
- maintaining and developing our organisational strength

During the summer of 2015 the Government announced that it would be requiring all providers of social housing to reduce the rents they charge by 1% a year for the next four years. Some exceptions have been made for some classes of specialist housing but this reduction will apply to approximately 80% of our tenancies. The Board considered the effect of this reduction and of further pressure from the welfare benefit changes coming into force on the group's commitments to its lenders and on its future viability. The Board concluded that the group can withstand the effect of these changes and of further stresses and remains viable as a housing provider to meet its objectives.

Monitoring achievement

In planning our activities for 2015 we identified success factors relating to each of our objectives and have monitored our performance against targets linked to the success factors:

1. Growing locally to provide more rented homes

We aim to identify and exploit suitable opportunities through new development to add units to our existing portfolio under our 'Hidden Homes Programme'.

During 2015 we continued the systematic assessment of the rest of our buildings which identified potential for the future development of 19 new homes in future years.

2. Providing excellent housing services for existing and future tenants

We continue to maintain and improve our homes, letting them to women in need and facilitating successful sustained tenancies.

We delivered 42 'more than decent' improvements to our studio and one bedroomed flats (2014: 50), with unit costs rising by less than inflation. Ongoing maintenance costs and turn around times are noticeably reducing after improvement. Satisfaction feedback from residents who have moved into these flats remains high with over 90% being very satisfied with the standard of work.

Each year we review our provision of on-site estate management services in consultation with residents. Despite an uncertain financial climate, we have continued to extend the service so that a greater number of residents can benefit. Greater focus on optimising the use of information technology to record and collate tenant information is improving our ready access to tenant information, equipping staff to deal with queries more efficiently.

In 2015 the Board continued to develop its approach to performance reporting to better understand the impact of management action and strategic decisions. We continued to monitor and benchmark performance through our membership of Housemark and as a member of this group we have access to comparative data from a wide range of other providers and use it to identify areas where there may be potential to improve performance and value for money.

**WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Monitoring achievement (continued)

3. Enabling our tenants to live fulfilled independent lives

Our Housing Inclusion Manager holds the brief for work aimed at maintaining and improving tenants' independence and wellbeing and takes the lead on safeguarding. We own and manage five sheltered housing schemes in the Royal Borough of Kensington and Chelsea. In these schemes and in our inclusion work generally we use our limited resources to benefit tenants by signposting to other services, improving IT skills, maximising benefits take up and through casework, for example facilitating aids and adaptations and de-cluttering.

We have supported the founding of a credit union in the Royal Borough of Kensington and Chelsea to provide access to affordable credit, continue to pay for mediation and debt advice and to provide access to subsidised handyman services. Our on-site service continues to grow and now covers two thirds of tenants.

4. Developing and maintaining our organisational strength

We aim to remain a well-regarded, independent body with strong financial health.

Our results this year show that we meet our ongoing financial commitments and have managed to grow. There are good retention rates amongst both staff and Board.

We review the group's compliance with the regulatory published standards and ensure that there are no serious shortcomings.

During 2015 the Board have considered financial performance against budget each quarter. Any significant variances against budget have been reported together with forecast performance for the year and covenant compliance. Further information on our financial performance for the year is included on page 7.

5. Being a voice for women's housing

We aim for recognition of women's specific housing needs and our expertise in relation to housing single women in London.

As we develop our long term business plans and move towards the centenary of our founding it is necessary to examine the purpose and value of our work and how this can be demonstrated. In 2015 we published a short history of the group as the start of our centenary work and we are developing a communications strategy that will benefit both the service to existing tenants and support the growth and recognition of our work.

Future prospects

Women's Pioneer remains fully committed to the provision of low cost housing in its high value geographical area of operation. The Board is confident that it can continue to deliver this for the medium term and has put in place a strategy to supplement rental income with market rent generated by the income from new properties developed in the subsidiary Women's Pioneer Homes Ltd through the 'Hidden Homes' programme. In 2016 this programme of development starts with the transfer of four homes from Women's Pioneer Housing Association to Women's Pioneer Homes for market rent and gets on site with the further development of 17 new homes that have been identified by investigating opportunities to remodel existing stock to provide additional accommodation, for example by building into roof spaces or converting large flats. This programme will be completed in 2018.

We plan to refurbish up to 50 of our properties each year under our property improvement 'more than decent' programme and have budgeted £1.8m annually for these capital works. However, the timing and quantum of the work will depend on the rate at which properties fall vacant.

During 2016 we plan to spend circa £1.4m on planned maintenance including cyclical internal and external redecoration carried out every 8 years. The 2016 programme includes grade II listed, stucco-covered, six-storey properties with consequentially higher than average cyclical maintenance costs.

**WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Risks and uncertainties

Risks that may prevent the group meeting its objectives are considered and reviewed regularly by the group's management team and the board. The risks are recorded and assessed by reference to their impact and probability. As part of the on-going refinement of our risk management arrangements, the group's risk methodology was reviewed during the year to reassure the board that all aspects of the group's activities were covered. Major risks, presenting the greatest threat to the group, were formally reported on to the board throughout 2015. During the year the political and regulatory environment presented a number of additional risks which are considered below and which have been factored into the long term business plan.

Key risk	Action to manage risk
<p>Significant change in regulatory controls or Political view of sector This risk covers the changes being considered in the Housing Act currently being debated in parliament including further cuts in rents chargeable, the loss of control over our assets under the proposed extension of the Right to Buy, possible changes in rent required from higher earners, possible changes to existing grant terms and conditions, further regulatory pressure on associations with less than 1,000 homes and further regulatory requirements on Value for Money</p>	<p>The business plan has been stress tested for each of these changes and is robust enough to withstand four years of multiple changes. The Chief Executive reports regularly to Board on changes and is actively involved in discussions and negotiations with the National Housing Federation, the regulator and with the G320 of smaller housing providers.</p>
<p>New business and investment activities This risk covers the issues arising from The Hidden Homes programme, a significantly increase in the development of new homes for market rent. 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 strategy.</p>	<p>The location of the individual development sites offers multiple opportunities for change in strategy or exit. The Board receives regular and detailed reports containing scheme appraisals prepared using industry software and have provide active challenge and scrutiny to the programme.</p>
<p>Failure in formal leaseholder consultation process This risk covers the failure to consult properly using the required legal framework under S20 with leaseholders for work to be done to building stock and the subsequent inability to recover costs. There is the risk that leaseholder services will not be tailored to individual agreements and that costs will not be recovered and customer satisfaction will be damaged.</p>	<p>The group uses legal advice to ensure correct procedures are being followed and undertakes annual audit of service charge accounts.</p>
<p>Financial viability is threatened due to changes in inflation or interest rate This risk covers a fall in rental income and increase in borrowing costs which would adversely affect the business.</p>	<p>The business plan is regularly stress tested with multiple assumptions including further decrease in rental inflation and increase in the cost of borrowing.</p>

**WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Key risk	Action to manage risk
<p>Loan covenant breach causing a cross default on all funding This risk envisages a lack of liquidity in order to meet existing covenants and therefore to continue to finance the business.</p>	<p>The business plan is stress tested regularly and the budget and cashflow is carefully monitored on a monthly basis to incorporate variances and to ensure medium term liquidity.</p>
<p>Catastrophic event results in significant damage to assets, residents or staff This risk covers issues such as gas safety, health and safety and elements of regulation that could consider that WPH has caused serious detriment to resident's welfare.</p>	<p>Staff report to each Board meeting on operational measures, including gas safety. Annual gas safety checks are undertaken by Gas Safe approved supplier, a proprietary Health and safety system is used to manage compliance with key standards, there is a retained fire safety expert, and Fire Risk assessments are in place for all properties and an independent consultant mechanical services engineer oversees maintenance arrangements including random spot checks.</p>
<p>Failure of key lender or retail banker Whilst this risk is assessed at the lowest probability score it features in the top 5 risks due to inability to effectively mitigate impact coupled with investment plans over the next five-years.</p>	<p>Good relationships are maintained with current and other lenders through regular formal and informal meetings, the treasury management policy sets limit on maximum counterparty exposure and is reviewed annually and credit ratings for banks are reviewed monthly and reported to Board quarterly</p>
<p>Loss of confidence in Board and management team This risk covers the elements of management failure including a failure to set clear strategies, not monitoring performance against business plan and corporate objectives. This recognises the importance of effective Board scrutiny and management oversight and also considers the risk of high Board member turnover and of an underskilled Board.</p>	<p>The Board receives quarterly reports on performance including management accounts and 18-month cashflow information and hold a twice yearly away day session with senior staff. There is clear delegation arrangements and regular liaison between the Chief Executive and the Chair. There are regular board appraisals to ensure skills remain appropriate and Board remuneration is considered annually.</p>

WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Financial position

The group's financial performance over the past five years is summarised below:

	2015	2014	2013 **	2012 **	2011 **
	£'000	£'000	£'000	£'000	£'000
Income and expenditure account					
Income from lettings	7,080	6,853	6,335	5,949	5,438
Other activities	257	264	246	162	316
Turnover	7,337	7,117	6,581	6,111	5,754
Operating costs	(5,586)	(5,819)	(5,044)	(4,523)	(4,361)
Net interest	(990)	(884)	(856)	(1,168)	(590)
Surplus transferred to reserves	761	414	681	420	803
Balance sheet					
Housing properties net of depreciation	57,827	57,081	59,852	58,031	55,580
Social Housing Grant *			(35,939)	(35,939)	(35,939)
Other fixed assets	1,354	1,308	1,298	1,098	968
Fixed assets	59,181	58,389	25,211	23,190	20,609
Net current assets/(liabilities)	2,357	2,930	5,932	7,798	426
Total assets less current liabilities	61,538	61,319	31,143	30,988	21,035
Loans (due over one year)	20,015	20,212	20,813	21,339	11,807
Social Housing Grant *	27,781	28,125			
Total Liabilities	47,796	48,337	20,813	21,339	11,807
Total Net Assets	13,792	12,982	10,330	9,649	9,228
Reserves	13,742	12,982	10,330	9,649	9,228
Housing properties owned (No)	1,003	1,003	1,000	997	997
Surplus as % of turnover	10.37%	5.82%	10.35%	6.87%	13.96%
Rent losses (voids & bad debts as % of t/o)	1.48%	1.55%	1.55%	1.98%	2.17%
Rent arrears (arrears as % of t/o)	4.21%	4.50%	4.21%	3.35%	3.66%
Gearing (loans as % of grants and reserves)	48.14%	49.17%	44.98%	46.53%	28.61%
Reserves per home owned	£13,751	£12,943	£10,330	£9,678	£9,256
Debt per home owned	£19,955	£20,152	£20,813	£21,403	£11,843

** Audited accounts using old UK GAAP which does not include additional depreciation and amortised social housing grant income

* Social Housing Grant accounted for as a liability and amortised from 2014 in compliance with FRS102

WOMEN'S PIONEER HOUSING LIMITED BOARD REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Financial position (continued)

The results for the financial year show a strong performance with rental income rising 3.5% against a 1% rise in housing costs. As a result, surplus as a percentage of turnover increased by 42% from 7.76% to 10.98%. Planned maintenance spends at £1.4m is only very marginally less than in 2014 but remains substantially higher per property than other small registered providers due to the nature of the buildings owned.

Gross turnover includes £0.3m amortised capital grant in compliance with the new accounting standards.

The group has tested its resilience to the planned 1% annual cut in rental income for the years 2016 to 2019 and will offset this partially by a small increase in housing stock held within its subsidiary and let at market rent levels.

Accounting policies

The group's accounting policies are set out on pages 21 to 25 of the financial statements. 2015 is the first year that the group has reported under the requirements of the new housing SORP which meets the requirements of FRS102 to align our financial reporting with international financial reporting standards. 2014 figures have also been adjusted. The policies that are most critical to the financial results relate to accounting for housing properties and include capitalisation of costs, the treatment of housing grant and depreciation.

Most of our housing properties are flats either within purpose-built blocks constructed 75 to 90 years ago, or within converted street properties built between 100 and 150 years ago.

The homes vary in size from studio flats to larger 3- and 4-bedroomed houses. Over the past 8 years our 'more than decent' refurbishment programme has been undertaken to improve our studio and one-bedroomed accommodation, as it falls vacant, with improvement costs being capitalised.

The cost of housing properties, after a deduction for land, is depreciated over an average estimated useful life of 130 years, reviewed annually. Any works to property fixtures that have been undertaken as part of a planned cyclical programme have been identified and depreciated separately from the remainder of the building. The fixtures include lifts and aerial installations where the depreciation is recharged to residents through the annual service charge.

Following a review of component accounting in 2012, the group's property component asset lives have been updated and applied consistently to all housing property assets. Those components that are separately identified and that have much shorter lives than the property structure include kitchens, bathrooms and heating installations. The revised asset lives range from 20 to 130 years and the financial impact of the change has been a small increase in the annual depreciation charge. Further detail of individual asset lives is shown on page 24.

Housing properties

At 31 December 2015 the group owned 993 properties with a further 10 properties owned that are short-leased to and managed by St Mungo's.

The carrying value of housing properties net of depreciation at £57.8m (2014: £57.1m) is now shown before deduction of housing grant received and has increased by 1% being the capital value of improvement works during 2015 under the 'More Than Decent' programme.

Investment in Women's Pioneer Homes Ltd

During 2015 the group invested £77,500 in its non-charitable subsidiary by way of a transfer of a piece of land for future development of housing for rent. At 31st December the land was undeveloped and investment in the company was valued at £77,500.

WOMEN'S PIONEER HOUSING LIMITED BOARD REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Treasury management

The group continues to maintain significant levels of cash liquidity £2.7m (2014: £4.1m) following the THFC bond issue in September 2012. Additional borrowing was drawn from RBS during 2015 and £0.4m capital was repaid to Santander. 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.

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 over the next 24 months.

Cash flows

Cash inflows and outflows during the year are shown in the cash flow statement (page 20) and show strong cash inflow from operating activities of £2.3m (2014: £2.5m). The main use of cash for non-operating costs relate and improvements (£2.6m) and loan repayments and net interest payments (£1.4m).

See accounting policies on material estimates and judgements on the reported performance.

Internal controls assurance

The board acknowledges its responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable assurance against material misstatement or loss. The process for identifying, evaluating and managing the significant risks faced by the group is ongoing and has been in place throughout the period commencing 1 January 2015 up to the date of approval of this board report and 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
- a risk strategy, supported by detailed risk management action plans, approved by the board and reviewed 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 (most recently November 2015)
- robust strategic and business planning processes, with detailed budgets and financial forecasts
- 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. (No instances of financial fraud have been identified during the year).
- annual reviews of key control processes by our external auditors
- benchmarking our processes with others
- a programme of regularly reporting to the board on the group's financial position, including compliance with loan covenants and requirements for new finance. (No instances of non-compliance with covenants have been reported).

WOMEN'S PIONEER HOUSING LIMITED BOARD REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Value for Money

The Board has approved a strategy to improve the value being obtained from the group's assets and spending.

We have formed a realistic view of the areas where the greatest gains can be achieved and set three priorities for improvement that we will monitor over time. Other opportunities to achieve better value will not be ignored, but we will concentrate our efforts in areas where the impact is likely to be maximised and that are directly related to our corporate objectives of providing more rented homes and better services to tenants.

Our strategy sets out how Women's Pioneer Housing approaches, measures and reports Value for Money and how Value for Money supports our main corporate objective. We focus on three key areas that in our judgment offer the greatest scope for significant impact – our property assets, procurement and operational efficiency. We have developed performance measures to track improvement in these areas and we participate in a benchmarking club, Housemark, to understand how our performance compares with other social landlords. In time, we plan to look outside our immediate sector for appropriate comparators so we can learn from best practice elsewhere. We are particularly aware that the social value of our work is the most difficult area to evidence, and this is also an area for future development.

We are regulated by the Homes and Communities Agency which publishes a standard setting out its requirements in respect of Value for Money. To ensure we meet these, our Board has approved this strategy and performance measures and reviews an annual self-assessment of what has been achieved. These are published in full on our website (www.womenspioneer.co.uk), and summarised in an annual report for tenants. In each of our key areas we

- demonstrate the return on assets measured against the organisation's objectives
- explain the costs of delivering specific services and how this compares to other similar organisations
- evidence the VfM gains achieved and planned over time

Value for Money in our key areas

DEMONSTRATING RETURNS ON OUR ASSETS

The management of our property assets

1. Our existing property portfolio is a mix of tenanted and leasehold properties funded by original private investment, grants, reserves and recent loans. The asset management strategy was reviewed in 2015 and confirmed that Women's Pioneer would retain attractive well located stock in good condition that generated surpluses. A methodology has been agreed for systematic options appraisal and where stock does not meet these criteria disposal is arranged to achieve the highest market value.
2. Our responsive maintenance service is supported by professional advice, on site staff presence for diagnosis and a post inspection regime. Customer 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 basket of similar small providers (see page 11).
3. The nature of the group's, lifts and communal heating and hot water plant. Installations and improvements are co-ordinated to coincide with other planned works (see page 11) and term contracts in place for long term maintenance to keep the cost as low as possible.
4. Planned maintenance is 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 'More than Decent' programme that systematically improves older stock, enables work to be carried out in the most cost effective way and reduces responsive maintenance costs.
5. The Board has approved the development of 17 new housing units, four to be let at a subsidised rent and thirteen at market rent. Each building and site owned by the group is being appraised to assess its potential for providing additional or larger homes (the Hidden Homes programme). 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.

**WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

How we compare with other providers through Housemark		
Measurement	Quartile 2014/15	Quartile 2013/14
Cost of responsive housing repairs	2	2
Cost of repairs to void properties	2	2
Cost of cyclical work	4	4
Cost of major property work	1	1

Procurement

1. We have a Procurement Strategy in place which takes into account quality, reliability, benefits for tenants, long term cost and security of supply as well short term pricing. Procurement activity is reported to the Board annually.
2. Work with long term partners is valued because it reduces the time and cost of procurement and improves quality of outcome. We seek opportunities for collaborative working which may include joint ventures and cost sharing arrangements.
3. Socio-economic equality is an important factor in procurement decisions. Where it is consistent with our overall Value for Money strategy we will prioritise suppliers that share our values, for example, those headed by or with a significant number of staff who are women or others disadvantaged in the jobs market. Using a crude measure of added social value we estimate that we have created the equivalent of five additional jobs in the area during the year.

Operational efficiency of our assets

A full review of our housing assets in 2013 has ensured we understand values, borrowing capacity and existing regulated rental returns as well as the level of discount to market rents for our stock.

This led to adoption of 5-year fixed term tenancies that protect the values of these properties and enable flexibility in usage in the long term.

We rent our high value properties in Central London at discounted rent levels and therefore the return on our assets recognises social as well as financial return. The net return on the original investment in our assets is measured below and benchmarked against other small providers in London:

	Average comparator	Women's 2014	Pioneer	Women's 2015	Pioneer
Return on investment (GN housing only)	5.51%	4.17%		4.87%	

Incorporating both OMV and social return into this measure produces the following result:

Social Return on Assets	£m	Return
Assumed Open Market Value of housing stock	397.2	
Financial return	1.9	0.5%
Rent subsidy	3.5	1.0%
Total qualifying social return on investment (SROI)	5.4	1.5%

**WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

COMPARING OUR COSTS

The costs of delivering specific services and how this compares to other similar organisations

We have benchmarked key indicators of performance against the average results using the financial performance of a 'basket' of five other small housing associations based in central London. Four of these associations have financial years ending on 31st March and one on 30th September.

	Average comparator	Women's 2014	Pioneer	Women's 2015	Pioneer
Operating margin	26.92%	22.6%		25.99%	
Turnover	£11,181k	£7,321k		£7,525k	
Operating Surplus	£2,490k	£1,656k		£1,956k	
Management cost per unit	£1,222	£1,039		£1,046	
Day to day maintenance cost per unit	£1,093	£892		£906	
Cyclical and planned maintenance cost per unit	£918	£1,438		£1,459	
Debt per unit	£27.2k	£20.15k		£20.15k	
Staff cost per unit	£1,369	£1,073		£1,038	
Chief Executive cost per unit	£104.09	£76.59		£76.97	

Each year a self-assessment against is carried out, using performance data collected by the group, financial information from our statutory accounts and comparative data from other organisations. This is reviewed by the Board and published for the benefit of all stakeholders.

A summary of these achievements is published on our website and communicated to tenants through our regular newsletters and annual report.

Our financial performance benchmarked by Housemark

The last comparable year for our financial performance is 2014. This shows that despite our reliance on general needs our turnover has increased in line with the median of our comparator group although our operating margin is in the lowest quartile which reflects the absence of any property sales or shared ownership which is pursued by the majority of other providers in the group. The adjusted net leverage shows that our borrowings are very low compared to most providers which will change marginally as we develop new homes over the next five years.

How we compare with other providers through Housemark		
Measurement	Quartile 2014/15	Quartile 2013/14
Total cost of housing management	3	3
Cost of rent collection	1	1
Cost of resident involvement	2	1
Cost of anti-social behaviour	1	1
Cost of lettings	4	1
Cost of tenancy management	2	4

**WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

VALUE FOR MONEY GAINS

- (1) Staffing levels have been contained. We moved away from NJC salary scales to external benchmarking against the market in 2012 and offer a tax efficient auto-enrolment compliant defined contribution pension scheme. Women's Pioneer has no long term pension liabilities. Our staff turnover is at the median point in our Housemark comparator group.
- (2) We have a flexible view on in- and out-sourcing with decisions made on the basis of both cost and effectiveness of service. For example, ICT support costs were benchmarked in 2014 and remain outsourced while most post repair inspections are now carried out by an expanded team of Estate Services Officers.
- (3) We own our own offices close to our largest cluster of tenanted properties. This has been expanded and adapted over time and we carry no rental costs despite being in a high value area of west London. Our disaster recovery plan has also been developed to utilise existing facilities in another neighbourhood at minimal extra expenditure.
- (4) We review our ICT strategy, costs and action plan annually and in 2015 renegotiated our outsourced service which reduced the overall cost by £15,000 (10%). Our tenant survey in 2013 indicated an extremely low confidence rating for on line services and this influences our rate of movement towards on line delivery. However, we know this cannot be a barrier to better use of ICT to improve our services and efficiency and are pursuing digital communications as this is meeting with less resistance.

Public Benefit Entity

As a public benefit entity Women's Pioneer has applied the public benefit entity 'PBE' prefixed paragraphs of FRS102.

WOMEN'S PIONEER HOUSING LIMITED BOARD REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of responsibilities of the board for the board report and financial statements

The board is responsible for preparing the board report and financial statements in accordance with United Kingdom Generally Accepted Accounting Practice.

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 Income and expenditure for the period of account.

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 private registered providers of social housing in England 2015. It is also responsible for safeguarding the assets of the group and hence for taking reasonable steps to prevent and detect fraud and irregularities.

The board is responsible for ensuring that the board report is prepared in accordance with the SORP.

Annual general meeting

The annual general meeting will be held on 14 June 2016 and a resolution to appoint external auditors will be proposed at that meeting.

Disclosure of information to auditors

We, the board members who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- There is no relevant audit information of which the company's auditors are unaware; and
- We taken all steps that they ought to have taken as directors to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.
- In approving the Annual report, we also approve the Strategic report included therein, in our capacity as company directors.

Compliance with Governance and Financial Viability Standard

The board confirms that the Group has met the Homes and Communities Agency's regulatory expectations in the governance and viability standard.

The board has adopted the National Housing Federation's Code Excellence in Governance (revised 2012) and has carried out a self certification review of compliance during the year which did not reveal any areas of non-compliance with the Code. We plan to adopt the 2015 Code and following an independent assessment have drawn up an action plan to ensure we are fully compliant with this.

The board report was approved by the board on 24 May 2016 and signed on its behalf by:

Caroline Tolhurst
Chair

WOMEN'S PIONEER HOUSING LIMITED BOARD REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Report of the Independent Auditors

We have audited the Women's Pioneer Housing Limited (the Association) for the year ended 31 December 2015 which comprise of the Association and Group's Statement of Comprehensive Income, the Association and Group's Statement of Financial Position, the Association and Group's Statement of Reserves and Group Statement of Cash Flows. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) [including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"].

This report is made solely to Women's Pioneer Housing Limited (the Association), 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 Group'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 Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Board and the Auditor

As explained more fully in the Statement of Board's Responsibilities set out on page 14, the Board is responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group and Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report to identify material inconsistencies with the audited financial statements and to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on or materiality inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the Group's and Association's affairs as at 31 December 2015 and of the Group's surplus/deficit for the year then ended; and
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

In our opinion the information given in the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements;

**WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

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

15 Bunhill Row
London
EC1Y 8LP

Beever and Struthers
Chartered Accountants and Statutory Auditors

Date:

WOMEN'S PIONEER HOUSING LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
AS AT 31 DECEMBER 2015

		GROUP	ASSOCIATION	RESTATED GROUP & ASSOCIATION
	Notes	2015	2015	2014
		£	£	£
Turnover	3	7,337,139	7,337,139	7,116,960
Operating expenditure	3	(5,586,097)	(5,586,097)	(5,819,616)
Operating surplus	3	1,751,042	1,751,042	1,297,344
Gain/(loss) on disposal of property, plant and equipment		0	50,078	0
Interest receivable	6	21,656	21,656	52,773
Interest payable and financing costs	7	(1,011,952)	(1,011,952)	(936,287)
Surplus before Tax		760,746	810,824	413,830
Taxation		0	0	0
Surplus for the financial year		760,746	810,824	413,830
Total comprehensive income for the year		760,746	810,824	413,830
Total comprehensive income for the year attributable to:				
Non-controlling interests		760,746	810,824	413,830
Owners of parent company		0	0	0
		760,746	810,824	413,830

The financial statements on pages 17 to 20 were approved and authorised for issue by the Board on and were signed on its behalf by:

.....
 Caroline Tolhurst
 Board member

.....
 Maureen Hopcroft
 Board member

.....
 Janet Davies
 Secretary

WOMEN'S PIONEER HOUSING LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

		GROUP	ASSOCIATION	RESTATED GROUP & ASSOCIATION
	Notes	2015	2015	2014
		£	£	£
Fixed assets				
Tangible Fixed Assets	10	57,827,397	57,799,975	57,081,235
Other tangible fixed assets	11	1,353,963	1,353,963	1,308,303
Investment in subsidiaries	20	0	77,500	0
		<hr/> 59,181,360	<hr/> 59,231,438	<hr/> 58,389,538
Current assets				
Stocks		553,789	553,789	0
Debtors	12	717,354	717,354	369,925
Investments		528,455	528,455	500,000
Cash and cash equivalents		2,658,729	2,658,729	4,065,893
		<hr/> 4,458,327	<hr/> 4,458,327	<hr/> 4,935,818
Creditors: amounts falling due within one year	13	(2,101,323)	(2,101,323)	(2,006,739)
Net current assets		<hr/> 2,357,004	<hr/> 2,357,004	<hr/> 2,929,079
Total assets less current liabilities		<hr/> 61,538,364	<hr/> 61,588,442	<hr/> 61,318,617
Creditors: amounts falling due after one year	14	47,796,038	47,796,038	48,337,032
Investment in subsidiary		<hr/> 13,742,326	<hr/> 13,792,404	<hr/> 12,981,585
Total Net Assets		<hr/> 13,742,326	<hr/> 13,792,404	<hr/> 12,981,585
Capital and reserves				
Non-equity share capital		25	25	30
Revenue reserve	16	13,742,301	13,792,379	12,981,555
Total Reserves		<hr/> 13,742,326	<hr/> 13,792,404	<hr/> 12,981,585

The financial statements on pages 17 to 20 were approved and authorised for issue by the Board on and were signed on its behalf by:

.....
 Caroline Tolhurst
 Board member

.....
 Maureen Hopcroft
 Board member

.....
 Janet Davies
 Secretary

WOMEN'S PIONEER HOUSING LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Income and Expenditure Reserve	Share Capital	Total
		£	£	£
Balance as at 31 December 2014		10,618,613	30	10,618,643
Changes on transition to FRS102				
Salary accrual	21	(12,667)		(12,667)
Social Housing Grant	21	7,538,348	-	7,538,348
Depreciation	21	(5,162,739)		(5,162,739)
Balance as at 1 January 2014 as restated		12,981,555	30	12,981,585
Share Capital			(5)	(5)
Surplus/(deficit) - SOCI -2015		760,746		760,746
Transfers				
Balance at 31 December 2015		<u>13,742,301</u>	<u>25</u>	<u>13,742,326</u>

WOMEN'S PIONEER HOUSING LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Year Ended 31 December 2015 £	Restated Year Ended 31 December 2014 £
Net cash generated from operating activities			
Cash flow from investing activities		2,355,984	2,518,050
Purchase and construction of Housing Properties		(2,614,707)	(3,572,780)
Proceeds from sale of tangible fixed assets		-	-
Interest received		34,031	40,398
Net Cash Flow From Activities		(224,692)	(969,332)
Cash flow from financing activities			
Interest paid		(986,619)	(797,317)
Issue / cancellation of shares		(5)	2
Transfer of Investment to Cash		-	1,500,000
New secured loans		250,000	-
Repayment of borrowings + Issue cost		(445,848)	(593,568)
Net change in cash and cash equivalents		(1,407,164)	(860,215)
Cash as at 1 January		4,065,893	4,926,108
Cash as at 31 December		2,658,729	4,065,893
Cash Flow From Operating Activities			
Operating surplus for the year		1,751,042	1,297,344
Adjustments for non-cash items:		-	-
Depreciation of tangible fixed assets		1,128,074	1,096,566
Decrease/(increase) in Investment		(28,455)	-
Decrease/(increase) in trade and other debtors		(347,429)	190,260
(Decrease)/increase in trade and other Creditors		94,584	202,635
Increase/(decrease) in provisions		(11,837)	1,424
Adjustments for investing or financing activities:		45,946	5,761
Government grants		(275,940)	(275,940)
Net cash generated from operating activities		2,355,984	2,518,050

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. Legal status

The Group 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.

2. Accounting policies

Basis of accounting

The financial statements of the group are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group accounts. The accounts are prepared on the historical cost basis of accounting and are presented in sterling £.

This is the first year in which the financial statements have been prepared under FRS 102. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 21. In transitioning to FRS 102 the group has fully complied with the Accounting Direction for Private Registered Providers of Social Housing 2015.

Basis of consolidation

The consolidated financial statements incorporate the results of Women's Pioneer Housing Limited and its subsidiary undertakings as at 31 December 2015 using the acquisition method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition, being the date the Group obtains control.

Going concern

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. Government's announcements in July 2015 impacting on the future income of the Group have led to a reassessment of the Group's business plan as well as an assessment of imminent or likely future breach in borrowing covenants. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet 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.

1. Development expenditure. The Group capitalises development expenditure in accordance with the group's accounting policy. Initial capitalisation of costs is based on management's judgement that 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.

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)

Other key sources of estimation and assumptions:

Tangible fixed assets. Other than investment properties, tangible fixed assets 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 re-assessing 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.

Turnover

Turnover represents rental income receivable, amortised and revenue grants receivable in the year, together with ground rent receivable from leased properties.

Revenue recognition

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met.

Service charges

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and 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.

Where periodic expenditure is required a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

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 balance sheet date.

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)

Retirement benefits

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

The group offers a direct contribution Group Personal Pension for all employees and during 2014 and 2015 made a contribution of up to 8% on their behalf.

Interest payable

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- i) interest on borrowings specifically financing the development programme after deduction of interest on social housing grant (SHG) in advance; or
- ii) interest on borrowings of the group as a whole after deduction of interest on SHG in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the income and expenditure account in year.

Taxation

The group is accepted as a charity by the Inland Revenue. Income and capital gains of the Group are generally exempt from tax if applied for charitable purposes.

Value added tax

The group is not registered for VAT and the financial statements include VAT suffered on expenditure.

Housing properties

Housing properties are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Works to existing properties, for example as part of the 'more than decent' programme, which result in an increase in net rental income over the lives of the properties, enhancing their economic benefits, are capitalised as improvements.

Where it is possible to separately identify significant components, these are accounted for separately and depreciated over their individual useful economic lives. The significant separate components include roofs, kitchens and bathrooms. Lifts and other property equipment assets are depreciated through service charges.

Social housing grant

Social housing grant (SHG) is receivable from the Homes and Communities Agency (HCA) and is recognised in income over the expected useful life of the housing property structure under the accruals model. SHG due from the HCA or received in advance is included as a current asset or liability. SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with the HCA. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund.

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)

Other grants

Other grants are receivable from local authorities and other organisations. Capital grants are amortised over the expected useful life of the assets. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Depreciation

Freehold land is not depreciated. Depreciation of freehold buildings is charged, so as to write down the cost of buildings, less related SHG, to residual value, on a straight-line basis over their estimated useful economic lives in the business. The following annual rates apply:

	%
Properties (freehold)	0.77
Property fixtures and fittings:	
Roofs	1.67
Kitchens	5.00
Bathrooms	3.33
Heating and electrical works	5.00
Property equipment:	
Carpets	2.50
Lifts	4.00
Other scheme equipment	10.00

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

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful economic lives. The following annual rates apply:

	%
Office fixtures and fittings	20.00
Computer hardware	20.00

Impairment

Annually housing properties are assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. Where the carrying amount of an asset 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 as expenditure in income and expenditure. Where an asset is currently deemed not to be providing service potential to the group, its recoverable amount is its fair value less costs to sell.

Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)

Stock and properties held for sale

Stocks are stated at the lower cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Properties developed for outright sale are included in current assets as they are intended to be sold, at the lower of cost or estimated selling price less costs to complete and sell.

At each reporting date, stock and properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in Statement of Comprehensive Income.

Short-term debtors and 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 income statement in other operating expenses.

Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

Financial assets including cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method.

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

3. Particulars of turnover, operating costs and operating surplus

	2015		
	Turnover	Operating costs	Operating surplus
	£	£	£
Housing lettings (page 27)	6,854,418	(5,414,731)	1,439,687
Social Housing Grant	275,940	0	275,940
	<u>7,130,358</u>	<u>(5,414,731)</u>	<u>1,715,627</u>
Other social housing activities:			
Other	30,755	(18,300)	12,455
	<u>30,755</u>	<u>(18,300)</u>	<u>2,455</u>
Non-social housing activities:			
Leaseholder service charges	176,026	(153,066)	22,960
Other	0	0	0
	<u>176,026</u>	<u>(153,066)</u>	<u>22,960</u>
	<u>7,337,139</u>	<u>(5,586,097)</u>	<u>1,751,042</u>
	2014		
	Turnover	Operating costs	Operating surplus
	£	£	£
Housing lettings (page 27)	6,646,518	(5,656,752)	989,766
SHG Amortised	275,940	0	275,940
	<u>6,922,458</u>	<u>(5,656,752)</u>	<u>1,265,706</u>
Other social housing activities:			
Other	10,268	(15,300)	(5,032)
	<u>10,268</u>	<u>(15,300)</u>	<u>(5,032)</u>
Non-social housing activities:			
Leaseholder service charges	184,234	(147,564)	36,670
Other	0	0	0
	<u>184,234</u>	<u>(147,564)</u>	<u>36,670</u>
	<u>7,116,960</u>	<u>(5,819,616)</u>	<u>1,297,344</u>

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Particulars of turnover, operating costs and operating surplus continued
Particulars of income and expenditure from social housing lettings

	2015			2014
	General needs housing	Supported housing and housing for older people	Total	Total
	£	£	£	£
Rent receivable	4,987,377	745,447	5,732,824	5,534,657
Service income	813,624	307,970	1,121,594	1,111,861
Net rental income	5,801,001	1,053,417	6,854,418	6,646,518
Revenue grants	0	0	0	0
Social Housing Grant	227,473	48,467	275,940	275,940
Turnover from housing lettings	6,028,474	1,101,884	7,130,358	6,922,458
Management	769,538	209,460	978,998	1,044,732
Services	865,417	337,333	1,202,750	1,265,286
Responsive maintenance	744,025	104,220	848,245	890,692
Planned maintenance	556,054	704,129	1,260,183	1,334,360
Major repairs expenditure	78,450	8,126	86,576	93,632
Bad debts	32,382	6,202	38,584	39,609
Depreciation of housing properties	797,056	141,066	938,122	923,212
Other costs	21,530	39,743	61,273	65,229
Operating costs of housing lettings	3,864,452	1,550,279	5,414,731	5,656,752
Operating surplus from housing lettings	2,164,022	(448,395)	1,715,627	1,265,706
Void losses	145,796	31,263	177,059	166,671

4. Operating Surplus

	2015	2014
	£	£
The operating surplus is stated after charging/(crediting):		
Depreciation of housing properties	938,122	923,212
Depreciation of other tangible fixed assets	225,213	173,354
Loss on disposal of other tangible fixed assets	-	-
Auditors' remuneration (excluding VAT):		
External audit	13,500	9,100
Service charge audit	2,100	2,100
Other services	5,385	5,385

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

5. Accommodation under management and in development

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

	2015	2014
	No	No
General needs housing	808	815
Supported housing and housing for older people	185	178
Total social housing owned and managed	<u>993</u>	<u>990</u>
Leasehold management	<u>90</u>	<u>90</u>
Accommodation managed by others	<u>10</u>	<u>10</u>

At the end of the year there were 6 properties under development (2014: 6)

6. Interest receivable and other income

	2015	2014
	£	£
Interest receivable	21,656	52,773
Other income	-	-
	<u>21,656</u>	<u>52,773</u>

7. Interest payable and similar charges

	2015	2014
	£	£
Loans and bank overdrafts	1,011,952	936,287
less: capitalised interest payable on properties under construction	-	-
	<u>1,011,952</u>	<u>936,287</u>
Exceptional interest payable on early redemption of THFC bond	-	-
Other charges	-	-
	<u>1,011,952</u>	<u>936,287</u>

8. Employees

	2015	2014
	No	No
Average number of employees expressed as full time equivalents:		
Administration	6	6
Development	0	0
Housing and support	16	16
Services	7.5	7.5
Total	<u>29.5</u>	<u>29.5</u>
Employee costs:	2015	2014
	£	£
Wages and salaries	900,829	872,307
Social security costs	77,316	83,760
Other pension costs	52,801	109,803
	<u>1,030,946</u>	<u>1,065,870</u>

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

9. Key Management Personnel

	2015	2014
	£	£
Aggregate emoluments payable to executive directors and former executive directors	<u>207,414</u>	<u>207,330</u>
Emoluments payable to the highest paid executive director, excluding pension contributions	76,434	76,297
Payments to third parties for interim directors (exc. VAT)	<u>79,205</u>	<u>76,434</u>
The full time equivalent number of staff who received remuneration:	2015	2014
	No.	No.
£50,000 to £60,000	1	0
£60,001 to £70,000	1	1
£70,001 to £80,000	<u>1</u>	<u>2</u>

The group operates a defined contribution pension scheme having closed its final salary scheme in 1988. The Chief Executive is an ordinary member of the Women's Pioneer Group Personal Pension, a defined contribution scheme to which the group contributes up to 8% of salary. No enhanced or special terms apply. None of the board members received emoluments and no expenses reimbursed (2014 Nil).

The executive directors (key management personnel) are the Chief Executive and other members of the Senior Management Team, being the Director of Finance, Director of Housing and Director of Property Services.

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

10. Tangible fixed assets – Housing properties

	Housing properties held for letting	Housing properties under construction	Total
	£	£	£
Cost			
At 1 January 2015	65,695,788	206,122	65,901,910
Additions			
Works to existing properties	2,376,646	-	2,376,646
Transfer to stock	(612,999)	-	(612,999)
Disposal of components	(473,950)	-	(473,950)
At 31 December 2015	<u>66,985,485</u>	<u>206,122</u>	<u>67,191,607</u>
Depreciation			
At 1 January 2015	8,820,675	-	8,820,675
Charged in year	665,314	-	665,314
Transfer to stock	(31,789)	-	(31,789)
Released on disposal of components	(62,568)	-	(62,568)
At 31 December 2015	<u>9,391,632</u>	<u>-</u>	<u>9,391,632</u>
Depreciated cost			
At 31 December 2015- association	57,593,853	206,122	57,799,975
At 31 December 2015- subsidiary	27,422	-	27,422
At 31 December 2015- group	57,621,275	206,122	57,827,397
At 31 December 2014	56,875,113	206,122	57,081,235

Expenditure on works to existing properties

	2015	2014
	£	£
Improvement works capitalised	45,660	56,121
Components capitalised	2,330,986	2,425,544
Amounts charged to the income and expenditure account	1,073,180	863,080
	<u>3,449,826</u>	<u>4,385,072</u>

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Housing properties book value net of depreciation and grants

	2015	2014
	£	£
Freehold land and buildings	56,392,634	56,673,894
Long leasehold land and buildings	1,401,364	1,401,364
Short leasehold land and buildings	5,977	5,977
	<u>57,799,975</u>	<u>57,081,235</u>

11. Tangible fixed assets – other tangible fixed assets

	Freehold offices	Office equipment and vehicles	Properties fittings and equipment	Total
	£	£	£	£
Cost				
At 1 January 2015	478,411	331,979	1,405,555	2,215,975
Additions	-	22,237	202,975	225,213
Disposals	-	(14,792)	(27,900)	(42,692)
At 31 December 2015	<u>478,441</u>	<u>339,424</u>	<u>1,580,630</u>	<u>2,398,495</u>
Depreciation				
At 1 January 2015	40,564	266,953	600,155	907,672
Charged in year	7,592	23,572	148,387	189,952
Released on disposal	-	(14,792)	(27,900)	(53,092)
At 31 December 2015	<u>48,156</u>	<u>275,733</u>	<u>720,642</u>	<u>1,044,532</u>
Net book value				
At 31 December 2015	<u>430,285</u>	<u>63,691</u>	<u>859,988</u>	<u>1,353,963</u>
At 31 December 2014	<u>437,877</u>	<u>65,026</u>	<u>805,400</u>	<u>1,308,303</u>

12. Debtors

	2015	2014
	£	£
Rent and service charges receivable	338,855	288,469
less: provision for bad and doubtful debts	(41,174)	(53,011)
	<u>297,681</u>	<u>235,458</u>
Other debtors	237,638	61,093
Prepayments and accrued income	182,035	73,374
	<u>717,354</u>	<u>369,925</u>

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. Creditors: amounts falling due within one year

	2015	2014
	£	£
Loans (note 15)	468,099	466,278
Deferred grant amortised in one year	276,454	275,940
Trade creditors	627,256	315,963
Rents and service charges received in advance	233,109	200,630
Other taxation and social security	21,311	80,593
Accruals and deferred income	408,223	667,335
Social housing grant payable	66,871	0
	<u>2,101,323</u>	<u>2,006,739</u>

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

	2015	2014
	£	£
Loans (note 15)	20,014,584	20,212,253
Deferred Social housing grant (note 15)	<u>27,781,454</u>	<u>28,124,779</u>
Total	<u>47,796,038</u>	<u>48,337,032</u>

15. Loans & Social Housing Grant Analysis

	2015	2014
	£	£
<i>Due within one year</i>		
Bank loans	<u>468,099</u>	<u>464,574</u>
<i>Due after more than one year</i>		
Bank loans	9,993,721	10,212,380
Other loans	<u>10,034,978</u>	<u>10,034,978</u>
	20,496,800	20,247,358
add: loan premium	310,007	321,930
less: issue costs	<u>(324,125)</u>	<u>(357,035)</u>
	<u>20,014,584</u>	<u>20,212,253</u>
Total loans	<u>20,482,682</u>	<u>20,678,531</u>

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Social Housing Grant (SHG) Analysis

	2015	2014
	£	£
Total Social Housing Grant	35,939,067	35,939,067
Less: Social Housing Grant Payable amortised	(7,814,288)	(7,538,348)
Less: Social Housing Grant repaid	(66,871)	0
	<u>28,057,908</u>	<u>28,400,719</u>
Deferred Social Housing Grant amortised over more than one year	27,781,454	28,124,779
Deferred Social Housing Grant amortised in less than one year	276,454	275,940

Loan Analysis

	2015	2014
	£	£
<i>Loans repayable by instalments</i>		
Within one year	468,099	466,278
Between one and two years	470,101	468,099
Between two and five years	1,424,414	1,417,128
In five years or more	8,099,218	8,327,153
	<u>10,461,822</u>	<u>10,678,658</u>
<i>Loans not repayable by instalments</i>		
In five years or more	10,034,978	10,034,978
	<u>20,496,800</u>	<u>20,713,636</u>
add: loan premium	310,007	321,930
less: issue costs	(324,125)	(357,035)
Total loans	<u><u>20,482,684</u></u>	<u><u>20,678,531</u></u>

The loans are secured by fixed charges over individual properties.

Interest on loans with the group's principal lender, Santander, is charged at fixed and variable rates between 1.4% and 6.3% per annum. The principle on these loans is repayable by annual instalment.

Interest on other loans, with Fresh plc, RBS and with The Housing Finance Corporation (THFC) is charged at fixed rates of between 4.99% and 9.9% per annum. The principle on the Fresh plc loan is repayable by annual instalment and the THFC loan is repayable in full in 2043.

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

16. Non-equity share capital

	2015	2014
	£	£
Shares of £1 each issued and fully paid:		
At 1 January	30	28
Shares issued during the year		4
Shares surrendered during the year	<u>(5)</u>	<u>(2)</u>
At 31 December	<u><u>25</u></u>	<u><u>30</u></u>

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

17. Capital commitments

	2015	2014
	£	£
Capital expenditure:		
Contracted for but not provided in the accounts	313,392	425,000
Authorised by the Board but not yet contracted for	<u>4,645,000</u>	<u>5,110,000</u>
	<u><u>4,958,392</u></u>	<u><u>5,535,000</u></u>

The above commitments are expected to be financed by current resources and agreed £10m loan facility with Royal Bank of Scotland.

18. Contingent assets/liabilities

The group had no contingent assets or liabilities at 31 December 2015 (2014: nil).

19. Related parties

There are two tenant Board members whose tenancies are on the group's normal terms and no tenant member of the Board is able to use their position to their advantage.

Rent charged to the Tenant Board members during 2015 was £14,525. There are no arrears on their tenancies at 31 December 2015 (2014: nil).

20. Subsidiary Undertakings

The group owns 100% of the shares and exercises control over Women's Pioneer Homes Limited.

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

21. Transition to FRS 102 Prior Year Adjustment

The group has adopted FRS102 for the year end ended 2015 and has restated the comparative prior year amounts.

The adoption of the standard has significantly affected the financial position of the group, and gives rise to additional disclosures. The measurement and recognition of the group assets, liabilities, income and expenditure is changed in the following respect:

Housing properties are now stated at historical cost, and housing grants are now treated as a deferred long term creditor and amortised over the life of the asset.

Group	Note	Reserve as at 1 Jan 2014	Surplus/ (deficit) 31 December 2014	Reserve as at 31 December 2014
		£'000	£'000	£'000
As stated under former UK GAAP		10,329,474	289,139	10,618,613
Transitional adjustments				
Increase in depreciation of housing properties & Loss on disposal	a	(5,024,157)	(138,582)	(5,162,739)
Increase in amortisation of grants relating to housing properties	b	7,262,406	275,940	7,538,348
Inclusion of holiday pay accrual	c	-	(12,667)	(12,667)
As restated in accordance with FRS102		12,567,725	413,830	12,981,555

Explanation of changes to previously reported profit and equity

- FRS102 requires that capital grant previously deducted from the cost of fixed assets, is treated as creditors where the fixed assets are carried at cost. The effect compared to current UK GAAP is an increase to the carrying cost of housing properties resulting in an increase in the depreciation at transition of £5,024,157 and a decrease in the surplus for the year ended 31 December 2014 of £138,582.
- FRS102 requires that government capital grant previously deducted from the carrying cost of housing properties is treated as a deferred capital grant creditor and released to the statement of comprehensive income over the useful life of the associated assets. The effect compared to current UK GAAP is an increase in income recognised on transition of £7,262,406 and £275,940 increase in surplus for the year ended 31 December 2014.
- FRS102 requires that the cost of unused entitlement and short term employee benefits is measured and recognised in the reporting period. The effect is that unused holiday entitlement has now been recognised as an accrual as at 31 December 2014. This has resulted in a decrease of reserves at transition of £12,667 and a decrease in the surplus for the year ended 31 December 2014 of £12,667.