

Co-operative and Community Benefit Society no 8137R

**WOMEN'S PIONEER HOUSING LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**



**WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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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 LHI548).

Registered office

227 Wood Lane, London, W12 0EX

Board Members

Maureen Hopcroft	Chair
Sofia Nilsson	Vice Chair
Eleena Broadfoot	
Jo Ghelmini	Resigned June 2018
Michael Harle	Resigned September 2018
Vivienne King	
Louise Wolfson	
Caroline Portsmouth	
Kim Vernau	
Chris Brown	Resigned April 2019
Claire Thurston	
Shushil Chohan	Co-opted January 2019

Secretary

Mark Cole

Executive Directors

Denise Fowler	Chief Executive
Christine Desborough	Director of Housing (until 21 September 2018)
Jess Page	Interim Director of Housing (from 8 October 2018)
Mark Cole	Director of Resources
Sue Hockett	Director of Property and Estate Services

Independent Auditors

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

WOMEN'S PIONEER HOUSING LIMITED BOARD REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Board 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 2018.

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 2018 the subsidiary owned 13 properties let at market rent and had 2 properties under development.

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. Around 800 homes are let as general needs, that is to women who require no additional support. We also provide around 180 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 small portfolio of leasehold properties. We also manage a small number of properties held as an investment and rented at market rents through our wholly owned subsidiary WPHL.

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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

Achievements in 2018

Below are our achievements in 2018 under each objective:

I. Providing high quality homes and services

High Quality Homes

Over the last 10 years we have invested significantly in our properties under a 'more than decent' programme which has resulted in 320 of our properties being fully refurbished. In 2018 we revised our asset management strategy to ensure that we can meet the needs of our existing and future residents. This introduced a new common home standard for void and tenanted properties. We will be procuring a new capital investment programme in 2019. This will involve more new kitchens and bathrooms being installed in tenanted properties.

High Quality Services

In 2018 we introduced a new approach to service delivery through patch based working. This enables joined up working between front line staff in each patch. The aim is to provide clearer lines of communication for residents, get more issues resolved by front-line staff, getting more right first time. This has been well received by residents and we will continue to work with residents to review implementation in 2019.

Health and Safety

Health and safety is a significant risk for all housing associations. Throughout 2018 the association has ensured all our health and safety risks assessments are up date and has been resolving any requirements arising from the assessments. The Board receives a health and safety report at each meeting which monitors progress with all health and safety requirements.

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Resident Engagement

In 2018 we launched a new Resident Engagement Strategy and delivered a programme of activities and events to ensure that residents can work with us to shape how we deliver high quality homes and services. Our Resident Engagement and Scrutiny Panel agreed the strategy and the programme of activities before it was approved by the Board. The Panel then led on reviews of key policies and procedures including service charges, communications and void management. In addition to the policy reviews, activities included a very successful Founders Day celebration, a residents' Art Exhibition, and an event to celebrate the anniversary of women's suffrage. Regular resident surgeries and meet the managers' sessions provide residents with the opportunity to meet staff informally and to discuss any issues.

For 2019 we have signed up to be an early adopter of the National Housing Federation (NHF) 'Together with Tenants' project and will be working with residents to design and test further resident engagement options including consideration of a residents charter.

Resident Satisfaction

As part of the Resident Engagement Strategy, we introduced quarterly surveys to assess resident satisfaction levels. Throughout the year, 400 residents were surveyed and the results of the surveys are below:

	% of residents Satisfied	Quartile performance
Satisfaction with overall service	78%	1 st
Satisfaction with the overall quality of the home	76%	1 st
Satisfaction that landlord listens to/acts upon tenant views	61%	2 nd
Satisfaction with the repairs and maintenance service	78%	1 st

The results above have been benchmarked against all London housing associations who submit their results to Housemark. We believe our 2019 Resident Engagement plan and adopting the NHF 'Together with Tenants' project should improve the extent to which residents feel that we listen and act upon their views.

Complaints

We have reviewed our complaints policy and processes to ensure that issues are dealt with promptly and that any lessons learned are implemented effectively.

2. Supporting our residents' independence and well-being

We have continued to work to maintain and improve the independence and wellbeing of our residents.

We own and manage five sheltered housing schemes in the Royal Borough of Kensington and Chelsea. The communal lounges in our five schemes are used by our sheltered tenants, and are also available for use by our overall tenant base, and indeed the wider community. In these schemes, and in our overall inclusion work, we aim to benefit tenants in need by signposting to, or where necessary liaising on their behalf, with support services which can help them to address a wide variety of issues. These include hoarding, assistance with accessing correct benefits, delivery of aids and adaptations and end-of-life planning.

We have maintained our Domestic Abuse Housing Alliance (DAHA) accreditation and continue to support and champion this initiative across the sector.

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We have a Financial Inclusion Officer who has delivered intensive case management around benefits, supporting our residents to maximise their income and maintain their tenancies. A key achievement in 2018 was saving one resident from the brink of eviction through a complex backdating case securing a £7,000 payment.

We reviewed our partnering arrangements and have set up new relationships with partners such as Capitalise, who provide free and confidential debt advice for our residents, and the Eaton Fund, to support low income residents gain white goods. In 2019, we look to expand and formalise our partnership network.

3. Growing locally to provide more homes

When the corporate plan was approved, 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 achievement in 2018 was the procurement of a developer who will carry out the redevelopment of our offices and properties at Wood Lane. This is an £80m development which is fully funded by the developer and is projected to deliver growth of 50 homes (5%) for the association. Once planning permission is granted, works will begin in 2020.

We continue to develop new homes using land or airspace within our existing portfolio. We completed 2 new properties during the year with a further 2 completing in February 2019. We also continue preparations for the delivery of a further 9 properties at our scheme at Norman Court.

4. Being a leading voice for women's housing

We aim to increase awareness of women's specific housing needs and to influence the housing sector to do more to meet these needs.

We have reviewed and publicised research which identifies women's specific difficulties in accessing and keeping suitable housing. We are working with the National Housing Federation (NHF) to conduct a fuller research review.

We led on the establishment of a national Women's Housing Forum, working with the NHF, Chartered Institute of Housing, Housing for Women, tenants and others in the housing sector. The Forum now has wide reach across the sector, its own website and organises events to bring together those involved in women's housing issues to develop solutions.

We have obtained funding from the Heritage Lottery Fund for a project to explore our history including the links between the women's suffrage campaign at the turn of the last century and the founding of Women's Pioneer Housing and the impact of our homes on women's working lives. We have publicised this project through our networks, social media, speaking at events and through interviews in the specialist housing press. A film highlighting our history has also been produced.

We involve our residents in the development of this work through our resident engagement strategy.

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5. Developing our organisational strength

Financial health

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 2018 and we have invested a further 3 properties in our subsidiary to let on a market rent basis. The profits generated by the subsidiary will be gift aided back to the association to support our core activities.

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, which demonstrates we have the capacity to deliver 12.5% growth, has undergone rigorous stress testing to ensure we remain financially strong.

During 2019 we will undergo a full treasury review to ensure our finances are structured in the most efficient way to achieve the growth aspirations of the association.

Governance

The new governance arrangements took effect in 2018 with the first two meetings of the Audit and Risk Committee as well as the first two meetings of the Remuneration and Nominations Committee. In addition, the Wood Lane Steering committee was converted into a Development Committee to have oversight of all our development activity. Further details of the governance structure are reported on page 16.

A new internal audit service was procured in 2018 and carried out a number of detailed audits as well as compliance checks. The Audit and Risk Committee monitor progress with any audit recommendations made.

The Board has approved a suite of strategies and policies in 2018 to implement the Corporate plan agreed in November 2017 (and updated in November 2018).

The Board agreed KPIs in respect of each Strategic Objective in January 2018 and receive regular reports on progress against these performance indicators.

We have also invested in this area with the recruitment of a Governance and Performance Management Officer. This officer is responsible for producing performance reports and actions plans which set out with clear lines of responsibility on specialist action planning software, Pentana.

IT

We have invested in our IT systems with a major upgrade of our housing and finance system. In addition, we implemented the Pentana software as well as mobile inspection software allowing our Estate Service Officers to conduct health and safety inspections on their phone or tablet.

People

During 2018 we carried out reviews of staff roles and responsibilities and strengthened them where possible. This will continue in 2019 as part of a wider HR strategy. We increased our resources by recruiting a PA and Communications Officer, a Governance and Performance Management Officer and a Building Surveyor.

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Merger opportunity

In 2018, the Boards of Women's Pioneer Housing and Housing for Women, a registered provider with similar values, began discussions about collaboration. A joint consultant was procured and initial exploratory work was conducted. At the Board meeting on 26 March 2019 the Board agreed to explore the potential for a merger, to consult residents and to commission formal due diligence. A final decision is expected in December 2019.

Risks and uncertainties

During 2018 we developed a new risk register aligning our risks with our strategic objectives.

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, which were managed during 2018 are analysed in the tables below.

Key Risk	Action to manage risk
<p>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.</p>	<p>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:</p> <ul style="list-style-type: none"> • 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.

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Risks and uncertainties (continued)

Key Risk	Action to manage risk
<p>Delivery of the Wood Lane development This risk covers the issues arising from the Wood Lane development. 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.</p>	<p>We have made use of reputable advisors to procure the development opportunity at our office site on Wood Lane.</p> <p>The Development Committee (formally the Wood Lane Steering Committee) is established with Board members with specific skills to oversee the project effectively.</p> <p>The agreement in place for this development places the planning and financial risk on the developer rather than the association.</p>
<p>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.</p>	<p>At the end of 2017 we improved our governance structure introducing an internal audit function and establishing an Audit and Risk Committee. We have a suite of policies and procedures which are reviewed and updated regularly. We have a Board with an appropriate skill set and are actively recruiting new resident board members.</p>
<p>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.</p> <p>In addition the risk relates to any of our properties not meeting the decent homes standard set by the regulator.</p>	<p>The Board approved a new asset management strategy and we are procuring a new capital investment programme which will increase the number of new kitchens and bathrooms being installed in tenanted properties.</p> <p>Satisfaction is monitored through our quarterly residents surveys and feedback is addressed.</p>
<p>Resident Engagement WPH's reputation is negatively impacted by a perceived failure to listen to and respond to residents' concerns.</p>	<p>In 2018 we introduced a new resident engagement strategy.</p> <p>As part of the strategy we work closely with our resident scrutiny panel who undertake task and finish groups to review specific aspects of our service.</p> <p>In addition, we introduced quarterly surveys to obtain resident feedback. The results received are below our target performance but it does place us in quartile 1 and 2 when benchmarked against London housing associations. The Board receives performance reports at each meeting.</p>

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Risks and uncertainties (continued)

Key Risk	Action to manage risk
<p>Insufficient finances to meet our development and operational requirements We invest significantly in our properties each year as well as have a growing development pipeline. The risk covers issues with treasury arrangements and available liquidity so that we can meet the needs of the association.</p>	<p>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 capacity available should we require further loan finance for additional development or capital activities.</p>
<p>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.</p>	<p>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.</p>
<p>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.</p>	<p>A financial inclusion officer has been in post since November 2017 to specifically help residents with the universal credit (UC) and other benefit issues. In addition we utilise software which helps predict recent receipt activity and enables our Housing Officers to review arrears cases in an efficient manner.</p>
<p>Scale of change As we implement our new corporate plan, this risk relates to the failure to maintain standards for day to day business during a significant change programme.</p>	<p>We are working closely with staff to ensure that we manage the changes effectively. Staff resources have been increased and new software has been implemented to monitor actions, risks and performance.</p>

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Value for Money

What does Value for Money mean to Women's Pioneer

A new Value for Money strategy 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. We welcome the new value for money standard and have adopted the performance metrics in this statement.

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 achieves
Asset management strategy	A new policy strategy approved in November 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.

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Policy	What is achieves
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 have 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 growth of 50 homes (5%). This is an excellent example of maximising our current assets, whilst minimising financial risk. An important milestone was reached in 2018 with the procurement of a developer who will carry out the redevelopment. Once planning permission is granted, works will begin in 2020.

In addition to the Wood Lane development we expect to deliver a further 11 homes in the next 2 years which will be let at market rent. This completes our 'hidden homes' programme. This programme was borne from the assessment of all our buildings to appraise their potential for providing additional or larger homes. In total 30 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 11 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.

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Value for Money – Comparing performance

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

	Target	2018	2017	Housemark Quartile
Resident satisfaction				
Satisfaction with the overall service	80%	78%	-	Q1
Satisfaction with the overall quality of the home	80%	76%	-	Q1
Satisfaction that landlord listens to/actions upon tenants views	80%	61%	-	Q2
Satisfaction with the repairs and maintenance service	80%	78%	-	Q1
Rent collection rate (over 12 months)	100%	100%	99.3%	-
Current resident rent arrears	3.00%	3.18%	3.34%	Q1
Void re-let time	28 days	30 days	45 days	Q3
Repairs completed on time	98%	97.3%	98.3%	-
Satisfaction with repairs	95%	94.8%	95.9%	-

Performance has been satisfactory in 2018. Quarterly resident surveys were introduced in 2018 and although results are below our target the results place us in quartile 1 and 2 for London housing associations. Quarterly surveys will continue in 2019.

Rent arrears at 31 December are just over target but at 3.18% is excellent for a London housing association. We have worked hard to assist residents with benefit issues including those who are now in receipt of universal credit instead of housing benefit. The repairs team have also performed well and satisfaction has remained high.

There have also been significant improvement in our void re-let time although the results in 2017 was as a result of a number of properties held vacant whilst we undertook a decant programme.

Value for Money Metrics

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

Indicator	2018	2017	Commentary
Reinvestment in development and capital works	3.2%	4.8%	We continued to invest in our existing properties through our capital investment programme. In addition we continue to invest significantly in our Wood lane site which will deliver growth of around 50 new homes.
New supply delivered (Social housing units)	-	0.4%	4 new homes were delivered in 2017.

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Value for Money Metrics (continued)

Indicator	2018	2017	Commentary
New supply delivered (Non-social housing units)	0.2%	-	We delivered 2 new homes in 2018 and have a further 2 homes under development at the end of the year. A further 9 homes are in the pipeline.
Gearing	32.5%	29.8%	Loan finance has been used for development and asset management activities
Interest cover including capitalised repairs (EBITDA-MRI)	29.9%	56.7%	We continue to invest significantly in our existing buildings and have an extensive capital investment programme
Social housing cost per unit	£7,294	£6,830	A detailed analysis is explained below
Operating margin (Social housing lettings)	16.5%	20.5%	2017 included an additional release of grant amortised to the SOCI which caused the margin to be higher.
Operating margin (overall)	16.3%	15.8%	See financial review on pages 18 to 20 for further details.
Return on capital employed	1.9%	2.0%	

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 peer group unit cost (2017/18)	Women's Pioneer (2018)	Women's Pioneer (2017)	Peer group rank
Housing management	£1,186	£1,221	£1,035	11
Service charges	£1,013	£1,318	£1,308	13
Responsive maintenance	£928	£1,163	£992	12
Planned maintenance	£286	£1,554	£1,633	16
Major repairs (including capital works)	£842	£2,001	£1,543	15
Other social housing costs	£37	£37	£319	9
Headline social housing costs	£4,292	£7,294	£6,830	15

The average unit cost is based on the 2018 global accounts of registered providers and has been refined to include traditional 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 average cost above is based on 17 Registered Providers.

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The overall cost per home is significantly higher than the median we are comparing to, 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 average 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 2018.
- We have invested heavily in 2017 and 2018 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 also contributed to the high costs in both years. Future spend on planned maintenance will be lower over the longer term in line with the asset management strategy and financial plan.
- The cost of providing services is 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 on a regular basis to ensure we make efficiency savings where possible.

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 well being. 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.

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Value for Money achievements

During 2018 we achieved the following:

- A procurement exercise of our cleaning and gardening services was undertaken. Contractors will be working to an agreed specification which will be monitored by our Estate Service Officers. Net savings are predicted to be £65,000 per annum.
- Conducted a value for money review of our capital investment programme and developed a new asset management strategy and a new home standard specification.
- Development of a new resident engagement strategy to enable residents to work with us to improve and redesign our services, including through the Scrutiny Panel.
- 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 recruited a financial inclusion officer at the end of 2017 to specialise in handling universal credit cases. This has enabled our rent arrears to remain below 3.5%.
- Whilst energy costs continue to rise, we managed to re-procure our contract at existing rates.

Value for Money Future Plans

2019 and beyond will continue to see significant changes within Women's Pioneer as we deliver on the objectives set in our new corporate plan. Value for money initiatives include:

- Procurement of our capital investment programme to meet our new homes standard as well as helping to deliver over 250 new kitchens and bathrooms.
- A full review of our treasury arrangements to ensure we are financed in the most efficient way to deliver our objective of delivering 12.5% growth over the next 7 years.
- 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.
- Investment in our staff with a new learning and development plan. This will improve staff knowledge and expertise to improve the services we provide to our residents.

Any value for money achievements and savings will be reported at each board meeting in conjunction with the key performance indicators.

In addition, as part of the corporate plan we aim to achieve growth of 12.5%. This includes 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. This will significantly improve our operating margins and cost per social housing property managed.

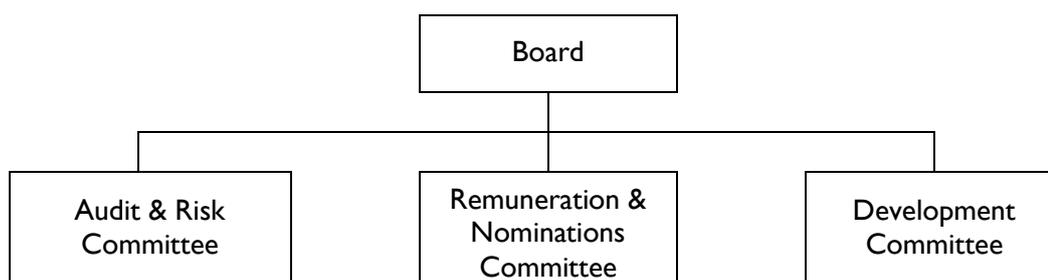
WOMEN'S PIONEER HOUSING LIMITED BOARD REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Governance

Women's Pioneer Housing is governed by a Board composed of 10 non-executive members. Details of the Board, who are drawn from a range of backgrounds, are set out on page 1.

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 replaced the Wood Lane Steering Committee in July 2018 and 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.

WOMEN'S PIONEER HOUSING LIMITED BOARD REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 one resident Board member and an independent Resident Engagement and Scrutiny Panel. In 2018 we agreed a new Resident Engagement Strategy. We established a Resident Engagement Advisory group of residents to help us implement the strategy which then merged with the Resident Scrutiny Panel.

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 2015. 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.

WOMEN'S PIONEER HOUSING LIMITED BOARD REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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, 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,
- 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

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. For this reason, it continues to adopt the going concern basis in the financial statements.

WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Results

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

	2018	2017	2016	2015	2014
	£'000	£'000	£'000	£'000	£'000
Statement of Comprehensive Income					
Income from lettings	6,914	7,068	7,045	6,854	6,577
Other activities	934	727	297	207	264
Amortised Social Housing Grant	245	408	276	276	276
Total Turnover	8,093	8,203	7,618	7,337	7,117
Operating costs	(6,772)	(6,906)	(6,196)	(5,586)	(5,819)
Operating surplus	1,321	1,297	1,422	1,751	1,298
Net interest payable	(892)	(877)	(954)	(990)	(884)
Gain on disposal of properties	-	141	-	-	-
Movement in value of investment properties	(90)	2,062	3,157	-	-
Surplus transferred to reserves	339	2,623	3,625	761	414
Statement of Financial Position	£'000	£'000	£'000	£'000	£'000
Housing Properties net of depreciation	61,679	60,259	58,444	57,827	57,081
Investment Properties	8,169	6,909	4,083	-	-
Other fixed assets	1,715	1,772	1,510	1,354	1,308
Fixed assets	71,563	68,940	64,037	59,181	58,389
Net current assets/(liabilities)	549	(1,035)	1,285	2,357	2,930
Total assets less current liabilities	72,112	67,905	65,322	61,538	61,319
Loans (due over one year)	25,204	20,953	20,449	20,015	20,212
Social Housing Grant	26,579	26,962	27,506	27,781	28,125
Total Liabilities	51,783	47,915	47,955	47,796	48,337
Total Net Assets	20,329	19,990	17,367	13,792	12,982
Reserves	20,329	19,990	17,367	13,792	12,982

The results for 2018 show a 2.2% decrease in group turnover. This is due to the following:

- Impact of the 1% rent reduction for social housing properties.
- In 2017 and 2018 we have provided development services which relates to a joint development of one of our schemes with the adjoining freeholder. The income associated with this in 2018 is £288k (2017: £362k).
- In 2017 following the end of the lease one scheme was handed back to the freeholders. This caused the release of a substantial amount of grant. Grant amortised in 2018 amounts to £245k (2017: £408k)
- The above reductions are offset by an increase of £91k in market rental income.

WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Results (continued)

Operating costs report a decrease of £134k (1.9%) due to the following:

- Development costs for have fallen by £162k to £288k (2017: £450k). The costs relate to the joint development undertaken in the last 2 years which is now complete.
- A homeloss provision of £228k was provided for in 2017 which relates to the costs associated with decanting the properties next to our offices for the Wood Lane development.
- The above reductions are offset by an increase in housing management and responsive repairs of £145k and £182k respectively due to investment in resources and an increase in health and safety works.

Included in the overall surplus for the year is a decrease in value of investment properties of £90k (2017: increase of £2.1m) which reflects current market conditions. Thirteen properties owned by the subsidiary and one property owned by the association were let on a market rent basis during 2018.

Group reserves at the year end amounted to £20.3m (2017: £20.0m). See the Statement of Changes in Reserves for further details (page 27).

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

	2018	2017	2016	2015	2014
General Needs properties	805	808	813	818	818
Housing for Older people	182	182	184	185	185
Market rented	14	9	5	-	-
Rent losses* (void loss as a % of income from lettings)	1.35%	1.36%	0.83%	2.58%	1.55%
Rent arrears* (arrears as a % of income from lettings)	3.18%	3.34%	3.18%	3.59%	4.50%
Debt per property owned*	£25,193	£20,828	£20,437	£19,955	£20,152
Reserves per property owned*	£15,612	£15,121	£14,181	£13,751	£12,943
Interest cover (EBITDA)*	2.04	2.10	1.98	2.43	2.20

* Association results only

Capital structure and treasury management

Borrowings at the year end were £25.2m (2017: £20.9m) and undrawn facilities were an additional £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 3.52% (2017: 3.71%).

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 31 December 2020. In 2021 we will have to refinance £20m of our loan facilities as well as seeking additional finance to fund our development programme. 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.

WOMEN'S PIONEER HOUSING LIMITED BOARD REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018 the group owned and managed 977 properties with a further 10 properties owned that are short-leased to and managed by St Mungo's.

The carrying value of social housing properties net of depreciation is £61.7m (2017: £60.3m) and has increased by 2.0% 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 19 June 2019 and a resolution to 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. In 2019 there is expected to be an area of non-compliance as we extend the tenure of the Chair and Vice Chair by one year beyond the maximum term of 9 years. This is to ensure continuity whilst merger discussions take place and to enable succession planning (dependent on the decision taken). The Chair and Vice Chair will stand down in June 2020.

The Board report was approved by the Board on 21 May 2019 and signed on its behalf by:



Maureen Hopcroft
Chair

WOMEN'S PIONEER HOUSING LIMITED INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018 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 2018 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 2015.

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.

**WOMEN'S PIONEER HOUSING LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 17, 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.

**WOMEN'S PIONEER HOUSING LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

25 Moorgate
London
EC2R 6AY

Nexia Smith & Williamson
Statutory Auditors

Date: *4 June 2019*

WOMEN'S PIONEER HOUSING LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	GROUP		ASSOCIATION	
		2018 £	2017 £	2018 £	2017 £
Turnover	3	8,093,116	8,203,484	8,003,816	8,171,868
Operating expenditure	3	(6,772,444)	(6,906,421)	(6,700,014)	(6,881,402)
Operating surplus	3	1,320,672	1,297,063	1,303,802	1,290,466
Gain/(loss) on disposal of property, plant and equipment	6	-	140,926	35,540	(124,954)
Interest receivable		5,693	12,532	22,562	19,132
Interest and financing costs	7	(897,152)	(889,817)	(897,152)	(889,817)
(Decrease)/increase in valuation of investment properties		(90,281)	2,062,120	(25,000)	20,000
Surplus before tax		338,932	2,622,824	439,752	314,827
Taxation		-	-	-	-
Surplus for the financial year		338,932	2,622,824	439,752	314,827
Total comprehensive income for the year		338,932	2,622,824	439,752	314,827

All amounts relate to continuing activities

The financial statements on pages 25 to 49 were approved and authorised for issue by the Board on 21 May 2019 and signed on its behalf by:



Maureen Hopcroft
Chair



Sofia Nilsson
Board member



Mark Cole
Secretary

The notes on pages 29 to 49 form part of these financial statements

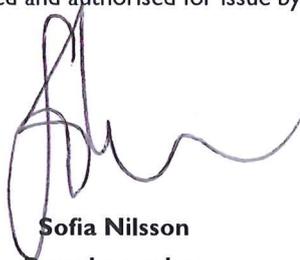
WOMEN'S PIONEER HOUSING LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	GROUP		ASSOCIATION	
		2018 £	2017 £	2018 £	2017 £
Fixed assets					
Tangible fixed assets	11	61,679,178	60,259,456	61,679,178	60,259,456
Other tangible fixed assets	12	1,714,805	1,771,598	1,714,805	1,771,598
Investment properties	13	8,168,931	6,908,530	275,000	300,000
Investment in subsidiary	14	-	-	435,500	435,500
		<u>71,562,914</u>	<u>68,939,584</u>	<u>64,104,483</u>	<u>62,766,554</u>
Debtors due after more than one year	15a	-	-	1,200,000	1,200,000
Current assets					
Debtors	15b	770,748	675,263	2,241,103	703,368
Investments	16	543,595	541,696	543,595	541,696
Cash and cash equivalents		1,926,326	399,625	1,788,966	322,366
		<u>3,240,669</u>	<u>1,616,584</u>	<u>4,573,664</u>	<u>1,567,430</u>
Creditors: amounts falling due within one year	17	(2,691,301)	(2,651,240)	(2,670,219)	(2,634,230)
Net current assets / (liabilities)		<u>549,368</u>	<u>(1,034,656)</u>	<u>1,903,445</u>	<u>(1,066,800)</u>
Total assets less current liabilities		<u>72,112,282</u>	<u>67,904,928</u>	<u>67,207,928</u>	<u>62,899,754</u>
Creditors: amounts falling due after more than one year	18	51,783,140	47,914,714	51,783,140	47,914,714
Total net assets		<u>20,329,142</u>	<u>19,990,214</u>	<u>15,424,788</u>	<u>14,985,040</u>
Capital and reserves					
Non-equity share capital	20	21	25	21	25
Revaluation reserve		5,165,864	5,231,145	-	-
Income and expenditure reserve		15,163,257	14,759,044	15,424,767	14,985,015
Total reserves		<u>20,329,142</u>	<u>19,990,214</u>	<u>15,424,788</u>	<u>14,985,040</u>

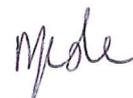
The financial statements on pages 25 to 49 were approved and authorised for issue by the Board on 21 May 2019 and signed on its behalf by:



Maureen Hopcroft
Chair



Sofia Nilsson
Board member



Mark Cole
Secretary

The notes on pages 29 to 49 form part of these financial statements

WOMEN'S PIONEER HOUSING LIMITED
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2018

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	<u>21</u>	<u>15,163,257</u>	<u>5,165,864</u>	<u>20,329,142</u>
ASSOCIATION	Share Capital	Retained Earnings	Revaluation Reserve	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	<u>21</u>	<u>15,424,767</u>	<u>-</u>	<u>15,424,788</u>

The notes on pages 29 to 49 form part of these financial statements

WOMEN'S PIONEER HOUSING LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£	£
Net cash generated from operating activities	1,849,713	2,357,974
Cash flow from investing activities		
Purchase and construction of Housing Properties	(3,497,272)	(3,546,511)
Purchase of other fixed assets	(159,082)	(468,070)
Proceeds from sale of tangible fixed assets	-	359,174
Interest received	5,693	12,532
	<u>(1,800,948)</u>	<u>(1,284,901)</u>
Cash flow from financing activities		
Interest paid	(897,152)	(889,817)
(Cancellation) / Issue of shares	(4)	3
New secured loans	4,250,000	500,000
Repayment of borrowings	(25,195)	(22,866)
Net change in cash and cash equivalents	<u>1,526,701</u>	<u>(1,697,581)</u>
Cash as at 1 January	<u>399,625</u>	<u>2,097,206</u>
Cash as at 31 December	<u><u>1,926,326</u></u>	<u><u>399,625</u></u>
Cash Flow From Operating Activities		
Operating Surplus for the year	1,320,672	1,297,063
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	942,740	953,352
Decrease/(increase) in investment	(1,899)	(8,217)
Decrease/(increase) in trade and other debtors	(95,485)	131,843
(Decrease)/increase in trade and other creditors	(100,237)	360,418
Amortisation of loan set up costs	29,249	31,614
Adjustments for investing or financing activities:		
Amortisation of government grants	(245,327)	(408,099)
Net cash generated from operating activities	<u><u>1,849,713</u></u>	<u><u>2,357,974</u></u>

The notes on pages 29 to 49 form part of these financial statements

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Notes to the financial statements for the year ended 31 December 2018

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 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 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 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. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

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.

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.

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

Turnover and revenue recognition	
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.

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.

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

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.

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.

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

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

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 2014. 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 2014 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.

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

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.

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.

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

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.

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.

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

3 Turnover, operating costs and operating surplus

GROUP	Turnover	2018	
		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)	(5,956)
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)	-
	<u>8,093,116</u>	<u>(6,772,444)</u>	<u>1,320,672</u>

GROUP	Turnover	2017	
		Operating costs	Operating surplus / (deficit)
	£	£	£
Social Housing lettings (note 4)	7,476,066	(5,941,439)	1,534,627
Other social housing activities			
Other	21,479	(270,359)	(248,880)
Non-social housing activities			
Market rented lettings	131,572	(26,461)	105,111
Leaseholder service charges	212,358	(217,703)	(5,345)
Development services	362,009	(450,459)	(88,450)
	<u>8,203,484</u>	<u>(6,906,421)</u>	<u>1,297,063</u>

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

3 Turnover, operating costs and operating surplus (continued)

ASSOCIATION

	Turnover	2018 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)	-
	<u>8,003,816</u>	<u>(6,700,014)</u>	<u>1,303,802</u>

ASSOCIATION

	Turnover	2017 Operating costs	Operating surplus / (deficit)
	£	£	£
Housing lettings (note 4)	7,476,066	(5,941,439)	1,534,627
Other social housing Activities			
Other	109,760	(270,359)	(160,599)
Non-social housing activities			
Market rented lettings	11,675	(1,442)	10,233
Leaseholder service charges	212,358	(217,703)	(5,345)
Development services	362,009	(450,459)	(88,450)
	<u>8,171,868</u>	<u>(6,881,402)</u>	<u>1,290,466</u>

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4 Turnover and operating expenditure

GROUP & ASSOCIATION

	2018			2017
	General needs housing	Housing for older people	Total	Total
	£	£	£	£
Rent receivable	4,614,923	1,007,867	5,622,790	5,849,833
Service income	762,586	424,441	1,187,027	1,218,134
Net rental income	5,377,509	1,432,308	6,809,817	7,067,967
Amortised government grants	151,318	94,009	245,327	408,099
Turnover from Social housing lettings	5,528,827	1,526,317	7,055,144	7,476,066
Management	898,213	254,552	1,152,765	1,024,284
Service charge costs	792,641	451,474	1,244,115	1,294,515
Responsive maintenance	935,367	162,625	1,097,992	982,173
Planned maintenance	1,181,899	285,051	1,466,950	1,616,979
Major repairs expenditure	132,701	36,056	168,757	177,243
Bad debts	27,174	2,941	30,115	48,319
Depreciation of Housing Properties	554,277	172,588	726,865	752,367
Property Leases	4,955	-	4,955	45,559
Operating expenditure on Social Housing Lettings	4,527,227	1,365,287	5,892,514	5,941,439
Operating surplus on Social housing lettings	1,001,600	161,030	1,162,630	1,534,627
Void losses	79,620	12,101	91,721	103,293

5 Accommodation under management and in development

	GROUP		ASSOCIATION	
	2018	2017	2018	2017
Social Housing				
General needs housing	762	798	762	798
Supported housing and housing for older people	182	182	182	182
Non-Social Housing				
Market rented	14	9	1	1
Total owned and managed	958	989	945	981
Leasehold properties managed	90	90	90	90
Accommodation managed by others	43	10	43	10
Properties under development	2	4	-	-

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

6 Gain on disposal of property plant and equipment

	GROUP		ASSOCIATION	
	2018	2017	2018	2017
	£	£	£	£
Proceeds of sales	-	373,000	217,856	915,424
less: Cost of Sales	-	(218,247)	(182,316)	(948,724)
Less: Other costs	-	(13,827)	-	(91,654)
Surplus	-	140,926	35,540	(124,954)

7 Interest payable and similar charges

	GROUP		ASSOCIATION	
	2018	2017	2018	2017
	£	£	£	£
On loans repayable within five years	291,491	293,028	291,491	293,028
On loans wholly or partly repayable in more than five years	576,412	562,437	576,412	562,437
Costs associated with financing	29,249	34,352	29,249	34,352
	<u>897,152</u>	<u>889,817</u>	<u>897,152</u>	<u>889,817</u>

8 Surplus on ordinary activities

	2018	2017
	£	£
The operating surplus is stated after charging:		
Depreciation of housing properties	726,865	752,367
Depreciation of other tangible fixed assets	215,875	200,985
Surplus on sale of other fixed assets	-	140,926
Auditors remuneration (excluding VAT):		
Audit of the group financial statements	17,750	11,750
Audit of subsidiary	5,500	4,950
Fees payable to the association's auditor and its associates for other services to the group:		
Tax compliance services	1,000	300
Service charge certification	-	2,300
Other services	-	5,500

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

9 Board members and executive directors

	GROUP		ASSOCIATION	
	2018	2017	2018	2017
	Restated		Restated	
	£	£	£	£
Aggregate emoluments payable to executive directors	351,596	290,901	351,596	290,901
Emoluments payable to the highest paid director, excluding pension contributions	110,840	71,167	110,840	71,167
Aggregate amount of executive directors pensions	21,507	21,463	21,507	21,463
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 £7,752 was paid in addition to the personal contributions of the current Chief Executive (2017: 3,923).

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 £247.20 (2017: £640.80).

The aggregate emoluments in 2017 is restated as it included Employer National Insurance instead of Employer Pension contributions.

10 Employee Information

	GROUP		ASSOCIATION	
	2018	2017	2018	2017
	No.	No.	No.	No.
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:				
Administration	10	8	10	8
Housing and support	13	12	13	12
Services	14	13	14	13
	37	33	37	33
Staff costs	£	£	£	£
Wages and Salaries	1,241,806	1,084,634	1,241,806	1,084,634
Social Security costs	113,653	99,261	113,653	99,261
Other pension costs	81,407	74,695	81,407	74,695
	1,436,866	1,258,590	1,436,866	1,258,590
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	2	1	2
£70,001 to £80,000	2	1	2	1
£80,001 to £90,000	-	-	-	-
£90,001 to £100,000	-	-	-	-
£100,101 to £110,000	-	-	-	-
£110,101 to £120,000	1	-	1	-

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11a Tangible Fixed Assets

GROUP	Housing properties		Total
	Housing Properties held for letting	Housing Properties under construction	
	£	£	£
Cost			
At start of the year	69,817,342	436,275	70,253,617
Additions	-	608,828	608,828
Works to existing properties	1,720,075	-	1,720,075
Re-classification as Investment properties	(217,856)	-	(217,856)
Disposals of components	(326,388)	-	(326,388)
At end of the year	<u>70,993,173</u>	<u>1,045,103</u>	<u>72,038,276</u>
Depreciation			
At start of the year	9,994,161	-	9,994,161
Charge for the year	726,865	-	726,865
Reclassification as Investment properties	(35,540)	-	(35,540)
Eliminated on disposals of components	(326,388)	-	(326,388)
At end of the year	<u>10,359,098</u>	<u>-</u>	<u>10,359,098</u>
Net Book value at 31 December 2018	<u>60,634,075</u>	<u>1,045,103</u>	<u>61,679,178</u>
Net Book value at 31 December 2017	<u>59,823,181</u>	<u>436,275</u>	<u>60,259,456</u>
Housing Properties comprise:		2018	2017
		£	£
Freehold land and buildings		57,489,392	55,775,749
Long leasehold land and building		4,189,786	4,483,707
		<u>61,679,178</u>	<u>60,259,456</u>
Works to existing properties in the year		2018	2017
		£	£
Components capitalised		1,720,075	1,350,574
Amounts charged to expenditure		1,635,707	1,794,222
		<u>3,355,782</u>	<u>3,144,796</u>

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 £19,700,146 (2017: £20,006,759).

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11b Tangible Fixed Assets

ASSOCIATION	Housing properties		Total
	Housing Properties held for letting	Housing Properties under construction	
	£	£	£
Cost			
At start of the year	69,817,342	436,275	70,253,617
Additions	-	608,828	608,828
Works to existing properties	1,720,075	-	1,720,075
Disposals of properties	(217,856)	-	(217,856)
Disposals of components	(326,388)	-	(326,388)
At end of the year	<u>70,993,173</u>	<u>1,045,103</u>	<u>72,038,276</u>
Depreciation			
At start of the year	9,994,161	-	9,994,161
Charge for the year	726,865	-	726,865
Eliminated on disposals of properties	(35,540)	-	(35,540)
Eliminated on disposals of components	(326,388)	-	(326,388)
At end of the year	<u>10,359,098</u>	<u>-</u>	<u>10,359,098</u>
Net Book value at 31 December 2018	<u>60,634,075</u>	<u>1,045,103</u>	<u>61,679,178</u>
Net Book value at 31 December 2017	<u>59,823,181</u>	<u>436,275</u>	<u>60,259,456</u>
Housing Properties comprise:		2018	2017
		£	£
Freehold land and buildings		57,489,392	55,775,749
Long leasehold land and building		4,189,786	4,483,707
		<u>61,679,178</u>	<u>60,259,456</u>
Works to existing properties in the year		2018	2017
		£	£
Components capitalised		1,720,075	1,350,574
Amounts charged to expenditure		1,635,707	1,794,222
		<u>3,355,782</u>	<u>3,144,796</u>

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 £19,700,146 (2017: £20,006,759).

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12 Other fixed assets

Group & Association	Other fixed Assets			Total
	Freehold Offices	Office equipment and vehicles	Properties fittings & equipment	
	£	£	£	£
Cost				
At start of the year	478,441	307,042	2,077,435	2,862,918
Additions	-	75,853	83,229	159,082
Disposals	-	-	(27,868)	(27,868)
At end of the year	<u>478,441</u>	<u>382,895</u>	<u>2,132,796</u>	<u>2,994,132</u>
Depreciation				
At start of the year	63,032	160,183	868,105	1,091,320
Charge for the year	7,438	45,655	162,782	215,875
Eliminated on disposals	-	-	(27,868)	(27,868)
At end of the year	<u>70,470</u>	<u>205,838</u>	<u>1,003,019</u>	<u>1,279,327</u>
Net Book value at 31 December 2018	<u>407,971</u>	<u>177,057</u>	<u>1,129,777</u>	<u>1,714,805</u>
Net Book value at 31 December 2017	<u>415,409</u>	<u>146,859</u>	<u>1,209,330</u>	<u>1,771,598</u>

13 Investment properties held for letting

GROUP	Properties held for letting	Properties under construction	Total
	£	£	£
At start of the year	5,495,333	1,413,197	6,908,530
Additions	340,397	1,010,285	1,350,682
Completed in the year	1,216,306	(1,216,306)	-
(Loss) from adjustment in value	(90,281)	-	(90,281)
At end of year	<u>6,961,755</u>	<u>1,207,176</u>	<u>8,168,931</u>
ASSOCIATION			
At start of the year	300,000	-	300,000
(Loss) from adjustment in value	(25,000)	-	(25,000)
At end of year	<u>275,000</u>	<u>-</u>	<u>275,000</u>

The investment properties have been independently valued by Savills and 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.

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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				
2018				
2017				
£				
£				
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.

15a Debtors due after more than one year

	GROUP		ASSOCIATION	
	2018	2017	2018	2017
	£	£	£	£
Amounts due from group undertakings	-	-	1,200,000	1,200,000

The above represents loans provided to Women's Pioneer Homes repayable after more than one year. The above is shown at cost with interest at between 0.78% and 0.82%.

15b Debtors

	GROUP		ASSOCIATION	
	2018	2017	2018	2017
	£	£	£	£
Rent and service charges receivable	364,909	375,824	360,651	374,486
less: provision for bad and doubtful debts	(111,707)	(84,723)	(107,533)	(84,723)
	253,202	291,101	253,118	289,763
Other debtors	206,111	301,864	206,111	301,864
Prepayments and accrued income	311,435	82,298	294,888	72,497
Amounts due from group undertakings	-	-	1,486,986	39,244
	770,748	675,263	2,241,103	703,368

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16 Current asset investments	GROUP		ASSOCIATION	
	2018	2017	2018	2017
	£	£	£	£
Cash held on deposit	543,595	541,696	543,595	541,696

17 Creditors: amounts falling due within one year	GROUP		ASSOCIATION	
	2018	2017	2018	2017
	£	£	£	£
Loans (note 18b)	27,760	25,195	27,760	25,195
Trade creditors	481,760	570,357	481,760	570,357
Deferred Social Housing Grant (note 19)	271,863	272,931	271,863	272,931
Rents and service charges received in advance	228,898	299,030	215,856	289,496
Other taxation and social security	56,990	32,927	56,990	32,927
Accruals and deferred income	1,279,551	1,245,125	1,271,511	1,237,649
Social Housing Grant repayable	344,479	205,675	344,479	205,675
	<u>2,691,301</u>	<u>2,651,240</u>	<u>2,670,219</u>	<u>2,634,230</u>

18a Creditors: amounts falling due after more than one year	GROUP		ASSOCIATION	
	2018	2017	2018	2017
	£	£	£	£
Loans (note 18b)	25,204,073	20,952,584	25,204,073	20,952,584
Deferred Social Housing Grant (note 19)	26,579,067	26,962,130	26,579,067	26,962,130
Total	<u>51,783,140</u>	<u>47,914,714</u>	<u>51,783,140</u>	<u>47,914,714</u>

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18b Loan analysis	GROUP		ASSOCIATION	
	2018	2017	2018	2017
Loans repayable by instalments	£	£	£	£
Within one year	27,760	25,195	27,760	25,195
In one year or more but less than two years	30,657	27,760	30,657	27,760
In two years or more and less than five years	111,750	101,493	111,750	101,493
In five years or more	116,841	157,756	116,841	157,756
	<u>287,008</u>	<u>312,204</u>	<u>287,008</u>	<u>312,204</u>
Loans not repayable by instalments				
Within one year	-	-	-	-
In one year or more but less than two years	-	-	-	-
In two years or more and less than five years	14,856,000	10,606,000	14,856,000	10,606,000
In five years or more	10,034,979	10,034,979	10,034,979	10,034,979
	<u>24,890,979</u>	<u>20,640,979</u>	<u>24,890,979</u>	<u>20,640,979</u>
add: loan premium	274,234	286,157	274,234	286,157
less: issue costs	(220,388)	(261,560)	(220,388)	(261,560)
Total loans	<u>25,231,833</u>	<u>20,977,780</u>	<u>25,231,833</u>	<u>20,977,780</u>

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

The interest rate profile of the Association at 31 December 2018 was:

	Total	Variable rate	Fixed rate	Weighted average rate
	£	£	£	%
Instalments Loans	287,008	-	287,008	9.96%
Non-instalment loans	24,890,979	2,250,000	22,640,979	3.61%
	<u>25,177,987</u>	<u>2,250,000</u>	<u>22,927,987</u>	<u>3.71%</u>

At 31 December 2018 the Association has the following borrowing facilities:

	2018	2017
	£	£
Undrawn facilities	<u>5,000,000</u>	<u>9,250,000</u>

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19 Deferred Social Housing Grant

	GROUP		ASSOCIATION	
	2018	2017	2018	2017
	£	£	£	£
At start of the year	27,235,061	27,781,964	27,235,061	27,781,964
Released to income in the year	(245,327)	(408,099)	(245,327)	(408,099)
Less: Capital grant to be repaid	(138,804)	(138,804)	(138,804)	(138,804)
At end of the year	<u>26,850,930</u>	<u>27,235,061</u>	<u>26,850,930</u>	<u>27,235,061</u>
Amount due to be released < 1 year	271,863	272,931	271,863	272,931
Amount due to be released > 1 year	<u>26,579,067</u>	<u>26,962,130</u>	<u>26,579,067</u>	<u>26,962,130</u>
	<u>26,850,930</u>	<u>27,235,061</u>	<u>26,850,930</u>	<u>27,235,061</u>

The total amount of grant received and potentially repayable is £35,388,157 (2017: £35,526,961)

This includes grant amortised to the Statement of Comprehensive Income.

20 Non-equity share capital

	2018	2017
	£	£
Shares of £1 each issued and fully paid:		
At 1 January	25	22
Shares issued during the year	-	3
Shares surrendered during the year	(4)	-
At 31 December	<u>21</u>	<u>25</u>

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.

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21 Capital Commitments	2018	2017
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	41,000	900,000
Capital Expenditure that has been authorised by the Board but has not yet been contracted for	2,040,000	2,200,000
	<u>2,081,000</u>	<u>3,100,000</u>

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

Capital Commitments will be incurred over the next:

In one year or more but less than two years	2,081,000	2,300,000
In two years or more and less than five years	-	800,000
In five years or more	-	-
	<u>2,081,000</u>	<u>3,100,000</u>

22 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.

23 Related Parties

During the year the Board had two resident members. One board member resigned in June 2018. 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 Jo Ghelmini was £4,334 until June 2018 (2017: £8,750).

Rent charged to Board member Caroline Portsmouth was £6,721 (2017: £6,864) and the amount on her tenancy at the reporting period end was £570 in credit (2017: £nil).

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 £383,847 (2017: £318,223).

During the year the Director of Resources was provided with a season ticket loan of £5,340 (2017: £5,438) which is repaid over a 12 month period. The balance at the reporting end date is £3,114 (2017: £3,172).

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23 Related Parties (continued)

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

	2018	2017
	£	£
Management charges	<u>28,000</u>	<u>28,000</u>
Other charges	<u>86,790</u>	<u>6,085</u>
Interest charges	<u>16,870</u>	<u>6,597</u>
Balance due at 31 December (including intra-group loan)	<u>2,686,986</u>	<u>1,239,244</u>

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 to the properties owned by the subsidiary.

Interest Charges

The Association has approved a £5m loan facility with the subsidiary. At 31 December 2018, £1.2m of this has been drawn down.

Property Sales

Three properties were disposed of by Women's Pioneer Housing to Women's Pioneer Homes in the year. These were disposed of at a total amount of £217,856, giving Women's Pioneer Housing a profit on disposal of £35,539.

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24 Financial instruments

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

	GROUP		ASSOCIATION	
	2018	2017	2018	2017
	£	£	£	£
Financial Assets				
Financial Assets measured at fair value				
Current asset investments	543,595	541,696	543,595	541,696
Financial Assets measured at historic costs				
Rental Debtors	253,202	291,101	253,118	289,763
Other receivables	206,111	301,864	206,111	301,864
Accrued income	204,119	-	204,119	-
Total financial assets	1,207,027	1,134,661	1,206,943	1,133,323
Financial liabilities				
Financial Liabilities held at amortised cost				
Loans payable	25,177,987	20,953,183	25,177,987	20,953,183
Financial Liabilities held at historic cost				
Trade creditors	481,760	570,357	481,760	570,357
Other creditors	1,909,918	1,782,757	1,888,836	1,765,747
Total financial liabilities	27,569,665	23,306,297	27,548,583	23,289,287

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

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank loans and other loans.

Financial liabilities measured at historic cost comprise trade creditors and other creditors.

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

	GROUP		ASSOCIATION	
	2018	2017	2018	2017
	£	£	£	£
Interest income and expense				
Total interest income for financial assets at amortised costs	5,693	12,532	22,562	19,132
Total interest expense for financial liabilities at amortised costs	897,152	889,817	897,152	889,817

25 Post Balance Sheet Events

In 2018, the Boards of Women's Pioneer Housing and Housing for Women, a registered provider with similar values, began discussions about collaboration. A joint consultant was procured and initial exploratory work was conducted. At the Board meeting on 26 March 2019 the Board agreed to explore the potential for a merger, to consult residents and to commission formal due diligence. A final decision is expected in December 2019.