

GREENOAK HOUSING ASSOCIATION Ltd

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

Registered Society under the Co-operative and
Community Benefit Societies Act 2014
Registered No: 20859R
Homes and Communities Agency No: L1393

GREENOAK HOUSING ASSOCIATION LIMITED

INDEX TO THE REPORT AND FINANCIAL STATEMENTS

	Page
General Information	1
Report of the Board of Management	2 – 7
Independent Auditors' Report	8
Income and Expenditure	9
Balance Sheet	10
Cash Flow	11
Notes to the Financial Statements	12 – 22

GREENOAK HOUSING ASSOCIATION LIMITED**GENERAL INFORMATION**

Registered Office:	155, Goldsworth Road Woking GU21 6LS	
HCA No.	L1393	
Co-operative and Community Benefit Society Registration No.	20859R	
Board of Management :	Dee O'Neill	Chair
	Tania Correia	Deputy Chair
	Phillip Beddoes	(from 3 Dec 2014 to 17 Sept 2015)
	Diana Kingdon	Chief Executive
	Vicki March	
	Denise Moll	(to 17 Sept 2014)
	Ian Phillips	(to 17 Sept 2014)
	Chris Trevor-Wilson	(from 3 Dec 2014)
	Ruth Trown	
	Jane Vessey	(from 17 Sept 2014)
	Robert Wassall	(from 17 Sept 2014 to 3 Sept 2015)
	David Watts	
Chief Executive/Secretary	Diana Kingdon	
Solicitors:	Mackrell Turner Garrett, Woking Devonshires, London Trowers & Hamlins, London	
Independent Auditors:	Knox Cropper Chartered Accountants 8/9 Well Court London EC4M 9DN	
Bankers:	Barclays Bank plc	

GREENOAK HOUSING ASSOCIATION LIMITED**REPORT OF THE BOARD OF MANAGEMENT**

The Board of Management presents its report and audited financial statements for the year to 31 March 2015.

Constitution

Greenoak Housing Association Limited is a registered Co-operative and Community Benefit Society with the National Housing Federation's 2005 model rules for Charities.

Principal activity

Greenoak's principal activity is to provide, manage and maintain high quality housing at affordable rents. Our mission is to 'respond to the housing needs of the community, continuously improve services to a high standard, and promote sustainable communities.'

Review of the year

The provision of affordable housing to rent, energy efficiency and condition of existing stock remain our priorities and we are partners with four Local Authorities.

Over recent years we have completed four schemes of highly sustainable housing and we are planning redevelopment of an existing sheltered scheme in Woking and development of a rural housing scheme in Chichester District in the next year.

Our operating surplus for the year excluding sale of properties and before interest was £775,500 compared with £573,409 (2014). After interest, we made a surplus of £491,946 compared with £536,309 (2014) which included the sale of a property for £168,822 during 2013/14.

Current and Future Operations

Greenoak specialises in producing new housing to the highest standard, especially in rural areas where we can work well with local communities. We are a member of the Wayfarer Development Consortium which increases our opportunities for partnership working.

We will continue to evaluate our greenhomes model and to disseminate good practice including engagement with our residents which is an integral part of the process. We have now completed further research to follow on from our 'Future Proof Housing' project which was funded by the Housing Corporation. This has been financed through a grant from Greenoak Community Focus Ltd.

Greenoak has freehold offices in Woking. Our Goldsworth Road office provides central administrative support and our housing management and property care services are provided from our nearby office in St Johns, Woking.

Recent Government announcements of £12bn budget cuts and changes to welfare benefits will impact on Greenoak. Specifically, social housing rents are being reduced by 1% per annum from April 2016, there are welfare benefit changes which will reduce the income of some of our residents, changes to rents for high earners and the introduction of the National Living wage. The impact of these changes is still being assessed. The Board will be reviewing the business plan and strategy to determine the appropriate responses.

GREENOAK HOUSING ASSOCIATION LIMITED**REPORT OF THE BOARD OF MANAGEMENT**

Some 50% of our properties are designed for older people. Our leasehold retirement schemes have Scheme Managers working on site, and we have a team that provides support to residents at our sheltered schemes which are part funded by a Supporting People grant. We also offer support to vulnerable residents in our general needs schemes.

Providing repairs and maintenance services in house provides excellent value for money and is very popular with our residents. This year has seen our third maintenance apprentice complete his training. Our maintenance administrator trainee was taken up a permanent post with us. Our fifth apprentice has almost completed his year's training and it is planned to recruit another Finance Trainee this year. All Trainees have been recruited straight from school.

Quality and efficiency

Greenoak is a member of a benchmarking group, SHAPE (Smaller Housing Associations Pursuing Excellence) and this enables us to collaborate, exchange examples of good practice and jointly commission services. Members benchmark their performance through Acuity (formerly Skills and Projects) which is linked to Housemark's national club of housing associations. Acuity provides an annual performance report to members which demonstrates a high performance compared with the whole sector.

SHAPE holds an annual staff conference for training and networking. Previous conferences have focused on service delivery, sustainable communities and environmental sustainability. This year there will be a focus on data protection and information security.

SHAPE Members continue to find new ways to collaborate and have recently set up a shared Human Resources Service to which several members have subscribed.

Support services

We have been assessed as satisfactory in all areas of our support services by Supporting People team in Surrey. Our contract has been successfully renewed. We have added to the support we provide through a visiting service to some of our more vulnerable tenants living in non-sheltered schemes. We have however terminated our contract in East Sussex for a small number of leaseholders and tenants as the grant was far too low to provide the level of support that the contract required.

Key financial strategies and policies

The key financial strategies and policies are as set out below:

Development and finance strategy

The provision of affordable housing to rent, energy efficiency and condition of existing stock remain our priorities. Resources continue to be directed at our development programme including bringing schemes through the planning and design stages in our areas of operation in Surrey and Sussex. We work in partnership with four Local Authorities to provide social housing, and also manage retirement leasehold schemes in a further two Local Authority areas.

Long-term maintenance

The condition of our stock has been reviewed and a programme set for the future, to ensure that we continue to re-invest to maintain high quality homes that are energy efficient. All our properties meet Decent Homes standard as a minimum and our new homes, Lifetime Homes standard.

Our in house team is continuing with the refurbishment of kitchens and bathrooms in our general needs schemes. This is being followed by a bathroom refurbishment programme. Our team has now completed phase 2 of our kitchen refurbishment programme in family houses at the Goldings estate in Woking, and are on target to complete x12 kitchens in the current year, making 34 out of a total programme of 54 units.

GREENOAK HOUSING ASSOCIATION LIMITED**REPORT OF THE BOARD OF MANAGEMENT**

The team have also completed 15 bathroom upgrades to-date at Fleetwood Court in West Byfleet, and a further 9 bathroom upgrades are planned to be completed in the current year.

The renewal of the heating system and boilers at our sheltered scheme of 57 flats in St Johns, Woking has just been completed and it will improve the energy efficiency with a corresponding reduction of heating costs which will greatly benefit residents.

Funding

Until the current HCA investment programme, our new developments have been funded by social housing grant and loan finance plus our own resources, but we plan to build future schemes of affordable rented and shared ownership homes, without HCA grant funding. This enables us to set our rents at truly affordable levels and to continue to offer secure tenancies once new tenants have completed their probationary period of one year.

We have in place a facility with the Co-operative Bank which will part fund our future development programme.

Rent policy

Most of our properties are funded by social housing grant which enables us to charge social housing rents. The cost of support services is largely met through Supporting People contracts with Surrey County Council.

Reserves

Our reserves are to finance new development and re-invest in our existing housing stock.

Property disposal policy

Greenoak owns submarket rented properties acquired without social housing grant. These are let at below market rents and allow us to house more families and single people. Our policy provides for the disposal of these properties where needed, to assist in funding new housing development.

Value of properties

Our housing properties are included in the Balance Sheet at £18.1m. They are estimated to have a value in excess of £30M, based on existing use value (social housing) for grant-aided housing, and at open market value (subject to tenancies) for other properties.

Staff development and welfare

Staff members have annual performance reviews and they are encouraged to achieve their potential through external courses and internal training. The health of our employees is important, and we provide annual health screening for all staff and free eye tests. We provide pension schemes through The Pensions Trust. The current pension plan is a defined contribution scheme.

Governance

Greenoak's Board recognises the importance of robust governance and has adopted the National Housing Federation's Code of Governance. The Board has a maximum of 12 members. It regularly advertises for new members and a further three have been recruited and it is hoped they will join the Board this year. The Board undertakes an annual appraisal of its performance and members have appraisal interviews before standing for election or for re-election.

Details about the Board members, their qualifications and experience are set out in this report together with length of service. Whilst we have a fixed term of service of up to three terms of three years, this can be extended in exceptional circumstances to ensure retention of skills and a planned succession.

GREENOAK HOUSING ASSOCIATION LIMITED**REPORT OF THE BOARD OF MANAGEMENT****Value for Money**

VFM is the very essence of running a viable social business through aiming to do the right things, for the least cost and getting them right. It's also about continuous improvement. VFM is the driving force behind everything we do. It is also, crucially, about preserving value for the longer term and avoiding short-termism. Staff members have clear objectives, rooted in our purpose, and this enables us to identify the actions that will achieve those objectives.

We ensure our key processes are lean and customer focused, incorporating the use of technology wherever possible. Efficiency is about achieving the same for less, such as re-tendering of services.

We use benchmarking to identify inefficient activities and target remedial action, e.g. where costs are high or performance is poor. We do this on an annual basis against other housing associations through Acuity. This gives us an indication of the costs of our services compared to other members, and through SHAPE, our benchmarking peer group, we follow this up by learning from the best performers. Where costs are significantly higher than the norm then a service review is triggered. We also compare the quality of our services through customer satisfaction surveys.

We keep costs down through strong fiscal stewardship. This includes an active and considered approach to a range of activities:

Treasury management – achieving the best possible return on investments, spreading financial risk, making money work.

Procurement: We recognise that to improve as an organisation, our major suppliers should be partners as well as contractors. We have developed a procurement strategy to achieve maximum benefit for all organisations involved in terms of delivery and cost.

Development, property care and maintenance: Our partnering procurement method combines control of the design with increased control of costs. Performance standards are validated by measuring and testing.

We use a combination of ways to achieve best value from contractors including formal tendering and schedule of rates. The use of our own direct labour team ensures a high quality of service to residents with our costs being tested by periodic market comparisons to ensure value for money.

Commodities: We compare value through NHF procurement including IT: We use Phoenix for software discounts and explore other procurement routes with SHAPE members and Procurement for Housing (PFH).

Further information is available on our web site and in our annual report.

Investing in our assets

Existing stock: We periodically review the condition of our housing stock and investment programme. As a minimum we maintain at least 'Decent Homes' standard on all our stock, and we continue to improve energy efficiency and upgrade kitchens and bathrooms when needed.

New housing: We have established high quality standards for our new environmentally sustainable housing and we aim to achieve best value in producing these high performance homes within normal cost range.

Monitoring and measuring performance

Our financial and statistical performance is measured and reviewed every quarter at Board Committee level and by the Board annually.

GREENOAK HOUSING ASSOCIATION LIMITED**REPORT OF THE BOARD OF MANAGEMENT****Board selection procedure:**

An annual review takes place of the composition of the Board ensuring the continuing compliance with equal opportunities with particular regard to the following:

- ❑ balance of skills required to meet corporate objectives
- ❑ adequate representation by tenants and
- ❑ equality and diversity

Advertisements are placed at least every two years in local and national publications. Three new members have been recruited during the current year and we have one resident on our Board. We have no upper age limit, and the maximum term of service for the Chair is three years (which may be extended for a further year) except in exceptional circumstances. Copies of the policy and procedures are available on request.

Statement of the Board's Responsibilities

- (a) To select suitable accounting policies and to apply them consistently;
- (b) to make judgements and estimates that are reasonable and prudent;
- (c) to state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- (d) to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue to operate.

The Board is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom's Generally Accepted Accounting Practice.

The Board is required by the Industrial and Provident Societies Acts and registered social housing legislation to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus of the Association for that period. In preparing those financial statements the Board is required:

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable it to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing 2012.

The Board is also responsible for:

- (a) maintaining a satisfactory system of control over the Association's accounting records and transactions;
- (b) safeguarding the Association's assets;
- (c) taking reasonable steps for the prevention and detection of fraud;
- (d) the Association's system of internal financial control, which is designed to provide reasonable assurance against material misstatement or loss.

GREENOAK HOUSING ASSOCIATION LIMITED**REPORT OF THE BOARD OF MANAGEMENT**

The Board has established the following procedures to provide effective internal financial control:

- (i) a financial policy which sets out key policies and procedures to ensure risks are managed prudently, and are compatible with the Association's long-term aims and objectives.
- (ii) a planning framework which incorporates a Board approved plan with detailed annual operating objectives.
- (iii) additional review of financial matters on behalf of the Board is achieved through a Committee of the Board.
- (iv) a comprehensive system of financial reporting to the Board, based on an annual budget, with quarterly reports.
- (v) management accounting of actual results against budget, analysis of variances, and performance against key performance indicators.
- (vi) internal audit functions are carried out by the external auditors. Monitoring of the efficiency of internal control is undertaken by a Committee of the Board, which receives reports annually from the auditors. This has been carried out for the year ended 31st March 2015.

The Board investigates any weaknesses in internal controls. No such weaknesses have been found during the period covered by this report.

The Association has a policy in place regarding the reporting of fraud.

The Board has reviewed the effectiveness of the system of internal financial control.

The Report of the Board of Management was approved on 24 September 2015 and signed on its behalf by the Chair.



.....
D. O'Neill Chair

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GREENOAK HOUSING ASSOCIATION LIMITED**

We have audited the financial statements of Greenoak Housing Association Ltd for the year ended 31 March 2015, which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF THE BOARD AND AUDITORS

As explained more fully in the Statement of Board's responsibilities, set out on page 6, the Board is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of Greenoak Housing Association's affairs as at 31st March 2015 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance 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 2012.

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 and the Housing and Regeneration Act 2008 require us to report to you if, in our opinion:

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

**Knox Cropper
Chartered Accountants
Statutory Auditor**

**8/9 Well Court
London
EC4M 9DM**

Date: 24 September 2015

GREENOAK HOUSING ASSOCIATION LIMITED**INCOME AND EXPENDITURE ACCOUNT****AS AT 31st MARCH 2015**

	Notes	2015 £	2014 £
TURNOVER	2	2,446,647	2,401,412
Operating Costs	2	<u>(1,671,147)</u>	<u>(1,828,003)</u>
OPERATING SURPLUS	2	775,500	573,409
Surplus on Sale of Housing Properties		0	168,822
Interest Receivable and Similar Income	4	21,855	21,167
Interest Payable and Similar Charges	5	<u>(305,409)</u>	<u>(227,089)</u>
SURPLUS FOR THE YEAR		<u>£491,946</u>	<u>£536,309</u>

CONTINUING OPERATIONS

None of the Association's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED SURPLUSES AND DEFICITS

The Association had no recognised surpluses or deficits other than the surplus for the year.

HISTORICAL COST SURPLUSES AND DEFICITS

Historical cost surpluses and deficits were identical to those shown on the income and expenditure account.

GREENOAK HOUSING ASSOCIATION LIMITED**BALANCE SHEET****AS AT 31st MARCH 2015**

	Notes	2015		2014	
		£	£	£	£
FIXED ASSETS					
Housing Properties	6		18,123,244		18,262,733
Social Housing Grant	6		(9,320,418)		(9,320,418)
			<u>8,802,826</u>		<u>8,942,315</u>
Other Tangible Fixed Assets	7		<u>245,896</u>		<u>262,708</u>
			<u>9,048,722</u>		<u>9,205,023</u>
CURRENT ASSETS					
Debtors	8	187,107		115,062	
Cash at Bank and in Hand		<u>2,834,708</u>		<u>2,434,362</u>	
		<u>3,021,815</u>		<u>2,549,424</u>	
LESS CREDITORS					
Amounts falling due within one year	9	<u>(284,708)</u>		<u>(326,537)</u>	
Net Current Assets			<u>2,737,107</u>		<u>2,222,887</u>
Total Assets Less Current Liabilities			<u><u>£11,785,829</u></u>		<u><u>£11,427,910</u></u>
CREDITORS					
Amounts falling due after more than one year	10		6,508,875		6,642,902
Capital and Reserves					
Called-up Share Capital	11		17		15
Revenue Reserves	12		<u>5,276,937</u>		<u>4,784,993</u>
			<u><u>£11,785,829</u></u>		<u><u>£11,427,910</u></u>

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

Board Member**Dee O'Neill****Board Member****Jane Vessey****Secretary****Diana Kingdon**

Date: 24 September 2015

GREENOAK HOUSING ASSOCIATION LIMITED**CASH FLOW STATEMENT****AS AT 31st MARCH 2015**

	Notes	2015 £	2014 £
Operating activities			
Net cash inflow/(outflow) from operating activities	19	782,357	873,532
Returns on investments and servicing of finance			
Interest received		21,855	21,167
Interest paid		(305,409)	(227,089)
Net cash inflow/(outflow)		(283,554)	(205,922)
Investment activities			
Purchase and development of properties		0	(5,240,618)
Purchase of other fixed assets		0	(14,749)
Proceeds on Sale of properties		0	245,051
Grant and other contributions received		0	1,721,166
Net cash inflow/(outflow)		0	(3,289,150)
Net cash inflow/(outflow) before financing		498,803	(2,621,540)
Financing and Share Capital			
Repayment of principal		(98,458)	(94,452)
Loan received		0	3,850,830
Increase/(decrease) in share capital		0	0
Net cash inflow/(outflow)		(98,458)	3,756,378
Increase/(decrease) in cash	20	£400,346	£1,134,838

GREENOAK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2015****1. ACCOUNTING POLICIES**

The Association is registered under the Industrial & Provident Societies Acts 1965 to 2002 and is registered with the Homes and Communities Agency as a registered social landlord as defined by the Housing and Regeneration Act 2008.

a) Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice: "Accounting by Registered Social Landlords, Update 2010". The accounts comply with the Housing and Regeneration Act 2008 and with the Accounting Direction for Social Housing 2012. The accounts are prepared in accordance with the historical cost basis of accounting.

b) Turnover

Turnover represents rental income receivable net of rent losses from voids, service charges receivable, bank interest and other income.

c) Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:-

Office property	2.0% on cost
Housing furniture and fittings	10.0 - 20.0% on cost
Office furniture and equipment	20.0% on cost

d) Housing Properties

Housing properties are stated at cost less accumulated depreciation. Housing properties in the course of construction are shown separately until completed when they are transferred into completed properties. Development costs that are directly attributable to individual schemes are capitalised to housing properties under construction.

Depreciation is provided on building and leasehold land (net of grant) using the annuity basis over an estimated useful life of 50 years. No depreciation is provided on freehold land.

Component accounting is not applied to housing property assets as the effect is not material.

e) Social Housing Grant

Where developments have been financed wholly or partly by social housing grant, the cost of those developments has been reduced by the amount of the grant received.

Housing Association grant is repayable in the following circumstances:-

- (i) If a property is sold.
- (ii) If the development of a property is not completed.

GREENOAK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2015**1. **ACCOUNTING POLICIES** (Continued)f) **Works to Existing Properties**

Works to existing properties are capitalised to the extent that they provide an enhancement to its economic benefits in excess of the standard of performance anticipated when originally acquired or constructed.

g) **Leased Assets**

Rentals payable under operating leases are charged to the Income and Expenditure account as incurred.

Assets obtained under hire purchase or finance leases are capitalised in the balance sheet. Those held under hire purchase are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives, or the lease term, whichever is shorter.

The interest element of those obligations is charged to the profit and loss account over the relevant period. The capital element is treated as a liability.

h) **Interest Payable**

Interest payable is charged to the income and expenditure account in the year to which it relates.

GREENOAK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2015****2. TURNOVER, OPERATING COSTS, AND OPERATING SURPLUS**

	Turnover	2015 Operating Costs	Operating Surplus (Deficit)	Turnover	2014 Operating Costs	Operating Surplus (Deficit)
	£	£	£	£	£	£
Income Expenditure from Lettings						
Housing Accommodation	2,345,852	(1,498,146)	847,706	2,265,773	(1,533,054)	732,719
	<u>£2,345,852</u>	<u>£(1,498,146)</u>	<u>£847,706</u>	<u>£2,265,773</u>	<u>£(1,533,054)</u>	<u>£732,719</u>
Other Income & Expenditure						
Development and New Business	0	(64,379)	(64,379)	0	(181,452)	(181,452)
Management Services	74,216	(45,190)	29,026	91,567	(58,326)	33,241
Sustainability Project	0	(36,854)	(36,854)	1,963	(13,062)	(11,099)
Other	26,579	(26,579)	0	42,109	(42,109)	0
	<u>100,795</u>	<u>(173,001)</u>	<u>(72,206)</u>	<u>135,639</u>	<u>(294,949)</u>	<u>(159,310)</u>
Total	<u>£2,446,647</u>	<u>£(1,671,147)</u>	<u>£775,500</u>	<u>£2,401,412</u>	<u>£(1,828,003)</u>	<u>£573,409</u>

INCOME AND EXPENDITURE FROM LETTINGS

	General Needs	Supported Housing & Housing for Older People	2015 Total	2014 Total
	£	£	£	£
Income from Lettings				
Rent receivable net of identifiable Service Charge	1,325,609	661,302	1,986,911	1,925,728
Service charges receivable	86,232	272,709	358,941	340,045
Net rents receivable	1,411,841	934,011	2,345,852	2,265,773
Expenditure on letting activities				
Services	159,341	180,426	339,767	312,043
Management	110,748	52,592	163,340	220,019
Leasehold Rents	160,804	93,935	254,739	372,178
Routine Maintenance	273,110	65,766	338,875	289,016
Planned Maintenance	144,624	97,598	242,222	225,987
Major Repairs	0	0	0	0
Bad Debts	13,302	5,514	18,816	6,196
Housing Property Depreciation	132,174	8,213	140,387	107,615
Total expenditure on lettings	994,102	504,044	1,498,146	1,533,054
Operating Surplus on Lettings	<u>£417,739</u>	<u>£429,967</u>	<u>£847,706</u>	<u>£732,719</u>
Voids	£13,138	£9,166	£22,304	£12,552

GREENOAK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2015****3. OPERATING SURPLUS**

	2015	2014
	£	£
Operating Surplus is stated after charging :		
Auditors' remuneration (including VAT)		
Audit Services	5,665	5,742
Non Audit Services	2,730	0
Depreciation of housing assets	139,489	107,615
Depreciation of other fixed assets	16,814	20,026
	<hr/>	<hr/>

4. INTEREST RECEIVABLE

Bank Interest	21,855	21,167
Sundry Income	0	0
	<hr/> <u>£21,855</u>	<hr/> <u>£21,167</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

Loan Interest	300,100	221,009
Bank Charges and Interest	5,309	6,080
	<hr/> <u>£305,409</u>	<hr/> <u>£227,089</u>

GREENOAK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2015****6(a) TANGIBLE FIXED ASSETS: HOUSING PROPERTIES**

	Housing Properties held for Letting	Properties Under Construction	Total Properties
	£	£	£
COST			
At 1 st April 2014	18,987,212	0	18,987,212
Additions	0	0	0
Disposals	0	0	0
Scheme write off	0	0	0
At 31 st March 2015	18,987,212	0	18,987,212
DEPRECIATION			
At 1 st April 2014	724,479	0	724,479
Charge for the Year	139,489	0	139,489
Disposals	0	0	0
At 31 st March 2015	863,968	0	863,968
NET BOOK VALUE			
At 31 st March 2015	18,123,244	0	18,123,244
At 31 st March 2014	18,262,733	0	18,262,733

6(b) SOCIAL HOUSING GRANT

At 1 st April 2014	9,320,418	0	9,320,418
Received in Year	0	0	0
At 31 st March 2015	9,320,418	0	9,320,418

GREENOAK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2015****7. TANGIBLE FIXED ASSETS: OTHER**

	Freehold Office Property	Housing Furniture & Fittings	Office Furniture & Equipment	Total
	£	£	£	£
COST				
At 1 st April 2014	289,354	191,703	114,175	595,232
Additions	0	0	0	0
At 31 st March 2015	289,354	191,703	114,175	595,232
DEPRECIATION				
At 1 st April 2014	60,000	176,545	95,979	332,524
Charge for the Year	5,000	6,668	5,146	16,814
At 31 st March 2015	65,000	183,213	101,125	349,338
NET BOOK VALUE				
At 31 st March 2015	£224,354	£8,490	£13,050	£245,894
At 31 st March 2014	£229,354	£15,158	£18,196	£262,708

8. DEBTORS

	2015	2014
	£	£
Amounts falling due within one year		
Rent arrears	99,944	89,814
Less : Provision for bad debts	(32,745)	(36,862)
	67,199	52,952
Other debtors and prepayments	119,908	62,110
Development costs recoverable	0	0
	£187,107	£115,062

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade Creditors	69,425	185,764
Rents in Advance	44,068	42,837
Housing Loans	89,838	51,268
Other Creditors	48,010	19,564
Accruals	23,095	21,516
Taxation and Social Security	13,272	5,588
	£284,708	£326,537

GREENOAK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2015****10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2015	2014
	£	£
Housing loans	6,694,170	2,937,792
Proceeds of Bond issued during the year	0	3,850,830
Repayments during the year	(98,457)	(94,452)
	<u>£6,595,713</u>	<u>£6,694,170</u>
Amount payable in less than one year	86,838	51,268
Amount payable in greater than one year	6,508,875	6,642,902
	<u>£6,595,713</u>	<u>£6,694,170</u>

Housing loans comprise a bond, issued by the Housing Finance Corporation, and bank loans.

The 30 year bond, which has a nominal value of £3.5m is repayable in 2044 and has an interest rate of 5.2%. The bond was issued at a premium, with net proceeds amounting to £3,850,830. The premium is being effectively amortised over the life of the loan reducing the nominal interest charge. The balance of the bond at the year end, including the unamortised premium, amounts to £3,833,415.

Bank loans are repayable by monthly, quarterly or six monthly instalments of principal and interest are for terms of between 25 and 40 years at interest rates of between 1.21% to 14.26%, the last of which falls to be repaid on dates between 2015 and 2043. A further loan facility of £1million was available but undrawn at 31st March 2015.

Loans are secured by charges on housing properties.

11. NON EQUITY SHARE CAPITAL

	2015	2014
	£	£
Shares of £1 each issued and fully paid		
At 1 st April 2014	15	15
Shares issued during the year	2	0
Resignations	0	0
At 31 st March 2015	<u>17</u>	<u>15</u>

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on winding up. Each member holds one share of £1 which carries one vote.

12. RESERVES

	£	£
REVENUE RESERVES		
At 1 st April 2014	4,784,993	4,248,684
Surplus for the year	491,944	536,309
At 31 st March 2015	<u>£5,276,937</u>	<u>£4,784,993</u>

GREENOAK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2015****13. CHIEF EXECUTIVE EMOLUMENTS AND EXPENSES OF THE BOARD OF MANAGEMENT****Chief Executive**

The aggregate remuneration paid to the Chief Executive of the Association was:

	2015	2014
	£	£
Emoluments (including benefits in kind)	<u>£110,661</u>	<u>£104,413</u>

This included pension contributions of £10,485 (2014: £9,733)

The Chief Executive participates in the SHPS scheme.

No other member of the Board of Management received remuneration for their services.

BOARD OF MANAGEMENT

The reimbursement of expenses paid to the Board of Management were

<u>£5,674</u>	<u>£2,536</u>
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14. EMPLOYEE INFORMATION

The average weekly number of persons (including the Chief Executive and excluding temporary agency staff) employed during the year was :

	2015	2014
	No.	No.
	<u>17</u>	<u>16</u>

	2015	2014
	£	£
<i>STAFF COSTS (FOR THE ABOVE PERSONS)</i>		
Wages and Salaries	492,676	482,884
Social Security Costs	50,313	31,759
Pension Costs	<u>31,582</u>	<u>30,943</u>
	<u>£574,571</u>	<u>£545,586</u>

15. UNITS

The number of housing properties in management at 31st March 2015

	2015	2014
Housing accommodation	219	219
Supported Housing and housing for older people	164	164
Housing accommodation let at sub-market rent	6	6
Accommodation managed on behalf of others	<u>107</u>	<u>107</u>
	<u>496</u>	<u>496</u>

GREENOAK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2015****16. FINANCIAL COMMITMENTS****Capital Commitments**

At 31st March 2015 there were no capital commitments made by the Board.

17. POST BALANCE SHEET EVENTS

There were no post balance sheet events.

18. RELATED PARTY TRANSACTIONS

One member of the Board of Management, Chris Trevor-Wilson, is also a resident of the Association

19. RECONCILIATION OF OPERATING SURPLUS AND NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Operating Surplus	775,500	573,409
Depreciation of tangible fixed assets	156,303	127,641
Scheme Write off	0	99,277
Net Increase/(decrease) in provisions balance	0	0
	<u>931,803</u>	<u>800,327</u>
Debtors	(72,046)	28,913
Creditors excluding loans	<u>(77,400)</u>	<u>44,292</u>
Net cash inflow from operating activities	<u>782,357</u>	<u>873,532</u>

20. RECONCILIATION OF NET CASH FLOW AND MOVEMENT IN NET DEBT

	2015	2014
	£	£
(Increase)/decrease in cash	(400,346)	(1,134,838)
Net cash inflow/(outflow) from financing	<u>(98,457)</u>	<u>3,756,378</u>
Increase/(decrease) in net debt from cash flow	(498,803)	2,621,540
Net debt at 1 st April	<u>4,259,808</u>	<u>1,638,268</u>
Net debt at 31 st March (note 21)	<u>3,761,005</u>	<u>4,259,808</u>

21. ANALYSIS OF NET DEBT

	1 April 2014	Cash flow	Non-cash Items	31 March 2015
	£	£	£	£
Loans	6,694,170	(98,457)	0	6,595,713
Cash at bank and in hand	<u>(2,434,362)</u>	<u>(400,346)</u>	0	<u>(2,834,708)</u>
Net debt	<u>£4,259,808</u>	<u>£(498,803)</u>	£0	<u>£3,761,005</u>

GREENOAK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2015****22. PENSION OBLIGATIONS NOTE – SHPS SCHEME**

- a) The Association participates in the Social Housing Pension Scheme (the Scheme). The Scheme is funded and is contracted out of the State Pension Scheme.
- b) It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.
- c) The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.
- d) The last formal valuation of the Scheme was performed as at 30th September 2014 by a professionally qualified actuary using the Projected Unit Method. Provisional results indicate that the market value of the Scheme's assets at the valuation date was £3,123 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,323 million, equivalent to a past service funding level of 70.0%.
- e) The estimate employer debt as at 30th September 2013 on withdrawal from the Social Housing Pension Scheme was £571,788.

23. PENSION OBLIGATIONS NOTE – GROWTH PLAN

- a) The Association participated in the Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted out of the state Scheme. The plan is a multi-employer pension plan
- b) It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multiemployer scheme where the assets are co-mingled for investment purposes and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.
- c) The Trustee commissions an actuarial valuation of the plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.
- d) The Scheme Actuary has prepared a funding position update as at 30th September 2013. The market value of the Plan's assets at that date was £772 million and the Plans Technical Provisions (i.e. past service liabilities) was £927 million. The update, therefore revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%. The Scheme Actuary is currently finalising the 2014 valuation and results will be communicated in due course.
- e) The Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the plan as at 30th September 2014. As of this date the estimated employer debt for the association was £11,413.