

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2013

REGISTERED NO. L0461

WALTHAM FOREST HOUSING ASSOCIATION LIMITED

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WALTHAM FOREST HOUSING ASSOCIATION LIMITED

BOARD MEMBERSHIP & ADVISORS

Board	Ben Furr (<i>Chair</i>) Paul Block (<i>Vice Chair</i>) Christopher Jones (<i>Treasurer</i>) James Cook (appointed 26 September 2012) Errol Harris Duncan Howard (co-opted 26 September 2012) David Joyce (appointed 26 September 2012) Saba Vina Moorthy (up to 26 September 2012) Doreen Richards Legrand Paula Sisson Olexandra Stepaniuk Bobby Supiya (co-opted 26 July 2012)
Chief Executive	Linda Milton
Secretary	Martin Isaacs
Registered Office	Energy Centre 31 Church Hill London E17 3RU
Bankers	Barclays Bank plc 1 st Floor 27 Soho Square London W1D 3QR
Auditors	Nexia Smith & Williamson Chartered Accountants Registered Auditors 25 Moorgate London EC2R 6AY
Homes and Communities Agency Registered Number	L0461
Industrial and Provident Society Number	21186R

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BOARD REPORT
FOR THE YEAR ENDED 31 MARCH 2013

Review of activities

The Board presents their report and accounts for the year ended 31 March 2013. The Association's registered Rules state that it was formed for the benefit of the community, and its principle activity remains the provision of social housing, with an emphasis on sheltered housing for older people and providing appropriate support. The Association also provides housing for adults with a range of support needs, working with partner agencies that provide the appropriate support. The Association also provides housing for a range of general needs tenants.

The Association made a surplus of £531,855 on ordinary activities for the year compared to a surplus of £174,170 for the previous year, and, as in earlier years, for a range of reasons. Some costs were contained by savings and economies, with staff costs reduced through a combination of unfilled vacancies and, for the third consecutive year, the annual pay award set at nil, in line with the local government agreement. The implementation of component accounting in the previous year again increased the surplus as significant cyclical replacement costs were capitalised, instead of being charged directly to expenditure: while depreciation charges increased accordingly, the overall effect of the change was to significantly increase the year's surplus. Beyond the financial aspects, the Association had a successful year in many other ways.

Support Services

Our floating support model is now fully implemented and central to providing the effective delivery of person-centred and needs-based services day-to-day to our sheltered tenants. Despite the reduction in Supporting People (SP) funding we maintained the support staff complement and continue to deliver the same quality services within the sheltered schemes.

In September 2012 our support services were inspected by the London Borough of Waltham Forest (LBWF) SP Team. The inspection comprised a series of meetings with staff and management, tenant meetings and provision of paper-based evidence in line with the Quality Assessment Framework (QAF). The Association achieved five A ratings and one B in the six core areas of the QAF, which is a significant improvement on the previous QAF scores, and gave us the best score in the borough for Older People's services.

Before the year-end we started preparing for the upcoming LBWF tender exercise for all SP funded older people's services in the borough. LBWF's target was to award services to providers in June 2013 with new three year contracts starting in September 2013, with the possibility of a further year's extension; accordingly, their schedule for applications and evidence submission was published well in advance, and tenants were invited to a consultation meeting with the borough SP team in March 2013.

During the year we worked with many partner agencies providing health and wellbeing sessions for older tenants including Tai Chi, chair based activities, and song and dance. These sessions were arranged through our excellent relationship with Age UK Waltham Forest.

Millennium House holds weekly events in partnership with the Coppermill Recycle teenagers' project for older people, which provides arts and crafts, film days, and a range of activities for the community and our tenants.

We also started working with the health services to improve services to older people, and in particular, to improve support in the discharge process from hospital back to their homes.

The relationship with our partner support providers has gone from strength to strength as we have improved and increased joint working, and to the tenants' satisfaction. In October LBWF asked us to provide managing agent responsibilities for the James Lane scheme, which is twinned with our Manor Road scheme. LBWF is the landlord for this service for three people with middle need learning disabilities, with support provided by Family Mosaic. The arrangement is now fully implemented, after a number of significant health and safety issues were raised and settled with LBWF.

We maintained our existing partnerships during the year, providing support and housing management at Millennium House for the landlord London & Quadrant and providing support services to Southern Housing Group tenants at Lewis House and Peach Court. We also continued to work with other support providers: Outward Housing, Outlook Care and Family Mosaic, who continue to provide support to our learning disability schemes. We also continued to develop last year's new partnership with Greenleaf Trust, a local charity providing support to homeless people in Waltham Forest: in partnership we developed and opened a scheme for four homeless people to live independently with support, and this is now well established.

We continue to meet with all our partners regularly to ensure that our tenants' needs are met and that our landlord duties, including health and safety, are properly discharged. We also take opportunities to join social activities at all the schemes.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BOARD REPORT
FOR THE YEAR ENDED 31 MARCH 2013

Review of activities (contd)

After 18 months of extended assessment, including tenant and staff meetings, regular working group meetings and collating nine folders of evidence, the Association was awarded the Centre for Housing and Support (CHS) Code of Practise accreditation for its floating support services for older people.

The year saw further progress on services and maintenance work, with the appointment of a new Out of Hours service supplier and new contracts for lift consultancy and maintenance. Work on implementing the outcomes of the Stock Condition Survey continued, with a special Board meeting in June 2012 to look at revised and updated programmes for priority works and their longer-term financial implications. First priority works were approved for action during the year, with updated SCS reports to inform future budgets and longer-term planning. In the coming year Board will consider a revised and updated 30 year plan to take full account of full implementation of SCS works and the various options for financing.

External activities

As ever, we maintain active involvement in local and national groups that promote the interests of our tenants. Our continued involvement with Erosh, ensures we are well informed on matters concerning older people as well as giving us a forum to participate in local and national debate and decision making. We continue to work closely with local police, with staff as members of four safer neighbourhood schemes and regularly attendance at the local forum on Anti-Social Behaviour. We continue to attend local forums for Housing Associations, including specialist groups on Housing Management and Housing Benefit, where we now also provide the Chair for the Welfare Reform Group. Again this improves our participation in local debate and helps us influence local decisions, where possible. We also attend specialist local Supported Housing forums, and share in chairing.

We continue to contribute to discussions and promotion of issues relating to smaller Housing Associations by membership of the G320 group and the Centre for Housing and Support's Practitioner Working Group.

We maintained and strengthened our wider network of partners across London through continued involvement in the Solomon and Solfed Benchmarking groups (for smaller specialist social landlords), particularly through participation in the specialist functional working groups – Chief Executives, Housing Management, Supported Housing, Finance, Maintenance and Central Services. We currently chair four of these six groups.

Tenant Involvement – the Tenant Focus Group

The Tenant Focus Group (the Group) has been active for more than 12 years and continues to be involved in the decisions that affect our tenants. At the year-end there were 10 members from sheltered, supported and general needs schemes across the borough, with interest expressed by an 11th. The Group's geographical balance continues to improve but a majority of members still come from sheltered housing: potential members from the Association's largest general needs scheme will be sought in the coming year.

Although places on the Board are reserved for tenant members, there is currently only one general needs tenant on the Board, although a sheltered housing tenant has attended as an observer. Providing feedback from Board meetings is a regular agenda item.

Members attend bi-monthly meetings, and have worked with an independent facilitator, Jenny Crook, for many years. Meetings are held in the Association's new offices in Walthamstow: the move seems not to have affected attendance levels, which are generally high. The meetings mainly consider one issue in detail, sometimes assisted by an external speaker or staff member. Sub groups are often set up to work with staff on specific issues. Last year's work on the reaccreditation by the CHS Code of Practice continued into this year: the assessor attended a Group meeting and feedback was positive.

The Group also contributed to the Association's work by involvement in a range of activities, including: -

- The governance review
- Welfare Reform and its likely impacts
- Taking forward the outcomes of the Stock Condition Survey
- The lift maintenance tender
- Developing the Association's website
- Preparations for the 50th Anniversary
- Preparations for the sheltered support services tender

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BOARD REPORT
FOR THE YEAR ENDED 31 MARCH 2013

Review of activities (contd)

The Group would also like to work on the induction process for new members and updating the Tenants' Handbook.

While the Group had no specific training sessions during the year, they joined the Senior Management Team for a day, visiting schemes across the borough. Everyone found this useful and interesting, with beneficial interaction. The Association has now joined the Tenant Participation Advisory Service (TPAS) which will provide a useful source of training opportunities in the future.

Staff and Board

The two vacancies remaining after the restructure of the Housing Services Team were recruited early in the year. Building on this we moved on to review the other "central" function – Finance. Assisted by an external consultant, we similarly focused on clarifying and strengthening the central support functions of the team. The Senior Finance Officer post became vacant, and was not recruited pending the review's outcomes: an interim post was recruited to maintain services. Towards the end of the year the new structure was confirmed: IT support was relocated, primarily to the new external support providers, Mazars, and the team streamlined from two full-time and one part-time post, to two full-time Finance Officer posts, with different lead areas, and mutually supportive. Existing staff were assessed and confirmed in the posts, greatly aiding continuity. The savings achieved contribute to the cost of much improved external IT support.

The Association maintained its commitment to staff training. All staff received training on Confidentiality and all Support staff were trained on Frontline Equality. Three staff began a course to gain the Supervisory Management Certificate and a new staff member received First Aid training. Support staff received a range of training - on funding housing and social care, dealing with compulsive hoarding, and QAF and achieving excellence. Housing Services staff received training on handling complaints, the Stock Condition Survey database and tenancy reforms. Finance staff received training on HMRC's Real Time Initiative (RTI) and took part in a pilot project jointly set up by HMRC and Sage software.

Staff attended conferences on the governance standard, social housing law, Welfare Reform and the new funding environment, the NHF London Finance conference and the CIH conference on smaller HAs – bigger ideas.

In January 2013 we finalised the move to our new head office premises after an extensive refurbishment and improvement programme. The premises are on the ground floor of one of our schemes in Walthamstow and we now have what we needed - better disabled access, larger and more flexible space. The new location is more central within the borough and provides better public transport links including two separate links into the City and central London. We also now have facilities to host external national and local meetings. Before the year-end we had hosted meetings of the Erosh Executive and the Solomon Finance Group: many more are planned. We also began negotiations to assign or surrender the lease on our previous offices to save money. At the year-end the negotiations had stalled but we are optimistic that we will secure an amicable outcome.

As ever, more challenging times place more demands on the Board and we welcomed three new members after last year's recruitment programme. The Board was also augmented by a tenant member in July 2012, after no tenant representation for some years.

The Board and senior officers continued to work on developing governance. The internal audit for the year included examination of risk management and contributed to a clearer focus on the overall process, particularly the different yet complementary roles of Board and managers in managing strategic and operational risk.

Value for Money (VfM) Statement

What VfM means to us

The regulatory framework for the sector includes a specific standard for Value for Money (VfM). Our regulator, the Homes and Communities Agency (HCA), expects us to have a strategy for optimising VfM and systems to ensure this strategy is delivered. Achieving VfM is important to our operations, it underpins our resource allocations, ensuring our continued commitment to providing an efficient and cost effective service to our stakeholders, in particular our tenants.

Our strategy was formally approved by Board in March 2013.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BOARD REPORT
FOR THE YEAR ENDED 31 MARCH 2013

Value for Money (VfM) Statement (contd)

Aims of the Strategy

- To achieve high quality service at the best possible price, recognising that quality is essential in the strategy
- To secure informed and active commitment from our Board, staff and stakeholders where necessary
- To integrate Value for Money principles in all we do
- To involve our tenants

Our strategic approach to VfM and use of resources

To achieve VfM we will look at: -

- COST – obtaining the most comprehensive rates for quality services/ products
- EFFICIENCY - doing things the best way with the least resources
- EFFECTIVENESS - making sure that we get the result that we want

VfM was integral to the specification we used to appoint our internal auditors and will be included in upcoming tenders for services, including utilities, banking and IT support, when we will require suppliers to provide evidence of added value.

We need to know where we are starting from, as well as getting informative comparisons to monitor our progress. The published results from our Tenant Satisfaction Survey in Spring 2012 gave us a benchmark of how our tenants perceive the Association and the services that we provide.

To inform how we are performing we will continue, and look to improve our practice in, monitoring contractor/supplier performance, as well as staff performance. As well as quarterly review of KPIs data, the management team reviews the KPIs themselves more broadly every six months, considering relevance, utility, clarity etc. Their relevance and use for measuring VfM will also form part of that review.

To maintain and improve our understanding and practice we now have VfM as a standing agenda item for all management and staff meetings, from the whole staff group to departmental/team meetings. The VfM log is accessible by all staff, for noting VfM instances and ideas. Board receive regular reports on VfM, and it is increasingly a part of formal and informal information and advice to and from our partners and peers.

Our track record – what we have achieved over the past year

Instances of VfM achieved or externally recognised during the year include: -

- Finance Team restructure (as reported above) aims to provide a more effective service to tenants and colleagues at an overall annualised saving of £13,000
- Staff Group Life insurance: cover was moved to a new provider offering the same benefits at the same price and an Employee Assistance Programme at no further cost, saving £450 a year
- Head Office move: provides a range of significant benefits (as reported above), and will save £26,000 a year going forward in rent savings
- Maintenance procurement: the change in lifts consultancy and service should save £1,800 annually
- Charitable IT purchasing: membership of the CTXchange programme gives access to IT hardware and software at heavily discounted prices; this offers considerable savings as well as making some purchases affordable, where conventional prices would be prohibitive
- LBWF SP QAF Assessment: highest score in the borough for provision of support services to Older People

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BOARD REPORT
FOR THE YEAR ENDED 31 MARCH 2013

Value for Money (VfM) Statement (contd)

Beyond the purely financial, our Support Services team assisted many tenants in key areas of their lives. They alerted Adult Social Care Services to 17 cases of abuse of older people, 13 of which were substantiated and, as a result, the tenants enabled to receive support and live a life free from harm. Outcomes extracted from our regular reports to the borough SP team include: - 66 tenants receiving successful support for economic wellbeing, 186 for life enjoyment and achievement, 78 for a positive contribution to society, 43 for health improvement and 16 for staying safe.

Taking VfM forward

We will work to improve our understanding and application of VfM principles at all levels, by continuing to develop the measures already outlined.

Our existing work on shared KPI data with the Solomon/Solfed Benchmarking Group through the Skills and Projects website (SPBM) enables us to see how we compare with our peers, as well as providing links to Housemark's national KPI data. We also have external accreditations including SP and CHS. Solomon/SPBM comparisons can also indicate which of our peer HAs may have lessons we can learn, or with whom we can share our good practice.

Choice of the most useful KPIs will provide meaningful comparisons. In many cases Solomon/SPBM data may be more relevant than that provided by Housemark, as the former offers comparisons with similar smaller specialist RPs in Greater London. Housemark data is, inevitably, drawn from a much wider range of RPs, including very large providers of general needs and other types of social housing. There are also, arguably, significant economic differences between Greater London and whole UK, which could unhelpfully skew results.

We will work on defining the most effective KPIs to help us monitor and evidence VfM achievements, as well as indicating areas for development, including how we can learn from others. To this end, Board will review which KPIs they will monitor regularly, consider the most effective ways of presentation and also ensure that meeting time is available for discussion. They will also consider which comparators they want presented to set our KPIs in context.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BOARD REPORT
FOR THE YEAR ENDED 31 MARCH 2013

Statement of the Board's responsibilities in respect of the accounts

The Industrial and Provident Societies Acts require the Association to prepare accounts 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 year. In preparing these accounts the Board is required to:-

1. Select suitable accounting policies and then apply them consistently.
2. Make judgements and estimates that are reasonable and prudent.
3. State whether applicable accounting standards have been followed.
4. Prepare the accounts on the going concern basis unless it is inappropriate.

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 them to ensure that the accounts comply with the Industrial and Provident Societies Acts and Housing Acts. The Board is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, by establishing and maintaining a satisfactory system of control over the Association's accounting records, cash holdings and all its receipts and remittances.

Statement on the Association's system of internal control

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

The main features of the internal financial control system are:

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

The Board has reviewed the effectiveness of the system of internal control over the past year.

By Order of the Board

Secretary:
Martin Richard Isaacs



Date: 31 July 2013

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

Nexia Smith & Williamson

We have audited the financial statements of Waltham Forest Housing Association for the year ended 31 March 2013 which comprise the Income and Expenditure Account, the Cash Flow Statement, the Balance Sheet and related notes 1 to 22. 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 the requirements of statute. 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.

Respective responsibilities of the board and the auditor

As explained more fully in the Statement of Board's Responsibilities set out on page 8, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2013 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts 1965 to 2002 requires us to report to you if, in our opinion:

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

Nexia Smith & Williamson

Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: *20 August 2013*

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
Turnover	17	2,252,686	2,090,674
Operating costs	17	<u>(1,633,835)</u>	<u>(1,808,629)</u>
Operating surplus on ordinary activities		618,851	282,045
Interest receivable	10	3,776	3,468
Interest payable	11	(90,772)	(111,343)
Surplus on ordinary activities for the year	8	<u><u>531,855</u></u>	<u><u>174,170</u></u>

All amounts relate to continuing activities. There were no recognised gains or losses other than those reported above.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
BALANCE SHEET
AS AT 31 MARCH 2013

	Notes	2013 £	2012 £
Fixed assets			
Housing properties	2a	12,076,264	12,107,014
Less: Social Housing Grant		<u>(8,142,060)</u>	<u>(8,142,060)</u>
		3,934,204	3,964,954
Other fixed assets	2b	<u>375,753</u>	<u>313,731</u>
		4,309,957	4,278,685
Current assets			
Debtors	3	147,191	65,188
Cash at bank and in hand		<u>1,684,127</u>	<u>1,275,626</u>
		1,831,318	1,340,814
Creditors			
Amounts falling due within one year	4	<u>(299,576)</u>	<u>(308,600)</u>
Net current assets		<u>1,531,742</u>	<u>1,032,214</u>
Total assets less current liabilities		<u>5,841,699</u>	<u>5,310,899</u>
Creditors			
Amounts falling due after more than one year	5	1,223,925	1,261,158
Provisions for Liabilities and Charges			
Pensions Liability	13	309,735	292,143
Other Provisions	6	<u>55,829</u>	<u>37,246</u>
Total provisions for liabilities and charges		365,564	329,389
Capital and reserves			
Called-up share capital	7	15	12
Revenue reserves	8	<u>4,252,195</u>	<u>3,720,340</u>
		<u>5,841,699</u>	<u>5,310,899</u>

The financial statements on pages 10 to 24 were approved by the Board of Management on 31 July 2013 and were signed on its behalf by:

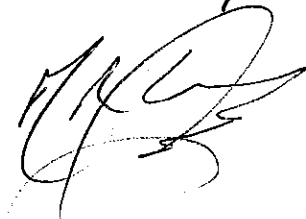
Board Member:
Benjamin Vaughan Furr



Board Member:
Paul Andrew Block



Secretary:
Martin Richard Isaacs



WALTHAM FOREST HOUSING ASSOCIATION LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013

	Notes	£	2013 £	£	2012 £
Net cash inflow from operating activities			769,113		570,544
Returns on investments and servicing of finance	16		(86,996)		(107,875)
Capital Expenditure					
Acquisition of housing properties		(76,299)		(80,372)	
Purchase of other fixed assets		<u>(166,228)</u>		<u>(41,261)</u>	
			<u>(242,527)</u>		<u>(121,633)</u>
Net cash inflow before financing			439,590		341,036
Financing	16		<u>(31,089)</u>		<u>(26,293)</u>
Increase in cash	16		<u>408,501</u>		<u>314,743</u>
Reconciliation of operating surpluses to net cash inflow from operating activities					
Operating surplus			618,851		282,045
Depreciation charges			211,255		184,869
Change in debtors			(82,003)		3,147
Change in creditors			(15,165)		3,769
Pension costs under FRS17			17,592		96,714
Change in other provisions			<u>18,583</u>		-
Net cash inflow from operating activities			<u>769,113</u>		<u>570,544</u>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

1. PRINCIPAL ACCOUNTING POLICIES

The Association is incorporated under the Industrial & Provident Societies Act 1965 and is registered with the Homes and Communities Agency as a Registered Social Landlord as defined by the Housing and Regeneration Act 2008.

Basis of Accounting

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

The principal accounting policies of the Association are set out below.

Turnover

Turnover represents rental and service charge income, certain revenue grants, management fees and other income. All income is recognised on a receivable basis.

Revenue grants are accounted for once the Association is legally entitled to the grant and there is reasonable assurance that the grant will be received. The grant is recognised within income in line with the expenditure which it funds. Supporting People (SP) grant is payable by local authorities. The amount credited to the income and expenditure account has been evaluated in accordance with SP grant arrangements with specific local authorities.

Works to existing properties

The Association adopts component accounting for its Housing Properties. Under component accounting, the cost of eligible major repairs and maintenance are capitalised in the period it is incurred and allocated to the appropriate component. Works to existing properties are capitalised as an addition to the asset to the extent that they provide an enhancement to its economic benefits in excess of the standard of performance anticipated when the asset was first acquired, for example an increase in the net rental stream through an increase in the rental income, a reduction in future maintenance costs or a significant extension to the life of the property, or where it represents the replacement or restoration of an item that has been treated separately and depreciated over its individual useful economic life

Tangible Assets and Depreciation

Housing properties, including properties in the course of construction, are stated at cost less applicable grants. The acquisition cost of leasehold properties and office buildings, less applicable grants, is depreciated over the lease period.

Housing Properties

The Association accounts for its expenditure on housing properties using component accounting. Under component accounting the housing property is divided into those major components which are considered to have substantially different useful economic lives. These components are then depreciated over their individual useful economic lives. The particular components' useful economic lives when new are as follows:

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

The cost of housing property includes applicable overhead expenditure and capitalised interest. Interest on loans deemed to be financing a development is capitalised up to the date of practical completion of a housing scheme.

All properties are reviewed for impairment annually, and where housing properties have suffered a permanent diminution in value, the fall in value is recognised after taking account of any related capital grant.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Tangible assets and depreciation (continued)

During the year the allocation of capital grant against land and structure was revised: the estimated effect in the year was a decrease in depreciation charged of £30,624.

Other tangible fixed assets

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

<i>Improvements to offices</i>	<i>40 years or remaining lease period, if less than 40 years</i>
<i>Office and Information Technology equipment</i>	<i>30 years</i>
<i>Furniture, fixtures and equipment</i>	<i>6.67 years</i>
<i>Housing furniture and equipment</i>	<i>3 to 7 years</i>
<i>Housing Support equipment</i>	<i>5 years</i>

During the year the useful economic life (UEL) of Housing furniture and equipment was revised from 3 to 10 years to 3 to 7 years: the estimated effect in the year was an increase in depreciation charged of £25,000. Similarly, the UEL of Housing Support equipment was revised from 10 years to 5 years: the estimated effect in the year was an increase in depreciation charged of £33,100.

Social Housing and Similar Grants

When housing developments have been financed wholly or partly by social housing or similar grants, the cost of these developments has been reduced by the amount of grant received. Grants received in excess of the costs to date of schemes in the course of development are shown as current liabilities.

Social Housing Grant (SHG) can be recycled under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes and Communities Agency. However, SHG may have to be repaid if certain conditions are not met, and in that event, is a subordinated unsecured repayable debt. When the obligation to repay all or part of the grant expires over a period of time, that proportion of the unamortised grant is released to income when that time has been reached.

Taxation

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

Pension costs

The Association is a member of a multi-employer defined benefit pension scheme where it is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis and, therefore, as required by Financial Reporting Standard 17 "Retirement Benefits" ("FRS17"), accounts for the scheme as if it were a defined contribution scheme. As a result, the amounts charged to the income and expenditure account represent the contributions payable to the scheme in respect of the accounting period.

The Social Housing Pension Scheme ("SHPS") has defined the past service deficits attributable to each employer in value terms. The net present value of the additional contributions required to meet the Association's share of the scheme deficit is recognised and accordingly the pension costs relating to the past service deficit are accounted for in accordance with the requirements of Financial Reporting Standard 12 "Provisions, Contingent Liabilities and Contingent Assets" ("FRS12").

Operating Leases

Rentals paid under operating leases are charged to the Income and Expenditure account as incurred. Lease incentives are accounted for by releasing the benefits evenly over the period of the lease.

Provisions

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

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

2a. TANGIBLE FIXED ASSETS – ANALYSIS OF HOUSING PROPERTIES

	Housing Properties Completed £	Housing Components £	Remodelled Flats £	Total £
COST				
At 1 April 2012	10,586,349	2,384,708	335,429	13,306,486
Write back fully depreciated assets	-	(42,257)	-	(42,257)
Component replacements	-	76,299	-	76,299
At 31 March 2013	<u>10,586,349</u>	<u>2,418,750</u>	<u>335,429</u>	<u>13,340,528</u>
DEPRECIATION				
At 1 April 2012	371,251	776,546	51,675	1,199,472
Write back charges on fully depreciated assets	-	(42,257)	-	(42,257)
Charge for year	(880)	101,220	6,709	107,049
At 31 March 2013	<u>370,371</u>	<u>835,509</u>	<u>58,384</u>	<u>1,264,264</u>
NET BOOK VALUE				
- At 31 March 2013	<u>10,215,978</u>	<u>1,583,241</u>	<u>277,045</u>	<u>12,076,264</u>
- At 31 March 2012	<u>10,215,098</u>	<u>1,608,162</u>	<u>283,754</u>	<u>12,107,014</u>
		2013 £	2012 £	
Housing properties comprise:				
Freeholds		7,845,249	7,845,249	
Long Leaseholds		2,576,409	2,576,409	
Short Leaseholds		164,691	164,691	
Remodelled Units & Components		<u>2,754,179</u>	<u>2,720,137</u>	
		<u>13,340,528</u>	<u>13,306,486</u>	

2b. TANGIBLE FIXED ASSETS – OTHER

	Furniture and Equipment £	Leasehold Offices £	Total £
COST			
At 1 April 2012	338,723	227,741	566,464
Write back fully depreciated assets	(15,807)	-	(15,807)
Additions	38,402	127,826	166,228
At 31 March 2013	<u>361,318</u>	<u>355,567</u>	<u>716,885</u>
DEPRECIATION			
At 1 April 2012	161,313	91,419	252,732
Write back charges on fully depreciated assets	(15,807)	-	(15,807)
Charge for year	97,495	6,712	104,207
At 31 March 2013	<u>243,001</u>	<u>98,131</u>	<u>341,132</u>
NET BOOK VALUE			
- At 31 March 2013	<u>118,317</u>	<u>257,436</u>	<u>375,753</u>
- At 31 March 2012	<u>177,409</u>	<u>136,322</u>	<u>313,731</u>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

3. DEBTORS	2013	2012
	£	£
Amounts falling due within one year		
Rent arrears	150,705	80,579
Less: Provision	<u>(78,100)</u>	<u>(57,370)</u>
	72,605	23,209
Prepayments and accrued income	47,117	41,160
Staff loans	10,769	-
Other debtors	<u>16,700</u>	<u>819</u>
	<u>147,191</u>	<u>65,188</u>

4. CREDITORS	2013	2012
	£	£
<u>Amounts falling due within one year</u>		
Rents received in advance	40,177	53,520
Housing loans	35,111	28,970
Trade creditors	145,614	125,897
Grants received in advance	5,327	-
Other creditors and accruals	<u>73,347</u>	<u>100,213</u>
	<u>299,576</u>	<u>308,600</u>

5. CREDITORS	2013	2012
	£	£
<u>Amounts falling due after more than one year</u>		
Loans repayable by instalments: -		
Between one and two years	36,966	31,923
Between two and five years	132,998	116,650
In five years or more	<u>1,053,961</u>	<u>1,112,585</u>
	<u>1,223,925</u>	<u>1,261,158</u>

These loans are secured by specific charges on the Association's housing properties and are repayable at interest rates varying from 2.25% to 12.42%.

6. PROVISIONS FOR OTHER LIABILITIES

	2013	2012
	£	£
At 1 April 2012		37,246
Charged to Income & Expenditure		24,329
Paid during year		<u>(5,746)</u>
At 1 April 2013		<u>55,829</u>
	<u>2013</u>	<u>2012</u>
	£	£
Provisions		
Head Office move / lease disposal costs	52,280	23,637
Other provisions	3,549	3,549
Legal claim costs	<u>-</u>	<u>10,060</u>
	<u>55,829</u>	<u>37,246</u>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

6. PROVISIONS FOR OTHER LIABILITIES (contd)

Head Office lease disposal costs

The lease on the previous Head Office runs to September 2015. Negotiations are still under way to reassign or surrender the lease. The provision represents settlement, agency legal and other professional costs.

Other provisions

Minor provisions for prudence. To be reviewed in the coming year.

Legal Claim Costs

A claim has been pursued, and lost in court, a number of times over recent years. All legal costs have been covered by the Association's insurance. This provision is no longer considered necessary.

7. CALLED UP SHARE CAPITAL	2013	2012
	£	£
Allotted issued and fully paid shares of £1 each		
At start of the year	12	11
Issued during the year	<u>3</u>	<u>1</u>
	<u>15</u>	<u>12</u>

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

8. RESERVES	Revenue Reserve
	£
Balance at 1 April 2012	3,720,340
Surplus for the year	<u>531,855</u>
At 31 March 2013	<u>4,252,195</u>

9. CAPITAL COMMITMENTS

At the year-end there was no capital expenditure contracted for but not provided for in the financial statements (2012 £nil); nor was there any capital expenditure authorised by the Board but not yet contracted for (2012 £nil).

10. INTEREST RECEIVABLE AND SIMILAR INCOME	2013	2012
	£	£
Other interest receivable	<u>3,776</u>	<u>3,468</u>
	<u>3,776</u>	<u>3,468</u>

11. INTEREST PAYABLE	2013	2012
	£	£
On loans and overdrafts		
Repayable instalments	81,033	101,181
Pension liability interest	<u>9,739</u>	<u>10,162</u>
Total	<u>90,772</u>	<u>111,343</u>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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12. OPERATING SURPLUS FOR THE YEAR	2013	2012
	£	£
Is stated after charging: -		
Auditor's remuneration as auditors (excl. VAT)	10,833	11,200
Auditor's remuneration as auditors – previous under / (over) – accrual	3,207	-
Depreciation	211,255	184,869
Increase in provision for SHPS past service liability (Note 13)	27,017	104,852
Operating lease payments	<u>53,518</u>	<u>51,194</u>

13. PENSION OBLIGATIONS

Social Housing Pension Scheme (SHPS)

The Association participates in the Social Housing Pension Scheme (SHPS). SHPS is funded and is contracted out of the State Pension scheme.

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 current service employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every three 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.

The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035 million, equivalent to a past service funding level of 67.0%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2012. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The market value of the Scheme's assets at the date of the Actuarial Report was £2,327 million. The Actuarial Report revealed a shortfall of assets compared with the value of liabilities of £1,241 million, equivalent to a past service funding level of 65%.

The past service deficit attributable to the Association is recognised as a provision under FRS12 and the accounting charge for the year represents the unwinding of the discount of the provision and any changes in the estimation of the liability. Contributions are payable at a rate of £31,296 increasing by 3% until 2026.

	£
Provision at 1 April 2012	292,143
Movement in estimate of provision	27,017
Paid during the year	<u>(9,425)</u>
Provision at 31 March 2013	<u>309,735</u>

From April 2007 the employer elected to operate the final salary with a 1/70th accrual rate benefit structure for active members as at 1 April 2007 and for new entrants from 1 April 2007. During the accounting period the Association paid contributions at the rate of 8.5%. Member contributions varied between 5.3% and 7.3% depending on their age. At 31 March 2013, 5 employees (2012: 6) were members of SHPS. The annual pensionable payroll in respect of these members was £184,839 (2012 - £212,873). The Association continues to offer membership of the Scheme to its employees.

The current service charge to the Association for the year was £16,324 (2012: £19,139).

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

13. PENSION OBLIGATIONS (contd)

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The Association has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Social Housing Pension Scheme, based on the financial position of the Scheme as at 30 September 2012. At this date the estimated employer debt for the Association was £1,609,272. This has not been recognised within the financial statements as the Association has no plans to leave the scheme.

Pensions Trust Growth Plan (The Plan)

The Association also participates in the Plan as a vehicle for members purchasing Additional Voluntary Contributions. The Plan is funded, is not contracted out of the state scheme and is a multi-employer pension Plan. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity. The rules of the Plan allow for the declaration of bonuses and / or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses / investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

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. The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions. If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the Member and the Member's Employer shall be determined by agreement between them. Such agreement shall require the Employer to pay part of such contributions and may provide that the Employer shall pay the whole of them. The Association did not pay contributions during the accounting period. The member paid contributions at the rate of 3.21% during the accounting period. As at the balance sheet date there was one active member of the Plan employed by The Association. The Association continues to offer membership of the Plan to its employees.

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 multi-employer scheme where the Plan assets are co-mingled for investment purposes, and benefits are paid out of the total Plan assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (ie past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with liabilities of £148 million, equivalent to a funding level of 96%.

The Scheme Actuary has prepared a funding position update as at 30 September 2012. The market value of the Plan's assets at that date was £790 million and the Plan's Technical Provisions (i.e. past service liabilities) were £984 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £194 million, equivalent to a funding level of 80%. If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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13. PENSION OBLIGATIONS (contd)

recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012 as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's pre-October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). The calculation basis that applies to the Growth Plan was amended due to a change in the definition of money purchase contained in the Pensions Act 2011 but the regulations that will determine exactly how the change will apply in practice are still awaited.

As the law stands, it is not yet clear whether the statutory calculation should include or exclude Series 3 liabilities. However, based upon current advice, the most likely interpretation is that Series 3 liabilities will have to be included in the calculation of an employer's debt on withdrawal.

Owing to this situation, we have included 2 figures/calculations, namely:

- The cost of withdrawal if we include Series 3 liabilities in the calculation
- The cost of withdrawal if we exclude Series 3 liabilities from the calculation

If an employer withdraws from the Growth Plan prior to the implementation of the regulations, the debt will be calculated on both bases and we would request payment of the higher amount with any adjustment being made when the regulations are implemented.

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 30 September 2012. As of this date the estimated employer debt for the Association was £19,628, including Series 3 liabilities (2012: £16,581). This has not been recognised within the financial statements as the Association has no plans to leave the scheme.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

14. DIRECTORS' EMOLUMENTS

Directors are defined as the members of the Board, the Chief Executive and members of the senior management team. Non-executive members of the Board are not remunerated.

	2013	2012
	£	£
Aggregate emoluments paid to or receivable by Directors	<u>181,612</u>	<u>181,408</u>
Aggregate emoluments paid to or receivable by non-executive Directors	—	—
The emoluments paid to the highest paid Director of the Association excluding pension contributions:	<u>67,886</u>	<u>68,143</u>
The aggregate amount of any compensation paid to Directors during the year of account	—	—
	Number	Number
FTE staff with remuneration payable of £60,000 - £70,000	<u>1</u>	<u>1</u>

The Chief Executive is an ordinary member of the pension scheme. The pension scheme is a final salary scheme funded by annual contributions by the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements.

15. EMPLOYEE INFORMATION

Full time equivalent (FTE) staff numbers are calculated on the basis of a 35 hour week.

	2013	2012
The average monthly number of FTE staff (including the Chief Executive) employed during the year was:	<u>16</u>	<u>17</u>
	£	£
Staff costs (for the above persons)		
Wages and Salaries	492,837	508,504
Social Security costs	47,538	47,123
Increase in SHPS past service liability	27,017	104,582
Other pension costs	<u>25,748</u>	<u>27,277</u>
	<u>593,140</u>	<u>687,486</u>

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

16. CASH FLOW STATEMENT NOTES

	2013 £		2012 £
Returns on investments and servicing of finance			
Interest received	3,776		3,468
Interest paid	<u>(90,772)</u>		<u>(111,343)</u>
	<u>(86,996)</u>		<u>(107,875)</u>
Financing			
Issue of ordinary shares	3		1
Loans repaid	<u>(31,092)</u>		<u>(26,294)</u>
	<u>(31,089)</u>		<u>(26,293)</u>
Reconciliation of cash movements			
	Brought Forward	Movement	Carried Forward
	1 April 2012		31 March 2013
	£	£	£
Money market investments	1,224,996	420,000	1,644,996
Short term deposits	<u>50,630</u>	<u>(11,499)</u>	<u>39,131</u>
	<u>1,275,626</u>	<u>408,501</u>	<u>1,684,127</u>
Analysis of changes in net (debt)/funds			
	Brought Forward	Movement	Carried Forward
	1 April 2012		31 March 2013
	£	£	£
Cash at bank and in hand	1,275,626	408,501	1,684,127
Debt due within one year	<u>(28,970)</u>	<u>(6,141)</u>	<u>(35,111)</u>
Debt due after one year	<u>(1,261,158)</u>	<u>37,233</u>	<u>(1,223,925)</u>
Net (debt) / funds	<u>(14,502)</u>	<u>439,593</u>	<u>425,091</u>

17. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2013		
	Turnover £	Operating Costs £	Operating Surplus £
Social Housing Lettings	2,066,766	(1,447,182)	619,584
Other social housing activities:			
Charges for support services	146,163	(186,653)	(40,490)
Other	<u>39,757</u>	-	<u>39,757</u>
TOTAL	<u>2,252,686</u>	<u>(1,633,835)</u>	<u>618,851</u>
	2012		
	Turnover £	Operating Costs £	Operating Surplus £
Social Housing Lettings	1,818,026	(1,603,096)	214,930
Other social housing activities:			
Charges for support services	228,400	(205,533)	22,867
Other	<u>44,248</u>	-	<u>44,248</u>
TOTAL	<u>2,090,674</u>	<u>(1,808,629)</u>	<u>282,045</u>

See note 18 for a detailed analysis of the income and expenditure from lettings.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

18. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Housing Accommodation £	Supported Housing £	Total 2013 £	Total 2012 £
INCOME				
Rent receivable net of identifiable service charges	722,763	887,537	1,610,300	1,510,637
Service charge income	<u>99,447</u>	<u>357,019</u>	<u>456,466</u>	<u>307,389</u>
Turnover from social housing lettings	<u>822,210</u>	<u>1,244,556</u>	<u>2,066,766</u>	<u>1,818,026</u>
EXPENDITURE				
	£	£	£	£
Management	244,861	370,407	615,268	769,726
Service charge costs	109,659	255,873	365,532	281,408
Routine maintenance	73,267	170,956	244,223	241,564
Planned maintenance	12,339	28,792	41,131	58,549
Major Repairs	737	1,721	2,458	101,623
Bad Debts	6,219	14,512	20,731	13,986
Property depreciation	42,603	64,445	107,048	136,240
Other costs: office move	<u>20,214</u>	<u>30,577</u>	<u>50,791</u>	<u>-</u>
Operating costs on social housing lettings	<u>509,899</u>	<u>937,283</u>	<u>1,447,182</u>	<u>1,603,096</u>
Operating surplus on social housing lettings	<u>312,311</u>	<u>307,273</u>	<u>619,584</u>	<u>214,930</u>
Void losses	(4,196)	(22,870)	(27,066)	(21,817)

19. TAXATION STATUS

The Association has charitable status and is therefore not subject to tax on any surplus arising from charitable activities.

20. RELATED PARTY TRANSACTIONS

Bobby Supiya, who served as a Board member during the year, is a tenant of the Association:

Rents received from this board member are related party transactions but were under the same terms and conditions as applied to other tenants of the Association.

WALTHAM FOREST HOUSING ASSOCIATION LIMITED
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21. UNITS	2013	2012
	Number	Number
Under management at end of year: owned/leased units - Rented		
general needs housing	139	135
supported housing and housing for older people	<u>190</u>	<u>194</u>
	329	329
Under management at end of year: for another Registered Provider - Rented		
general needs housing	1	-
housing for older people	<u>16</u>	<u>16</u>
	17	16
	<u>346</u>	<u>345</u>
 22. OPERATING LEASES		
	2013	2012
	£	£
The Association had annual commitments under these leases as follows:		
Buildings leases - expiring in more than five years	457	26,457
Other leases – two – five years	26,000	14,667
Other leases	<u>27,061</u>	<u>10,071</u>

