



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014



WELLINGBOROUGH HOMES LIMITED

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WELLINGBOROUGH HOMES LIMITED

Chairman's Statement

This year we have continued to develop and grow our business to improve services to our tenants. We have continued to develop new homes having completed 20 homes and made a start on 74 more. This has included starting building at the Dun Cow site on Gold Street in Wellingborough and Hardingstone in Northants. We have commenced work on our two remaining large developments at Diana and Sylvanus House and the Meadowlands site. These have involved remodelling, reconfiguration and demolition.

Changes to the welfare system have meant many of our tenants have faced an increasingly difficult situation. We continue to support our tenants in a number of ways. Our investment in the FISH (Free Impartial Support and Help) Shop, where multi-agency services offer advice on budgeting, debt management and benefit entitlement has brought real benefits. Working with partners we have dealt with debt enquiries of £1.9m. I am delighted that the FISH shop was recognised this year winning the Campaign of the Year Award at the Chartered Institute of Housing National Awards.

This year also saw us add 20 new homes to our stock; by the end of March 2014 this number had increased to 146 since our establishment in 2007. We need to ensure that we are able to meet new demand and replace homes sold through the Right-to-Buy scheme.

Investing in our existing properties continues to be a priority. This year we have completed the second of three phases of flat enveloping which brings improvements for tenants in these flats and greatly enhances their appearance within the neighbourhood. We have in addition continued to complete a number of environmental improvement projects, including improvements to previously neglected garage sites within our neighbourhoods.

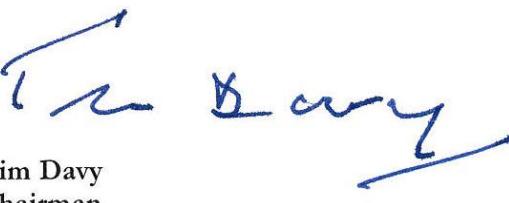
To be a successful business it is essential that we have great staff that can work in an environment of sound governance and financial security. We have maintained our Viability and Governance rating from our regulator, the Homes and Communities Agency (HCA), as V1 and G1 grades, the highest grades achievable. We have also agreed with Barclays, our principle funders, to extend the period over which we can draw on our current facility to March 2015. This will allow us time to complete existing projects and arrange additional finance to fund our future developments.

Tenants are at the heart of everything we do. Working with tenants we plan ways to improve our tenant involvement strategy. During the year we have continued to offer training and learning opportunities to tenants with over 3,000 people taking advantage of training and learning sessions offered with very positive feedback received. We have also secured £300,000 funding from the Big Lottery Fund to help build resilience within our communities through good neighbours schemes and to give advice to help avoid fuel poverty over the next three years.

Moving forward we face a number of challenges, the continuing impact of welfare reform, further cuts in public spending and in the grant for new homes and potential changes to the way we are regulated. We have ambitious plans to secure additional finance and build a further 500 homes over the forthcoming five years.

I would like to acknowledge the work of Dave Willis, our first Chief Executive, who left the organisation this year and record my appreciation for his efforts in establishing Wellingborough Homes as a success in the last six years.

Finally, I wish to thank all my fellow Board members, tenant volunteers, and members of staff for their continued hard work and support over the last year. We face challenges ahead but look forward with confidence and enthusiasm.


Tim Davy
Chairman

WELLINGBOROUGH HOMES LIMITED

REPORT OF THE BOARD OF MANAGEMENT– Incorporating the Operating and Financial Review

The operating and financial review has been prepared to comply with the Accounting Standard Board's Reporting Standard on preparing Operating and Financial Reviews.

About Wellingborough Homes Limited

Wellingborough Homes Limited (the Association) is a community-based association, created in 2007, when council tenants in and around Wellingborough voted to transfer their homes to a new independent organisation.

What we do

The principal activities of the Association include the provision of affordable housing and support services for people in housing need. Further, the Association provides services to shared ownership and leasehold customers and plays an active part in community development in the areas where it operates.

With around 4,500 homes in ownership, the Association is the largest and most influential local landlord managing more than eighty per cent of the social housing stock within Wellingborough and the nineteen surrounding villages.

Our vision '**to create better places to live through quality, well maintained homes and improved services**' remains our primary driver.

We will achieve this by being "**A growing and well governed business** which cares about its **customers**, has a commitment to the **community** and is full of talented and motivated **people**"

How we do it

Our style of work and the values our team members express everyday are key to our success. Anyone who works for us must be:

Value	Meaning
Ethical	<i>Our business choices will be fair and lawful We are fair and inclusive in all we do.</i>
Expert	<i>Our people have up to date expert and local knowledge</i>
Compassionate	<i>We treat others as we would wish to be treated.</i>
Community connected	<i>We foster collaborative working between local groups, organisations and people for the benefit of our customers and neighbourhoods.</i>
Outcome focused	<i>We are providers and creators of solution</i>
Socially Responsible	<i>We put all and any surplus funds we make back into the homes and communities we serve.</i>
Trustworthy	<i>We keep our promises and keep you informed</i>
Delivers value for money	<i>We demonstrate value for money in our service delivery taking account of quality, price, the principle of fair trade and environmental responsibility.</i>

WELLINGBOROUGH HOMES LIMITED

REPORT OF THE BOARD OF MANAGEMENT– Incorporating the Operating and Financial Review cont'd

Working with others

We believe that we will have a greater impact on improving the communities in which we operate by working with others. Partnerships with councils, other Housing Associations, community groups, contractors, the HCA, Barclays bank, local voluntary agencies, and of course our tenants, are the key to making a big difference.

We are committed to helping the Borough Council of Wellingborough meet its housing strategy priorities and contributing to the successful delivery and management of new homes within our area.

What we achieved during 2013/14

Over the last twelve months we have built on our previous achievements and improved services whilst introducing new ones. We have listed below some of our key achievements during the year:

- Prepared our staff and tenants for the introduction of new legislation reforming the Welfare Benefit System, with the aim of mitigating its affect upon our business
- Completed the 'Decent Homes' programme on time and well within budget
- Commenced work on the Dun Cow site building 26 one bed flats
- Commenced work on the Development of 20 new homes in Hardingstone, Northants
- Commenced a new repairs and maintenance service working in partnership with G Purchase Ltd
- Working in partnership with over 30 locally based organisations we established the Support Wellingborough Consortium. Through this body we have been able to set-up the Catch Team which delivers support in an integrated way to those in need in Wellingborough.
- Commenced a project to ensure that all members of staff are able to work whilst mobile to ensure that they can spend more time working directly with tenants
- Re-organised the Support Living service to offer a more tailored service which better meets the needs of our tenants

Managing Risk

The Board reviews the Strategic Risk Register every six months and the risks are assessed in terms of their impact and probability together with a record of actions taken or controls in place to mitigate the risks. The Risk Register is then used to inform other work, for example our Internal Audit Plan. Some of the key risks in our current Register are shown in the table that follows.

REPORT OF THE BOARD OF MANAGEMENT – Incorporating the Operating and Financial Review cont'd

Key Risks

Risk Theme	Examples of controls and actions
Assets (1) Completion of a number of major capital projects and new build development projects in line with business plan assumptions	<ul style="list-style-type: none"> • Project monitoring in place through internal Development Strategy Group. Use of external specialist consultants • Finance facility extended to ensure that funds are available to complete major developments
Assets (2) Completion of new build projects in line with Business Plan assumptions	<ul style="list-style-type: none"> • Core group meetings with agreed risk plan • Each proposed scheme has a comprehensive investment and risk assessment approved by the Board
Funding Availability of future funding and the potential risk of re-pricing	<ul style="list-style-type: none"> • Loan covenant monitoring reported to Board each quarter • Regular discussions with lenders • Capacity review commenced to assess options for future funding
Income Welfare Reform changes leading to a loss of income through increased arrears and bad debt and to increased costs through the need for extra tenancy support and benefit advice services and increased income collection and tenancy failure costs.	<ul style="list-style-type: none"> • Welfare reform Action Plan in place and reported to Board covering such matters as resources, communication, partnership working, changes to internal procedures • Provision of advice and support through third party agencies • Increased provision for bad debts in the Business Plan
People Resources Recruitment and retention quality staff	<ul style="list-style-type: none"> • Remuneration and Pension Strategies in place • Employee engagement programmes • Employee training and development programmes • Rigorous Recruitment process for new CE underway
Governance Diversification into new business activities	<ul style="list-style-type: none"> • Board approval required for all new activities • Ring-fenced budgets for new activities • Legal advice taken on appropriate structures and tax, charity implications

REPORT OF THE BOARD OF MANAGEMENT– Incorporating the Operating and Financial Review cont'd

Value For Money (VFM) Statement

Why Value For Money is Important to the Board

The Association has a Value for Money strategy in place. We have defined our approach across three key areas;

Economy - minimising the costs to obtain the inputs required

Efficiency – obtaining the best outputs given the inputs

Effectiveness – maximising the outcomes both in terms of quality and quantity from the outputs

We have also developed a balanced scorecard approach to measuring the outcomes we achieve and the indicators we used to demonstrate their delivery. This has split our strategic objectives into Business, People, Customer and Community to ensure that we take into account a full range of factors when coming to a decision on investments and setting priorities. We exist as an organisation to deliver the best possible service to tenants using all resources in the most efficient and effective manner possible.

Our business planning process includes a clear link to our overall objectives and a fully costed 30 year plan. Budgets are linked to budget holders who are responsible for delivering targets. Using Housemark benchmarking data the Board has agreed that improving the performance, cost and satisfaction ratings are a key priority for the forthcoming 3 years.

Our aim is to expand the number of new build properties over the forthcoming five years; being able to deliver improvements in VFM is key to achieving this goal.

We use the Housemark benchmarking system to compare our costs and performance with other Housing Associations within the Eastern Region reporting the results to our Board. Each quarter the Board receives performance reports which chart progress against targets and a comparison against top performing benchmark.

REPORT OF THE BOARD OF MANAGEMENT – Incorporating the Operating and Financial Review cont'd

VFM Statement (Cont'd)

Indicators of Operating Performance

We report key Performance Indicators to our Board on a quarterly basis with performance against target and year-on-year performance being examined.

KPI	Performance 2011/12	Performance 2012/13	Performance 2013/14	Target 2013/14	HouseMark Upper Quartile
Percentage of rental income collected	99.26%	99.86%	97.7%	100%	100.7%
Arrears as a percentage of rent roll (excluding HB)	2.63%	2.94%	3.4%	<3%	1.77%
Percentage of rent loss due to voids	1%	0.84%	1.02%	1%	0.74%
Percentage of all stock empty	1.93%	1.24%	1.16%	2%	0.67%
Average relet time for all properties	32.6 days	28.6 days	35 days	<30 days	20 days
Emergency repairs completed on time	96.23%	94.11%	93.9%	97%	100%
Percentage of all repairs completed on time	93.1%	91.46%	93.14%	97%	99.23%
Homes meeting the Decent Homes Standard	97.5%	96.9%	100%	100%	100%
Properties with a valid gas certificate	100%	99.95%	99.83%	100%	100%
Customer Services calls answered within SLA	91.4%	90.76%	83.7%	90%	N/A
Tenant satisfaction with overall service provided by the association STAR	83%	87%	87%	85%	90%

Some key messages from the operating Performance Indicators this year include:

Arrears are slightly above 3% target. However, given the additional pressures of welfare reform, and in particular the reduction in benefit for those deemed to be under occupying, this has been a relatively good result and will remain a key focus for 2014/15

Our level of voids continues to be relatively low despite the need to decant a number of tenants due to major refurbishment works.

We appointed a new contractor this year. The number of repairs completed on time is below target and we are working with our contractor to ensure that we improve this area next year

REPORT OF THE BOARD OF MANAGEMENT – Incorporating the Operating and Financial Review cont'd

VFM Statement (Cont'd)

Financial Highlights and Key Financial Ratios

In order to provide a comparison with the wider Housing Association sector we have taken the 2013 HCA published Global Accounts to provide a comparison with other Associations. Some of our key financial ratios are compared below:

<u>Measure</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>HCA Global Accounts 2012-13 (LSVT)</u>
	£ per unit or %			
Operating margin as % of turnover	27.39%	35.52%	20.39%	26.7%
EBITDA Interest Cover	710.84%	723.98%	416.31%	118.3%
Growth in Turnover	-	4.87%	6.29%	8.00%
Gearing	40%	24.7%	29.5%	86.8%
Debt per unit	£5,324	£5,924	£7,514	£15,417
Management Cost per unit	£893	£861	£988	£876
Responsive and planned repairs per unit	£805	£637	£995	£1,041
Average Property Value	£11,984	£22,999	£24,892	N/A
Current Tenant Arrears	2.77%	2.94%	4..31%	4.80%

The fluctuations year on year on responsive and planned repairs have been brought about due to the write back of £420k upon the resolution of a creditor dispute. We have also increased the element of major repairs classified under revenue expenditure by £818k.

Our gearing has increased year-on year as we increase borrowing to complete our major refurbishment works and current new build programme.

The increase in management cost has been impacted this year by one-off employment costs outlined at note 7 and an increase in repairs costs. Plans for 2014/15 are in place to reduce both of these costs.

WELLINGBOROUGH HOMES LIMITED

REPORT OF THE BOARD OF MANAGEMENT – Incorporating the Operating and Financial Review cont'd

VFM Statement (Cont'd)

Absolute and Comparative Costs of Services

We have used benchmark information from Housemark to compare our costs and performance against some key performance measures. The peer group used for the purpose of the assessment are LSVTs in the central region covering the Eastern, West and East Midlands and includes 32 organisations in the peer group.

Efficiency Summary for Wellingborough Homes						
Business Activity	Cost KPI	Cost KPI Quartile		Quality KPI	Quality KPI Quartile	
		Wellingborough Homes (2013/2014)	Wellingborough Homes (2012/2013)		Wellingborough Homes (2013/2014)	Wellingborough Homes (2012/2013)
Overheads	Overhead costs as % adjusted turnover			Overhead costs as % direct revenue costs		
Major Works & Cyclical Maintenance	Total CPP of Major Works & Cyclical Maintenance			Percentage of tenants satisfied with overall quality of home (GN & HfOP)		
				Percentage of dwellings failing to meet the Decent Homes Standard		
Responsive Repairs & Void Works	Total CPP of Responsive Repairs & Void Works			Percentage of tenants satisfied with the repairs and maintenance service (GN & HfOP)		
				Average number of calendar days taken to complete repairs		
				Average time in days to re-let empty properties		
Housing Management	Total CPP of Housing Management			Percentage of tenants satisfied with overall services provided (GN & HfOP)		
				Total number of tenancies terminated during the year as a percentage of properties managed (GN & HfOP)		

Quartile Key							
	Upper Quartile	Middle Upper	Median	Middle Lower	Lower Quartile	N/A	No Data
Valid dataset							
Small dataset							

CPP = Cost per property, GN= General Needs, HfOP = Housing for Older People

Overheads

We have actively tried to reduce our overheads and managed to make savings to office costs, consultancy and court costs. We will be monitoring overheads going forward and trying to reduce these costs further if possible.

REPORT OF THE BOARD OF MANAGEMENT– Incorporating the Operating and Financial Review cont'd**VFM Statement (Cont'd)****Major and Cyclical Works**

Our investment in major works has remained at a high level to ensure all our homes now meet the decent homes standard. Improving the condition of our homes was a pre-requisite of the transfer and we believe the high level of investment will ensure major and responsive repairs will reduce further and ensure greater satisfaction for our tenants. The budgeted costs in this area for 2014-15 are £557k lower than previous year representing a 26% decrease.

Responsive Repairs

Responsive and Void repairs costs are higher than last year due to previous year's costs being lowered due to a significant write-back of a previous year's creditor in this area. With the completion of the decent homes programme and additional efficiencies we can reduce responsive repair costs going forward. We will be working with contractors and customer panels to ensure we can reduce costs and improve performance. The budgeted works in this area are for 2014-15 are £512k lower than previous year representing 15% decrease.

Housing Management

Housing Management costs have increased due to an increase in investment for rent arrears and collection and resident involvement. For rent arrears and collection, this represents additional expenditure due to welfare reform and to maximise the income for Wellingborough Homes which will justify the high expenditure in this area. Resident involvement costs remain high due to our commitment to get buy in from customers and maintain the emphasis in this area. We have commenced a review of Housing Management services this year to improve efficiencies and tenant satisfaction.

Quality and Customers Satisfaction

The tenant's scrutiny panel carried out a review of the repairs service and reported back with recommendations which were taken up. They use benchmarking data and have access to all members of staff and information required. They also commenced a scrutiny of the arrears process and will report their findings in July 2014. We monitor our performance on a monthly basis against targets and against Housemark benchmarks. Some of the key performance measures are shown below: Our latest score in the Status Customer Satisfaction survey is 89% satisfaction; we shall carry out a new Status Survey this year.

How our Assets Perform

We have reviewed our asset holdings to ensure that we are making best use of the assets which we hold. We are updating our asset management strategy to remain confident that we are making best use of our assets. This includes the use of mobile technology to carryout on-going surveys of our properties.

Working with Savills we completed an asset review of all our properties which included a 30 year NPV investment assessment. Completion of a stock condition survey to enable us to plan and maintain our properties in the most cost efficient manner. This review has allowed us to reduce future assumed expenditure by £20m across a 30 year period. We have planned a rolling programme of surveys within our stock covering 20% of homes each year. This will enable us to plan future improvement expenditure more efficiently.

Our flat enveloping works have continued this year and will increase the long-term demand for these properties whilst offering improved energy efficiency. The Board approved extensive works to blocks of flats at Diana and Sylvanus house after a detailed assessment which not only looked at costs of refurbishment or demolition but also took into account the longer-term demand and the impact upon the immediate area. The decision to demolish our sheltered living scheme at Meadowlands and to reprovision with mainly general needs homes was taken after a review of demand for this type of housing in that area.

REPORT OF THE BOARD OF MANAGEMENT– Incorporating the Operating and Financial Review cont'd**VFM Statement (Cont'd)**

With the agreement of the Borough Council of Wellingborough we will explore alternative tenure types, including Private Sector Leasing (PSL) arrangements to make best use of all our housing stock

We do not have a significant proportion of our stock which is classed as non-traditional build, similarly we do not have significant numbers of homes which have a high market value or have very low demand. Our asset management strategy has not therefore planned for significant disposal of existing stock, this is however being kept under review especially in relation to our three bedroom properties.

Investment in our stock through the decent homes programme has seen our average property values rise from £11,984 in 2011 to £24,892 in 2014. This increase in value coupled with our cash flow from operating activities will allow us to secure additional loan finance to continue to develop new housing units. We aim to add approximately one hundred units to our stock per year over the next five years.

Social and Environmental Impact

We have funded the FISH (Free Impartial Support and Help) shop, partnering with others to deliver services more effectively, for example our work with the Community Law Service who provide independent debt and benefits advice thereby enabling our tenants to better sustain their tenancies. We have, with partners helped 3,054 FISH customers with £1.9m worth of debt being managed during 2013/14. Advice was also delivered on benefit entitlements, career advice, housing and other support related issues.

From surveys carried out, 83% of FISH shop customers felt that they had little or no confidence in their understanding of their situation when they first came to see us. However, after receiving advice 84% felt confident or very confident of dealing with their situation.

We have installed Solar panels at five of our sheltered schemes which provide electricity for communal areas whilst providing an income stream to the Association. This investment is expected to repay itself within 12 years.

Our latest Corporate Plan aims to reinvest at least 2% of our annual turnover into community based support services focused on tenancy sustainment, fuel poverty, individual employability and community and individual empowerment. We achieved this target in 2014.

Some of Our Other Successes to Date

We have redesigned our Supported Living Service in anticipation of the removal of funding of approximately £230k from the Supporting People income stream. This has involved offering a three tier service to tenants which will allow them to choose the service which best suits their needs and to allow the service to become self-financing.

We have redesigned our estates management services by taking landscaping works in house and extending service charges to include communal cleaning in our flats. We estimate that these changes will reduce our costs by £50k over three years whilst improving the service offered to customers.

We have secured a National Lottery grant of £300k over three years which will fund: neighbourhood cohesion; advice on energy efficiency; and help to build overall neighbourhood resilience. The social return from this project will have a positive impact on our tenants and others within the community.

We have made improvements to our management information reports to allow for a better response to the challenges posed by welfare reform.

We have redesigned our arrears processes to ensure they are as effective as possible in preparation for welfare reform.

REPORT OF THE BOARD OF MANAGEMENT – Incorporating the Operating and Financial Review cont'd**VFM Statement (Cont'd)**

We have introduced a new complaints procedure with the help of our tenants' feedback panel.

We have secured an extension to our loan facilities which has enabled us to retain favourable loan terms, whilst we plan to secure additional long-term funding.

Plans for Next Year

The Board recognises that an improvement in our overall VFM position is needed. We will continue to review our performance, working with customers to bring about long-term improvements.

Some of our new initiatives include introducing a project for mobile working which will allow our front line staff to spend more time dealing directly with tenants.

We will review and evaluate our “*supported living in your own home*” product in order to determine the future of this product offer within the BCW area, and potentially within other neighbouring areas.

We will develop and embed service level agreements between back office services and service delivery teams with an emphasis on increasing efficiency.

We will review and evaluate existing, and new, potential new suppliers, through an invitation to tender process, for our stakeholder, external communications and PR activities.

We will further develop our business performance assessment framework using the balanced score card at strategic, operational and tactical levels, to secure the best return on investment in the “Clearview desktop” product.

We will also refinance this year to allow us to continue to develop new housing and improve our existing stock. This will involve a continued emphasis on obtaining best value for money.

Planned Investment

Investing in our assets remains a primary objective for us having done so since transfer. During 2013/14 alone we invested £15m in new and existing properties. Information on investment undertaken and on our planned expenditure over the next 30 years is shown in the table below:

Type of Work	Years 1-5 Total £'000	Years 6-30 Total £'000	Years 1-30 Total £'000
Repairs & Voids	14,067	70,000	84,067
Cyclical and Gas servicing	5,703	28,550	34,253
External Property Works	3,352	16,059	19,411
Roofs	2,142	9,616	11,758
Environmental Improvements	3,183	5,521	8,704
Diana House & Sylvanus House	7,000	0	7,000
Aids and Adaptations	1,800	9,000	10,800
Fees	1,250	1,250	2,500
Enveloping (Ext Refurb of Blocks of Flats)	3,560	0	3,560
Planned Internal Component Replacements	9,158	88,979	98,137
Total	51,215	228,975	280,190

WELLINGBOROUGH HOMES LIMITED

REPORT OF THE BOARD OF MANAGEMENT – Incorporating the Operating and Financial Review cont'd

Wellingborough Homes Board and Committee Structure

The Rules of the Association were updated during the year. The Special General Meeting altered the mix of Board members to allow for the appointment of Board members as follows:

- Two tenant members
- Four council nominated members
- Six ordinary

As at 31 March 2014, the Association had 10 Board members with two vacancies. The members who served from 1 April 2013 are listed in the table below:

Name	Joined Board	Committee Membership	Left Board
Eileen Higgins (Vice Chair)	28 February 2007	Audit	
David Dean	23 May 2008	Audit	June 2013
Bhupendra Patel	25 January 2008	Policy	December 2013
George Blackwell	25 January 2008		
John Welch	24 January 2013	Audit	
Tim Davy (Chair)	6 November 2009	Audit, Policy	
Yvette Morgan	19 February 2010	Policy	
Mary Reeves	19 May 2011	Policy	
Daphne Simmons	19 May 2011	Audit	
Richard Coles	15 September 2011	Policy	
John Bailey	June 2013		April 2014
Barry Graves	April 2014		May 2014
John Lewis	May 2014		

During the year we introduced a Policy Committee to allow more detailed examination of policies to be carried out before Board thus freeing time for strategic decisions at the Board. The work of the Remuneration Committee has been split between the Board and the Policy Committee.

Ordinary members of the Board hold one fully paid £1 share that is cancelled on cessation of membership. Tenant Board members may maintain their shareholding after they leave the Board. The Borough Council of Wellingborough holds a corporate share and nomination rights for four places on the Board. No shares were issued from 1 April 2013 to 31 March 2014

Financial Review

Income

During the year the turnover of the Association was £21,467k, excluding interest and surplus on the sale of assets. The largest proportion of this income was from rents totalling £18,958k. Additional income includes a refund of VAT from our improvement programme works as part of our VAT shelter arrangement.

REPORT OF THE BOARD OF MANAGEMENT – Incorporating the Operating and Financial Review cont'dExpenditure

Total operating costs for the year were £17,092k. These costs included management expenses, repairs and routine maintenance.

Balance Sheet

As at 31 March 2014, the Association's stock was valued, using an Existing Use Valuation -Social Housing (EUV-SH), at £112,636k (this includes housing under construction and depreciation charges). During the year the Association invested £6,851k on improvements to tenants' homes. The Association also purchased and developed £2,316k of new stock.

The Association participates in three pension schemes administered by two bodies: Local Government Pension scheme (LGPS) managed by Northamptonshire County Council and the Social Housing Pension Scheme (SHPS). SHPS is a multi-member scheme and the assets and liabilities of the scheme cannot be readily divided amongst the members.

Following a revaluation of the LGPS scheme as at 31 March 2014, the Association's Pension Reserves position has a surplus of £563k.

At the year end the Association had a net current asset position of £2,543k. Total assets less current liabilities were £115,243k.

Cash Flows

As at 31 March 2014, the Association had cash and short-term deposits of £4,215k. Borrowings at 31 March 2014 were £34m. During the year the Association had drawn down an additional £7m together with its operating surplus for the year to meet the cost of acquisition and investment in its stock (£15,175k). The Association has facilities and security in place to borrow a further £18m and an overdraft facility of £1m. The Board does not consider that there are any seasonal effects on the borrowing requirements. The main factor influencing the amount and timing of borrowings is the pace of the improvements and development programme and this does have a significant impact according to the timing of works and interim payments to contractors.

Capital Structure and Treasury Policy

The Association's funding requirements are assessed annually based on an updated thirty year Business Plan. The main element of the Association's long-term funding is a 35 year loan facility (commencing from 10 December 2007) of £57m from Barclays Bank. As at 31 March 2014, £34m of this facility had been drawn. £20m was drawn at long-term fixed interest rates and £14m at variable rate.

The Business Plan assumes that borrowings will reach peak debt of approximately £52m in 2015. This loan will be used to fund the investment programme in tenants' homes, to improve the neighbourhood environment and to support development activity.

Policies are in place to manage interest rate risk through a mixture of fixed and variable rate loans. This policy is regularly reviewed to take account of changes within the market place.

Each quarter the Board receives a Treasury Management update which details the debt, cash and interest received and paid. Investments and the performance of investments are also detailed. The Association has adopted a risk averse strategy to both loans and investments.

Political and Charitable Donations

The Association made no charitable or political donations during the period.

REPORT OF THE BOARD OF MANAGEMENT– Incorporating the Operating and Financial Review cont'd**Employee Policies**

The Association recognises that our staff are key to delivering a first class service to tenants.

The Association has established learning and development programmes for all staff to ensure that employees can develop to their full potential and assist in the delivery of our key objectives.

The Association has a health and safety policy the delivery of which is overseen by a health and safety leadership team, chaired by the Chief Executive, which is supported by a health and safety staff group.

The Association recognises the Unison Trade Union and engages in local collective bargaining with them.

The Association is committed to Equality and Diversity and to ensuring that no employee, tenant or user of our services, receives less favourable treatment on the grounds of gender, race, age, disability, gender identity, religion or belief, and sexual orientation.

Disclosure of Information of Auditors

The Board Members who held office at the date of approval of this Board report, confirm that so far as they are each aware, there is no relevant audit information of which the Association's auditors are unaware; and each Board member has taken all the steps that ought to have been taken as a Board member to make themselves aware of any relevant audit information, and to establish that the Association's auditors are aware of that information.

Auditors

A resolution to re-appoint Beever and Struthers as the Association's Auditors will be proposed at the Annual General Meeting.

Statement on Internal Control

The Board has responsibility for ensuring that a system of internal control is maintained and reviewed.

Scope of Assurance

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risks. The system of controls has been designed to manage risk and to provide reasonable assurance that the key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests.

Roles and Responsibilities

The Board has established a hierarchy of responsibility. The Board has overall responsibility for the system of internal control and management of risk, including the effectiveness of internal control. The examination of internal control has been delegated to the Audit Committee. The Association's Managers are responsible for implementing the policies on risk and control. They are responsible for the design, operation and monitoring of these controls and risk management. All employees have some responsibility for internal control, in that all are accountable for achieving objectives and should also understand the risk implications of the activities they perform.

Key Elements of Internal Control

The Board, working with the Executive team, has established a framework of controls. The key elements of these are:

REPORT OF THE BOARD OF MANAGEMENT– Incorporating the Operating and Financial Review cont'd

- Audit Committee - oversees all work by the internal and external auditors and takes regular reports. The work of the Committee is reported to the Board on a regular basis
- Internal Audit – Mazars carried out reviews within the year and was able to provide an annual assurance report that the Association had in place an appropriate framework for identifying, evaluating and managing the significant risks faced by the Association.
- Policies on Fraud, Anti-money laundering, Anti-Bribery are in place
- Risk Management – regular reports and reviews are discussed by the Board
- Robust strategic and business planning processes, with detailed financial budgets and forecasts
- Performance Management Framework ensures Board is aware of progress and any remedial actions needed to keep key objectives on track. In the year we have introduced a balanced scorecard approach to improve reporting to the Board further
- Enhanced manager training on managing performance
- Recruitment and development of staff is designed to ensure staff are able to fully undertake their duties
- Whistle Blowing policy, Grievance policy, Code of conduct and Probity policy
- Treasury Management policy which ensures that funding is available to complete projects and that investments are placed only with institutions with strong credit ratings
- Feedback from tenants through the Tenants Advisory Panel and the complaints procedure enhance our delivery and bring about improvements in our service and controls

Statement of the Board's Responsibilities

The Industrial and Provident Societies Acts require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus of the Association for that period. In preparing these financial statements 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 financial statements 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 it to ensure that the financial statements comply with the Industrial and Provident Societies Acts and Housing Acts. It 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.

On behalf of the Board



TIM DAVY
CHAIRMAN - 17th July 2014

WELLINGBOROUGH HOMES LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WELLINGBOROUGH HOMES LIMITED

We have audited the financial statements which comprise the income and expenditure account, the statement of total recognised surpluses and deficits, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

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 9 of the Friendly and Industrial and Provident Societies Act 1968. 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 17, the Board is responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council (FRC) 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 Board Report 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 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 2014 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 Requirements 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 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;
- 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.

Beever and Struthers

Chartered Accountants and Statutory Auditors

St George's House

215 – 219 Chester Road

Manchester

M15 4JE

Beever and Struther

Date: 17th July 2014

WELLINGBOROUGH HOMES LIMITED**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	Notes	2014 £'000	2013 £'000
Turnover	2	21,467	20,196
Operating costs	2	(17,092)	(13,022)
Operating surplus		4,375	7,174
Surplus on sale of housing properties	3	427	440
Interest receivable and similar income	4	90	102
Interest payable and similar charges	5	(1,073)	(1,005)
Surplus on ordinary activities for the year		3,819	6,711

All amounts relate to continuing activities.

The notes on pages 23 to 43 form part of these financial statements.

WELLINGBOROUGH HOMES LIMITED

**STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS
FOR THE YEAR ENDED 31 MARCH 2014**

	Notes	2014 £'000	2013 £'000
Surplus for the year		3,819	6,711
Actuarial (loss)/gain	18	(551)	15
Unrealised (deficit)/surplus on revaluation	16	(4,237)	41,255
Transfer to revenue reserve		-	-
Total recognised (deficit)/surplus for the year		(969)	47,981

**RECONCILIATION OF MOVEMENTS IN FUNDS
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 £'000	2013 £'000
Surplus for the year	3,819	6,711
Other recognised gains and losses relating to the year	(4,788)	41,270
Net reductions/additions to funds	(969)	47,981
Opening funds	82,171	34,190
Closing total funds	81,202	82,171

The notes on pages 23 to 43 form part of these financial statements.

WELLINGBOROUGH HOMES LIMITED

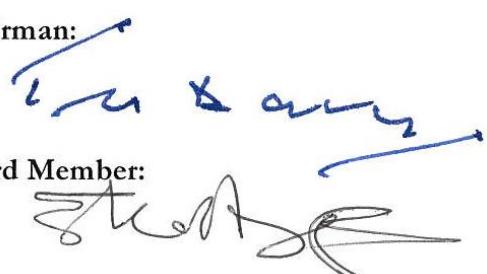
BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Housing properties at cost/valuation	9	112,763	104,871
Less Depreciation		(127)	(42)
Net book value of housing properties		112,636	104,829
Other fixed assets		64	56
Total fixed assets		112,700	104,885
Current assets			
Debtors	10	1,464	995
Unsold Shared ownership properties 1 st Tranche		-	109
Cash at bank and short term deposits	11	4,215	5,099
		5,679	6,203
Less Creditors			
Amounts falling due within one year	12	(3,699)	(2,986)
Net current assets excluding pension asset		1,980	3,217
Pension asset	14	563	1,075
Net current assets including pension asset		2,543	4,292
Total assets		115,243	109,177
Creditors			
Amounts falling due after more than one year	13	34,000	27,000
Provision for replacement of communal equipment	13	41	6
Capital and reserves			
Non equity share capital	15	-	-
Revaluation reserves	16	45,649	49,886
Pension reserves	16	563	1,075
Revenue reserves	16	34,990	31,210
		115,243	109,177

The notes on pages 23 to 43 form part of these financial statements.

The financial statements on pages 19 to 43 were approved by the Board of Management on 17th July 2014 and were signed on its behalf by:

Chairman:



Board Member:



Secretary:



WELLINGBOROUGH HOMES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £'000	2013 £'000
Net cash flow from operating activities		7,529	9,152
Returns on investments and servicing of finance	19	(1,068)	(982)
Capital			
Acquisition and investment in housing properties	9	(15,175)	(12,520)
Shared ownership properties 1 st Tranche		(62)	(109)
Social Housing and other Public Grant Received	9	383	539
Purchase of other fixed assets	9	(82)	(30)
Receipts from property sales	3	876	822
Payment to the Borough Council of Wellingborough	12	(270)	(323)
Cost of Sale		(15)	(9)
Net cash outflow before use of liquid resources and Financing		(7,884)	(3,460)
Management of liquid resources			
Financing	19	7,000	3,000
(Decrease) in cash	19	(884)	(460)
Reconciliation of operating surpluses to net cash inflow from operating activities			
Operating surplus		4,375	7,174
Depreciation charges and Charges to Provision		2,712	2,275
Shared ownership sales costs		188	363
Change in debtors	10	(469)	40
Change in creditors	12	677	(697)
Charges to pension fund liability	18	46	(3)
Net cash inflow from operating activities		7,529	9,152
Reconciliation of net cash flow to movement in net debt			
(Decrease) in cash in the year	11	(884)	(460)
Change in loans	13	(7,000)	(3,000)
Change in net debt	19	(7,884)	(3,460)
Net debt at start		(21,901)	(18,441)
Net debt at end		(29,785)	(21,901)

The notes on pages 18 to 38 form part of these financial statements.

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. PRINCIPAL ACCOUNTING POLICIES

Wellingborough Homes Ltd is incorporated under the Industrial & Provident Societies Act 1965 and is registered with the Homes and Communities Agency as a Registered Provider of social housing.

Basis of accounting

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards and Statements of Recommended Practice of the United Kingdom. The financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002, the Housing and Regeneration Act 2008, the Accounting Direction for Registered Providers of Social Housing 2012 and the Statement of Recommended Practice: accounting by Registered Social Housing Providers 2010 published by the National Housing Federation. The financial statements are prepared on the historical cost basis of accounting as modified by the revaluation of properties held for letting.

Turnover

Turnover represents rental income receivable, grants from local authorities and the Homes and Communities Agency, income from the first tranche sale of shared ownership and other properties developed for outright sale and other income.

Fixed Assets and Depreciation

Housing properties are stated at their Existing Use Value – Social Housing (EUV-SH). The market rented properties are stated at Open Market Value. Other tangible fixed assets are stated at cost, less accumulated depreciation and capital grants. Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Where a housing property comprises two or more major components with substantially different useful economic lives each component is accounted for separately and depreciated over its individual useful economic life. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Association depreciates freehold housing properties by component on a straight-line basis over the estimated useful economic lives of the component categories.

Useful economic lives for identified components are as follows:

	Years
Adaptations	10
Bathrooms	30
Boilers	15
Electrical Wiring	30
Enveloping	50
Communal Equipment	5
Heating – Systems	30
Kitchens	20
Lifts	25
Property	75
Roofs	60
Windows and Doors	20

Freehold land is not depreciated.

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The Association depreciates housing properties held on long leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives which are as follows:

	Years
IT Equipment	3
Other Equipment	5

Housing properties

Donated land is included in cost at its valuation on donation, with the donation treated as a capital grant. In the case of section 106 land the valuation takes into account all planning conditions imposed by the Local Authority and its value in use to the Association.

When housing properties are to be transferred to another Association, the net costs, after Social Housing Grant (SHG), are dealt with in current assets.

Shared ownership properties

The costs of shared ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets.

Social Housing and Other Grants

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

When SHG in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG received for items of cost written off in the Income and Expenditure Account is matched against those costs as part of turnover.

SHG can be recycled by the Association 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.

In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into its intended use.

Retirement benefits

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services. The disclosures in the accounts follow the requirements of FRS 17.

Impairment

Reviews for impairment of housing properties are carried out on an annual basis and any impairment in an income generating unit is recognised by a charge to the income and expenditure account. Impairment is recognised where the carrying value of an income generating unit exceeds the higher of its net realisable value or its value in use. An income generating unit could be a single property, but it is normally a group of properties whose income and expenditure can be separately identified. Impairment reviews are carried out on assets whose useful economic lives are expected to exceed 50 years in accordance with Financial Reporting Standard 11.

Designated Reserves

The Association designates those reserves which have been set aside for uses which prevent them, in the judgement of the Board, from being regarded as part of the free reserves of the Association. The Association has no designated reserves as at 31 March 2014.

Restricted Reserves

The Association has no restricted reserves as at 31 March 2014.

Revaluation Reserve

The difference between the valuation of housing properties and the historical cost of carrying value is credited to the revaluation reserve.

Provisions

The Association only provides for contractual liabilities.

Value Added Tax

The Association is registered for VAT. A large portion of its income including rental income is exempt for VAT purposes, giving rise to a partial exemption calculation. Expenditure with recoverable VAT is shown net of VAT and expenditure with irrecoverable VAT is shown inclusive of VAT. VAT on refurbishment works included in the development works agreement with the Borough Council of Wellingborough is fully recoverable. Expenditure on these works is shown inclusive of VAT.

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Taxation

The Association has obtained Charitable Status with HMRC and is thus not liable for Corporation Tax on its charitable activities.

Service charges

The Association operates variable service charges on a scheme by scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge.

Where periodic expenditure is required a provision may be built up over the years collected through service charges, in consultation with the residents. Until these costs are incurred this liability is held in the balance sheet within long term creditors. The Association has, as at 31 March 2014, the sum of £41k set aside as a sinking fund for future liabilities.

Support Income and Costs Including Supporting People Income and Costs

Support charges included in the rent are included in the income and expenditure from social housing lettings note 2 and matched against the relevant costs.

Loan Finance Issue Costs

These are written off evenly over the life of the related loan. Loans are stated in the Balance Sheet at the amount of the net proceeds after issue.

Bad and Doubtful Debts

Provision is made against rent arrears of current and former tenants debts to the extent that they are considered potentially irrecoverable.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

Property Managed by Agents

Where the Association carries the majority of the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Income and Expenditure Account.

Where the agency carries the majority of the financial risk, the Income and Expenditure Account includes only that income and expenditure which relates solely to the Association.

In both cases, the assets and associated liabilities are included in the Association's balance sheet.

Loan interest costs

The full costs of deferred interest rate and indexation loans are shown in the Income and Expenditure Account.

WELLINGBOROUGH HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

2. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	General Housing £'000	Supported Housing £'000	Shared Ownership £'000	Total Social Housing £'000	Garages £'000	Other Inc and Exp £'000	2014 £'000	2013 £'000
INCOME								
Rents	17,471	907	162	18,540	406	12	18,958	18,448
Service charges	50	90	3	143	-	-	143	75
Charges for support services	-	254	-	254	-	-	254	245
Shared Ownership 1 st Tranche Sales	-	-	229	229	-	-	229	384
Net Rents receivable	17,521	1,251	394	19,166	406	12	19,584	19,152
VAT Shelter Income	-	-	-	-	-	1,826	1,826	971
Other sundry income	37	2	-	39	-	18	57	73
TOTAL INCOME	17,558	1,253	394	19,205	406	1,856	21,467	20,196
EXPENDITURE								
Services	613	199	-	812	-	-	812	721
Management	4,050	334	20	4,404	64	2	4,470	3,924
Support	-	255	-	255	-	-	255	279
Routine maintenance	3,077	149	2	3,228	48	-	3,276	2,004
Planned maintenance	1,166	61	-	1,227	-	-	1,227	898
Major repairs expenditure	2,308	-	-	2,308	-	-	2,308	1,490
Charges to bad debt provision	280	-	-	280	-	-	280	194
Depreciation of Housing Properties	2,165	428	-	2,593	-	10	2,603	2,214
Lease payments on managed stock	210	-	-	210	16	-	226	224
VAT shelter and other payments	-	-	-	-	-	1,436	1,436	696
Shared Ownership Cost of Sales	-	-	199	199	-	-	199	378
TOTAL EXPENDITURE FROM LETTINGS	13,869	1,426	221	15,516	128	1,448	17,092	13,022
OPERATING SURPLUS ON LETTINGS ACTIVITIES	3,689	(173)	173	3,689	278	408	4,375	7,174
Void Losses	184	20	-	204	222	4	430	375

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

3. SURPLUS ON SALE OF HOUSING PROPERTIES

Units Sold	2014 £'000	Units Sold	2013 £'000
------------	------------	------------	------------

Net receipt in accordance with right to buy (RTB) and shared ownership sales agreement with the Borough Council of Wellingborough (BCW)

Houses	14	777	15	736
Shared Ownership 100% completions	3	99	2	86
	17	876	17	822
Less cost of sales		(143)		(112)
Clawback Payable to BCW		(306)		(270)
Net surplus on RTB properties		427		440

4. INTEREST RECEIVABLE

2014 £'000	2013 £'000
------------	------------

Interest	5	23
Expected return on assets	281	259
Interest costs of assets	(196)	(180)
Total	90	102

5. INTEREST PAYABLE AND SIMILAR CHARGES

2014 £'000	2013 £'000
------------	------------

On loans	1,073	1,005
Loan issue costs	24	24
Grant receivable towards loan issue costs	(24)	(24)
Total	1,073	1,005

6. SURPLUS FOR THE YEAR

2014 £'000	2013 £'000
------------	------------

Is stated after charging:		
Auditors remuneration (excluding VAT) in their capacity as auditors	15	17
Other Services	-	3
Operating lease payments	253	240
Increase in bad debt provision	38	175
Depreciation Charge	2,677	2,285

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

7. DIRECTORS' EMOLUMENTS

	2014 £'000	2013 £'000
The aggregate emoluments paid to or receivable by Executive Directors and former Directors	<u>546</u>	<u>404</u>
The emoluments paid to the highest paid Director excluding pension contributions	<u>192</u>	<u>114</u>
The number of full time equivalent staff whose remuneration fell within bands of:	Number	Number
£70,000 - £79,999	0.9	0.9
£80,000 - £89,999	-	1
£90,000 - £99,999	1	1
£100,000-£109,999	-	1
£140,000-£149,999	1	-
£190,000-£199,999	1	-

The Chief Executive was an ordinary member of the pension scheme. The Chief Executive's pension was a defined benefit scheme funded by annual contributions by the employer and employee. No enhanced or special terms applied. There were no additional pension arrangements. A contribution by the Association of £11,104 (2013 £10,103) was paid in addition to the personal contributions of the Chief Executive.

During the year compensation for loss of office totalling £46k was paid to two Directors (one of whom was the Chief Executive). Contractual payments in lieu of notice were also paid to the two Directors.

Directors are defined as the members of the Board, the Chief Executive and any other person who is a member of the Executive Management Team. No Board members received any emoluments in the year. Expenses reimbursed to Board members during the year were £4.9k (2013 £4.6k).

8. EMPLOYEE INFORMATION

	2014 Number	2013 Number
The average weekly number Full Time Equivalent of persons employed during the year was:		
Office staff	80	80
Support staff, caretakers and cleaners	<u>18</u>	<u>18</u>
	<u>98</u>	<u>98</u>
Staff costs (for the above persons)	2014 £'000	2013 £'000
Wages and salaries	3,138	2,674
Social Security costs	270	239
Other pension costs	226	193
	<u>3,634</u>	<u>3,106</u>

WELLINGBOROUGH HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

9. TANGIBLE FIXED ASSETS

	Property Completed £'000	Market Rent Properties £'000	Property Under Construction £'000	Shared Ownership £'000	Furniture & Equipment £'000	Total Housing £'000	Office Equipment £'000	Total 2014 £'000
Cost / Valuation								
At the start of the year	101,948	-	1,671	3,136	174	106,929	295	107,224
Addition to Housing Property	1,486	645	3,865	185	-	6,181	-	6,181
Investment in Housing Property	6,851	-	2,143	-	-	8,994	82	9,076
Disposal	(128)	-	-	(17)	-	(145)	-	(145)
Transfers to Completed Housing	1,220	-	(1,272)	-	52	-	-	-
Revaluation	(7,239)	115	-	369	-	(6,755)	-	(6,755)
At end of the year	104,138	760	6,407	3,673	226	115,204	377	115,581
Depreciation								
At the start of the year	-	-	-	-	(42)	(42)	(239)	(281)
Charge for year	(2,508)	(10)	-	-	(85)	(2,603)	(74)	(2,677)
Revaluation	2,508	10	-	-	-	2,518	-	2,518
Disposals	-	-	-	-	-	-	-	-
At end of the year	0	0	0	-	(127)	(127)	(313)	(440)
Social Housing Grant								
At the start of the year	(1,693)	-	-	(306)	-	(1,999)	-	(1,999)
Addition	(118)	-	(265)	-	-	(383)	-	(383)
Disposal	-	-	-	-	-	-	-	-
At end of the year	(1,811)	-	(265)	(306)	-	(2,382)	-	(2,382)
Other Capital Grants								
At the start of the year	(59)	-	-	-	-	(59)	-	(59)
Addition	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-
At end of the year	(59)	-	-	-	-	(59)	-	(59)
Net Book Value at 31 March 2014	102,268	760	6,142	3,367	99	112,636	64	112,700
Net Book Value at 31 March 2013	100,196	0	1,671	2,830	132	104,829	56	104,885

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

9 (I) TANGIBLE FIXED ASSETS (CONTINUED)

The Association's social housing properties have been valued by professional valuer Savills. The Association's Market Rented properties have been valued by professional valuer Martin Pendered. The full valuation of the properties was undertaken in accordance with the Royal Institution of Chartered Surveyors valuation standards effective 1 January 2008 as recommended in Statement of Recommended Practice.

Completed housing properties were revalued at Existing Use Value for Social Housing on 31 March 2014. In valuing the housing properties, discounted cash flow methodology was adopted and key assumptions included:

	2014	2013
Discount Rate	6.00%	6.25%
Level of annual rent increase	RPI+ 0.50%	RPI+ 0.50%
Housing properties comprise	2014 £'000	2013 £'000
Freeholds	102,268	100,196
Shared Ownership	3,367	2,830
Market Rented	760	0
	<hr/> 106,395	<hr/> 103,026

If the housing properties had not been revalued they would have been shown in the balance sheet at the following amounts:

	2014 £'000	2013 £'000
Cost of properties	78,852	63,822
Depreciation charge	(9,556)	(6,953)
Grants	(2,440)	(2,058)
	<hr/> 66,856	<hr/> 54,811
Expenditure on acquisition of new properties, housing properties under construction & works to existing properties	2014 £'000	2013 £'000
Amounts capitalised	15,175	12,357
Amounts charged to revenue	2,308	1,490
	<hr/> 17,483	<hr/> 13,847

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

10. DEBTORS

	2014 £'000	2013 £'000
Tenant Arrears	1,163	975
Less: Provision for bad debts	(646)	(608)
	<u>517</u>	<u>367</u>
Prepayments and accrued income	947	628
	<u>1,464</u>	<u>995</u>

11. CASH AT BANK AND SHORT TERM DEPOSITS

	2014 £'000	2013 £'000
Cash at bank	4,215	5,099
	<u>4,215</u>	<u>5,099</u>

12. CREDITORS

Amounts falling due within one year:

	2014 £'000	2013 £'000
Rents in advance	340	279
Trade creditors	250	88
Taxation and social security payable	95	118
Accruals and deferred income	2,708	2,231
	<u>3,393</u>	<u>2,716</u>
Right to Buy Clawback due to BCW	306	270
	<u>3,699</u>	<u>2,986</u>

13. CREDITORS

Amounts falling due after more than one year

	2014 £'000	2013 £'000
Between two and five years	5,000	4,000
After five years	29,000	23,000
Less: loan issue costs	(562)	(586)
Grant received in relation to the loan issue costs	<u>562</u>	<u>586</u>
	<u>34,000</u>	<u>27,000</u>
Provision for scheme equipment replacement	41	6
	<u>41</u>	<u>6</u>

These loans are secured by specific charges on the Association's housing properties. £20m of these loans are fixed at long term at rates between 4.50% and 4.99% (plus margins) and Mandatory Liquid Assets costs. The remaining £14m is at a variable rate. The loan is part of a wider loan facility of £57m from Barclays Bank PLC.

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

14. PENSION ASSETS

	2014 £'000	2013 £'000
Pension fund at the start of the year	1,075	978
Pension fund (Decrease) / Increase	<u>(512)</u>	<u>97</u>
At end of the year	<u><u>563</u></u>	<u><u>1,075</u></u>

15. NON-EQUITY SHARE CAPITAL

Allotted issued and fully paid	2014 £	2013 £
At start of the year	10	10
Issued during the year	-	1
Surrendered/cancelled during the year	-	(1)
At end of the year	<u><u>10</u></u>	<u><u>10</u></u>

16. RESERVES

	Revaluation Reserve £'000	Pension Reserve £'000	Revenue Reserve £'000	Total 2014 £'000
At start of the year	49,886	1,075	31,210	82,171
Transfer for the year	-	39	(39)	0
Surplus for the year	-	-	3,819	3819
Revaluation in year	(4,237)	-	-	(4,237)
Pension actuarial loss	-	(551)	-	(551)
At end of the year	45,649	563	34,990	81,202

Although under its rules the Association does not trade for profit, its financial affairs are planned so that each year income exceeds expenditure. The annual surplus is vital to enable the Association to meet its commitments to providers of private finance, continue to raise further private finance and have reserves to provide for unexpected situations.

The Board regularly reviews the Association's finances to determine the minimum amount of reserves required for day-to-day management and to provide for the future. Any amounts over and above this minimum are invested in the provision of social housing. The majority of the Association's reserves are not normally cash backed.

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

17. CAPITAL COMMITMENTS

	2014 £'000	2013 £'000
Capital expenditure that has been contracted for but not provided for in the financial statements	<u>Nil</u>	<u>Nil</u>
Capital expenditure that has been authorised by the Board of the Association but has not yet been contracted for	<u>21,426</u>	<u>21,872</u>
The Association expects these commitments to be financed with: Committed loans facilities and rental income	<u>21,426</u>	<u>21,872</u>

The Association received the transfer of 4,548 properties from the Borough Council of Wellingborough on 10 December 2007. As part of the transfer, the Council has made a commitment to the Association to have the properties refurbished and modernised and brought into a good state of repair. Immediately prior to transfer, the Council contracted with the Association to carry out the refurbishment works on its behalf. The Council's obligation to carry out the works is in effect matched by the Association's obligations to bring the properties into a good state of repair. As a specific right to offset exists, a net basis has been adopted in respect of these obligations and neither the assets nor liabilities have been recognised.

18. PENSION OBLIGATIONS

The Association participates in three different Pension Schemes. The LGPS membership is provided for all staff members who transferred from the Borough Council of Wellingborough at the time of the transfer under TUPE regulations. The Association does not offer this scheme to any new employees.

All new employees of the Association were originally offered a defined benefits pension scheme with the Pension Trust's Social Housing Pension Scheme. This is a defined benefit salary scheme based on one sixtieth of career average revalued earnings (CARE). The Association closed this option to all new employees from 1st April 2011. All new employees and existing employees (those that did not join the pension scheme) now have access to join the Social Housing Pension Scheme on a defined contributions basis. From 1st February 2013 the Association reopened the one sixtieth CARE scheme to all employees as part of a wider resourcing, retention and succession planning initiative.

LGPS

The Association participates in the Northamptonshire County Council pension fund which is administered by Northamptonshire County Council. This is a defined benefit final salary scheme and applies to all members of this scheme at the time of transfer. Triennial actuarial valuations are performed by a qualified actuary using the projected unit method. The most recent valuation of the fund was carried out on 31 March 2010. The results of the valuation were issued in November 2010. Overall the result shows that the value of the fund exceeded the liability of the fund by £1,203K. This has resulted in the contribution rate that the Association pays remaining the same for the next two years. Total contributions paid for the year by the Association were £79k.

WELLINGBOROUGH HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

18. PENSION OBLIGATIONS (CONTINUED)

Below listed are the details of the valuation for the LGPS as per FRS17 as reported by Hymans Robertson LLP.

Assumptions

The major assumptions used by the Actuary in assessing the scheme liabilities on an FRS 17 basis were:

	31 March 2014 % per annum	31 March 2013 % per annum
Rates of increase in salaries	4.6	5.1
Rate of increase in pensions in payment	2.8	2.8
Discount Rate	4.3	4.5
Expected return on assets	5.9	5.2

Fair Value and Expected return on assets

The fair value of the assets of Wellingborough Homes and the expected rates of return were:

	Fair Value 31 March 2014 £'000	Expected Return 31 March 2014 %	Fair Value 31 March 2013 £'000	Expected Return 31 March 2013 %
Equities	4,252	6.7	3,959	5.8
Property bonds	350	4.8	271	3.9
Bonds	1,107	3.5	1,193	3.5
Cash/Liquidity	<u>117</u>	<u>3.7</u>	<u>0</u>	<u>3.0</u>
	5,826		5,423	

Mortality

Life expectancy is based on the PFA92 and PMA92 year of birth tables with medium cohort improvements, for non pensioners and pensioners. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	22.3 years	24.3 years
Future Pensioners	24.0 years	26.6 years

	31 March 2014 £'000	31 March 2013 £'000
Fair Value of the above assets relating to the trust	5,826	5,423
Value placed on liabilities relating to the trust	(5,263)	(4,348)
Net pension (liability) / asset	563	1,075
Current service cost	(173)	(149)
Contributions	127	152
Total Operating charge	(46)	3
Expected return on pension scheme assets	281	259
Interest on pension scheme liabilities	(196)	(180)
Total Financing charge	85	79

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

18. PENSION OBLIGATIONS (CONTINUED)

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Analysis of amounts recognised in statement of total recognised surpluses and deficit (STRSD)	(551)	15	(234)	(2,168)	(882)
Total amount recognised in statement of total recognised surpluses and deficits:	(551)	15	(234)	(2,168)	(882)
Movement of funds during the year					
Trust scheme asset (liabilities) at beginning of year	1,075	978	1,135	(1,329)	(424)
Movement in year:					
Current service cost	(173)	(149)	(183)	(218)	(135)
Curtailment loss	-	-	-	-	-
Contributions	127	152	141	147	150
Net Interest>Returns on assets	85	79	119	(13)	(38)
LGPS Past service gains	-	-	-	380	-
Actuarial (loss)/Gain	(551)	15	(234)	2,168	(882)
Trust share scheme asset / (liabilities)	563	1,075	978	1,135	(1,329)

The Pension Trust Social Housing Pension Scheme (SHPS)

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

SHPS is a multi-employer defined benefit scheme. Employer participation in the Scheme is subject to adherence with the employer responsibilities and obligations as set out in the "SHPS House Policies and Rules Employer Guide".

The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 31 March 2007. From April 2007 three defined benefit structures have been available, namely:

- a) Final salary with a 1/60th accrual rate.
- b) Final salary with a 1/70th accrual rate.
- c) Career average revalued earnings (CARE) with a 1/60th accrual rate.

From April 2010 a further two defined benefit structures have been available, namely:

- a) Final salary with a 1/80th accrual rate
- b) Career average revalued earnings (CARE) with a 1/80th accrual rate

A defined contribution benefit structure was made available from 1 October 2010.

An employer can elect to operate different benefit structures for their active members and their new entrants. An employer can only operate one open defined benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

The Association has operated the career average revalued earnings i.e. final salary with a 1/60th accrual rate benefit structure for active members as at 31 March 2013. The Association closed this option to all new employees from 1st April 2011. All new employees and existing employees (those that did not join the pension scheme) have an option to join the Social Housing Pension Scheme on a defined contributions basis. From 1st February 2013 the Association reopened the one sixtieth CARE scheme to all employees as part of a wider resourcing, retention and succession planning initiative.

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

18. PENSION OBLIGATIONS (CONTINUED)

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 determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due. From April 2007 the split of the total contribution rate between member and employer is set at individual employer level, subject to the employer paying no less than 50% of the total contribution rate. From 1 April 2010 the requirement for employers to pay at least 50% of the total contribution rate no longer applies.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting year the Association paid contributions at the rate of 7% to 10.3% and member contributions varied between 3% and 7.8%

As at the balance sheet date there were 53 active members of the Scheme employed by the Association. The annual pensionable payroll in respect of these members was £1,258k. The Association continues to offer membership of the Scheme 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 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.

The latest 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 2013. 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 £2,718 million. The Actuarial Report revealed a shortfall of assets compared with the value of liabilities of £1,151 million, equivalent to a past service funding level of 70%.

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

18. PENSION OBLIGATIONS (CONTINUED)

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% pa
Valuation Discount Rates	
Pre retirement	7.0
Non Pensioner Post retirement	4.2
Pensioner Post retirement	4.2
Pensionable earning growth	2.5 per annum for 3 years, then 4.4
Price inflation	2.9
Pension Increases	
Pre 88 GMP	0.0
Post 88 GMP	2.0
Excess over GMP	2.4

Expenses for death in service insurance, administration and PPF levy are included in the contribution rate

The valuation was carried out using the following demographic assumptions

Mortality pre retirement – 41% SAPS S1 Male/Female All Pensioners (amounts), Year of Birth, CMI_2009 projections with long term improvement rates of 1.5% p.a for Males and 1.25% p.a for Females.

Mortality post retirement – 97% SAPS S1 Male/Female All Pensioners (amounts), Year of Birth, CMI_2009 projections with long term improvement rates of 1.5% p.a for Males and 1.25% p.a for females.

The long-term joint contribution rates required from April 2013 from employers and members to meet the cost of future benefit accrual were assessed at:

Benefit structure	Long-term joint contribution rate (% of pensionable salaries)
Final salary with a 1/60 th accrual rate	19.4
Final salary with a 1/70 th accrual rate	16.9
Career average revalued earnings (CARE) with 1/60 th accrual rate	18.1
Final Salary with a 1/80 th accrual rate	14.8
Career average revalued earnings (CARE) with a 1/80 th accrual rate	14.0
Career average revalued earnings (CARE) with 1/120 th accrual rate	9.7

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.

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

18. PENSION OBLIGATIONS (CONTINUED)

Following consideration of the results of the actuarial valuation, it was agreed that the shortfall of the whole scheme of £1,035 million would be dealt with by the payment of deficit contributions as shown in the table below.

From 1 April 2013 to 30 September 2020	A cash amount(*) equivalent to 7.5% of Members' Earnings per annum (payable monthly and increasing by 4.7% per annum each 1 April)
From 1 October 2020 to 30 September 2023	A cash amount(*) equivalent to 3.1% of Members' Earnings per annum (payable monthly and increasing by 4.7% per annum each 1 April)
From 1 April 2013 to 30 September 2026	£30,640,000 per annum (payable monthly and increasing by 3% per annum each 1 April; first increase on 1 April 2014)

(*) The contributions of 7.5% will be expressed in nominal pound terms (for each Employer), increasing each year in line with the Earnings growth assumption used in the 30 September 2008 valuation (i.e. 4.7% per annum). The contributions of 3.1% will be calculated by proportioning the nominal pound payment at the time of the change. Earnings at 30 September 2008 (for each Employer) will be used as the reference point for calculating these contributions.

These deficit contributions are in addition to the long-term joint contribution rates as set out above.

The next formal valuation of the scheme will begin later this year and will give an update on the financial position as at 30 September 2014. The results of this valuation will be available in spring 2016

Employers that participate in the Scheme on a non-contributory basis pay a joint contribution rate (i.e. a combined employer and employee rate).

Employers that have closed the defined benefit section of the scheme to new entrants are required to pay an additional employer contribution loading of 2.5% to reflect the higher costs of a closed arrangement.

A small number of employers are required to contribute at a different rate to reflect the amortisation of a surplus or deficit on the transfer of assets and past service liabilities from another pension scheme into the SHPS.

New employers that do not transfer any past service liabilities to the Scheme pay contributions at the on-going future service contribution rate. This rate is reviewed at each valuation and new employers joining the Scheme between valuations up until 1 April 2010 do not contribute towards the deficit until two valuations have been completed after their date of joining. New employers joining the Scheme after 1 April 2010 will be liable for past service deficit contributions from the valuation following joining. Contribution rates are changed on the 1 April that falls 18 months after the valuation date.

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

18. PENSION OBLIGATIONS (CONTINUED)

A copy of the Recovery Plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to The Pensions Regulator. The 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 Scheme liabilities and hence impact on the Recovery Plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the Recovery Plan).

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 leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme'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 Scheme liabilities, Scheme 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.

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 2013. As of this date the estimated employer debt for the Association was £2,132k.

WELLINGBOROUGH HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

19. CASH FLOW STATEMENT NOTES

	2014 £'000	2013 £'000
Returns on investments and servicing of finance		
Interest Received	5	23
Interest Paid	(1,073)	(1,005)
	<hr/> <hr/>	<hr/> <hr/>
Return on pension assets	(1,068)	(982)
	<hr/>	<hr/>
	85	79
	<hr/> <hr/>	<hr/> <hr/>
	(983)	(903)
Financing		
Loans received	7,000	3,000
Loans repaid	-	-
	<hr/>	<hr/>
	7,000	3,000

	At start £'000	Cash flows £'000	At end £'000
Analysis of net debt			
Cash in hand, at bank	5,099	(884)	4,215
Debts due within 1 year	(27,000)	(7,000)	(34,000)
Debts due after 1 year			
TOTAL	(21,901)	(7,884)	(29,785)
Reconciliation of cash movements			
Money market investments	5,099	(884)	4,215
Short term cash deposits			
TOTAL	5,099	(884)	4,215

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

20. OPERATING LEASES

The Association holds properties and office equipment under non cancellable operating leases. At the end of the year the Association had annual commitments under these leases as follows:

	2014 £'000	2013 £'000
Land and buildings which expire:		
Leases expiring within 1 year	16	16
Leases expiring after 5 years	185	185
Others which expire:		
Within one year	-	-
Expiring in the second to fifth year	52	48
	<hr/> <hr/> 253	<hr/> <hr/> 249

21. TAXATION STATUS

The Association has charitable status and is thus exempt from Corporation Tax on its charitable activities.

22. UNITS/BEDSPACES

	2014 Number	2013 Number
Social Housing		
Units owned and managed	4,239	4,240
Units managed on behalf of others	38	39
Supported housing	248	279
Shared ownership accommodation	69	72
	<hr/> <hr/> 4,594	<hr/> <hr/> 4,630
Non Social Housing		
Market rent properties	<hr/> <hr/> 6	<hr/> <hr/> 0

WELLINGBOROUGH HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

23. CONTINGENT LIABILITIES

The Association had no contingent liabilities at 31 March 2014 other than as noted in Note 18.

24. RELATED PARTY TRANSACTIONS

As at 31 March 2014, the Association had 2 tenant Board Members. Each tenant member has a normal protected assured tenancy agreement and they were not able to use their position to obtain any advantage.

As at 31 March 2014 there were 3 Councillors who were Board Members of the Association. All the transactions with the Borough Council of Wellingborough and Northamptonshire County Council are made at arms length in normal commercial terms and they cannot use their position to their advantage.

WELLINGBOROUGH HOMES LIMITED

BOARD MEMBERS, EXECUTIVE DIRECTORS, ADVISORS AND BANKERS

Board Members during the year:

Chairman Tim Davy
Vice Chairperson Eileen Higgins

Other Board Members George Blackwell
David Dean (left June 2013)
Mary Reeves
John Bailey (joined June 2013 left April 2014)
Yvette Morgan
Bhupendra Patel (left Jan 2014)
Daphne Simmons
Richard Coles
John Welch
Barry Graves (joined April 2014 left May 2014)
John Lewis (joined May 2014)

Executive Directors:

Chief Executive Vacant
Finance & Acting Chief Executive Michael Heekin
(from December 2013)

Organisational Development Debbie Reynolds

Registered Office:

Wellingborough Homes Ltd
12 Sheep Street
Wellingborough
Northants
NN8 1BL

Auditors:

Beever and Struthers
St George's House
215-219 Chester Road
Manchester
M15 4JE

Principal Solicitors:

Trowers and Hamlins
3 Bunhill Row
London
EC1Y 8YZ

Principal Funders:

Barclays Bank PLC
Midlands Team
PO Box 3333
One Snowhill
Snowhill Queensway
Birmingham
B3 2WN

Bankers:

Barclays Bank PLC
Midlands Team
PO Box 3333
One Snowhill
Snowhill Queensway
Birmingham
B3 2WN

Corporate Finance Advisors:

Capita Asset Services
17 Rochester Row
Westminster
London
SW1 P1JB

Valuers: (Housing Stock)

Savills
37-39 Perrymount Road
Haywards Heath
RH16 3BN

Valuers: (Market Rent)

Martin Pendered & Co
2 Burystead Place
Wellingborough
NN8 1AH

Registered as a charitable industrial and provident society, Registration Number: 30097R

Homes and Communities Agency Registration Number: L4509



Free Impartial Support & Help



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