

**BROADACRES HOUSING ASSOCIATION
LIMITED**

Annual Report and Financial Statements

31 March 2015

BROADACRES HOUSING ASSOCIATION LIMITED

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BOARD, MANAGEMENT TEAM AND PROFESSIONAL ADVISERS

CHAIRMAN

Rev B J Mayne (Resigned 22 September 2014)
Mr C Wilkie (Elected 22 September 2014)

OTHER MEMBERS

Mr A Twiggs (Resigned 22 September 2014)
Mrs S Reed (Resigned 22 September 2014)
Mr A McNamara (Tenant member) (Resigned 22 September 2014)
Mr P Johnson (Tenant member) (Resigned 22 September 2014)
Mrs H Wintersgill (Tenant member)
Mrs C Milbanke
Mr P Burke
Mrs J Osborne
Mr P Ottowell (Elected 22 September 2014)
Mrs E Pollard (Elected 22 September 2014)
Mr N Cotterill (Tenant member) (Elected 22 September 2014)
Mr G Roberts (Co-opted board member)

SENIOR STAFF

S Towers (Chief Executive)
A Grainger (Finance Director)
P Lightfoot (Property Services Director)
G Haigh (Customer Services Director) (Resigned 30 June 2014)
A Powell (Customer Services Director) (Appointed 28 July 2014)
G Naidoo (Business Support Director) (Resigned 30 January 2015)
C Fawcett (Business Support Director) (Appointed 2 February 2015)

COMPANY SECRETARY

C Fawcett

REGISTERED OFFICE

Broadacres House
Mount View
Standard Way
Northallerton
North Yorkshire
DL6 2YD

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

INTERNAL AUDITORS

Mazars LLP
The Lexicon
Mount Street
Manchester
M2 5NT

BOARD, MANAGEMENT TEAM AND PROFESSIONAL ADVISERS

SOLICITORS

Bond Dickinson LLP
St Ann's Wharf,
112 Quayside,
Newcastle upon Tyne,
NE1 3DX

Walker Morris LLP
Kings Court,
12 King Street,
Leeds,
LS1 2HL

Anthony Collins Solicitors
134 Edmund Street,
Birmingham,
B3 2ES

Trowers and Hamlins LLP
Heron House,
Albert Square,
Manchester,
M2 5HD

BANKERS

Barclays Bank plc
193 High Street
Northallerton
North Yorkshire
DL7 8LJ

FUNDERS

The Royal Bank of Scotland (RBS)
5th Floor
135 Bishopsgate
London
EC2M 3UR

Nationwide Building Society (Nationwide)
Kings Park Road
Moulton Park
Northampton
NN3 1NL

Barclays Corporate (Barclays)
PO Box 190
2nd Floor
1 Park Row
Leeds
LS1 5WU

FUNDING ADVISORS

Capita Asset Services
65 Gresham Street
London
EC2V 7NQ

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management presents its report and the audited consolidated financial statements for the year ended 31 March 2015. The Board of Management comprises the following people with various skills which they believe enable Brodacres to deliver its objectives.

Board Member	Occupation	Date Joined Board	Past experience / skills	Committees/ Working Groups
Colin Wilkie	Retired	March 2014	Currently Chairman of Directors/Trustees of Northdale Horticulture and Public Governor of Tees Esk and Wear Valley NHS Foundation Trust. Previously Associate Director and General Manager with Yorkshire and York Primary Care Trust.	Brodacres Board of Management (Chairman); Brodacres Services Limited
Patrick Burke	Retired Planning Inspector	September 2007	Local Authority Solicitor and Planning Inspector	Brodacres Board of Management; Brodacres Services Limited (Chairman)
Hilary Wintersgill	Self-employed taxi driver	November 2008	Tenant of Brodacres Previously a member of the PTA Committee.	Brodacres Board of Management; Brodacres Services Limited
Catherine Milbanke	Chartered Accountant	September 2012	A partner in a firm of Chartered Accountants and has previous experience as a non-executive on several charity boards.	Brodacres Board of Management; Audit Committee (Chairman); Value for Money Champion

BROADACRES HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Board Member	Occupation	Date Joined Board	Past experience / skills	Committees/ Working Groups
Jane Osbourne	Chartered Accountant	September 2012	Public Sector Accountant and Trustee of Church Charity	Broadacres Board of Management; Audit Committee
Gareth Roberts	Chartered Surveyor	January 2014	Public Sector Land and Property Management which included land acquisition and residential property services	Broadacres Board of Management; Mulberry Homes Yorkshire Limited
Nigel Cotterill	Self-employed	September 2014	Tenant of Broadacres Previous Building Trade experience	Broadacres Board of Management; Audit Committee; Diversity Champion
Peter Ottowell	Retired	September 2014	Managing Director of Three Rivers HA up until 2010 when he took early retirement. Currently Chair of Inclusion Housing in York. Key skills are governance, operational performance, property development, strategic planning and change management	Broadacres Board of Management; Mulberry Homes Yorkshire Limited (Chairman)
Elizabeth Pollard	Retired	September 2014	Over 35 years board level and general management experience working in non-profit and profit based organisations including 14 years in Chief Executive/Managing Director roles. Recently retired as Chief Executive of Herriot Hospice Homecare. Key skills are strategic planning and management, change management, HR strategy, income development and organisational development	Broadacres Board of Management; Audit Committee; Richmond and Hambleton Furniture Store

REPORT OF THE BOARD OF MANAGEMENT

Board Attendance:

BROADACRES HOUSING ASSOCIATION MEMBERS' ATTENDANCE AT MEETINGS – April 2014 to March 2015		
	Possible	Actual
Rev B J Mayne	2	2
Mr P Johnson	2	0
Mr A McNamara	2	2
Mrs S Reed	2	2
Mr A E Twiggs	2	1
Mr P Burke	6	6
Mr N Cotterill	4	4
Mrs C Milbanke	6	5
Mrs J Osborne	6	6
Mr P Ottowell	4	4
Mrs E Pollard	4	4
Mr G Roberts	6	6
Mrs H Wintersgill	6	6
Mr C Wilkie	6	6

Legal Status

The association is registered under the Co-operative and Community Benefit Societies Act 2014. It is also registered with The Homes and Communities Agency (HCA) registration no LH4014. The association has charitable rules registered with HM Revenue and Customs.

Principal Activities

The principal activity of the association is to provide well managed and maintained homes for those in housing need including the elderly, the infirm, people with special needs and those that are financially unable to secure a home in the private market. The association has four subsidiaries: Broadacres Services Limited, which provides development services, The Richmond and Hambleton Furniture Store, a charity that recycles donated furniture for resale, Mulberry Homes Yorkshire Limited a development company that delivers homes for private sale and Market Gate Residential Management Company Limited which provides a property management service to the schemes at Blossomgate and Marshall Way, Ripon. Together these companies make up the Broadacres Group. Other services operated by the company are Hambleton Lifeline, an emergency call service for elderly and vulnerable customers both tenants' and other members of the community, a Home Improvement Agency providing, repairs and adaptations for homeowners together with a cleaning service.

The association has an ongoing development programme to provide additional housing stock.

REPORT OF THE BOARD OF MANAGEMENT

Results

The group's financial performance for the year shows a surplus of £6,682,000 (2014 £7,525,000) before reserve transfers. The majority of the Association's operating surplus continues to be sourced from property rentals. It is important that surpluses are generated in the long term to enable Broadacres to make ongoing interest and loan repayments. The timing of required loan repayments are shown on page 55. All surpluses are re-invested in the services and properties of Broadacres.

The housing stock is shown at valuation at a EUV_SH (Existing Use Value for Social Housing) value of £250,770,000 (2014 £234,964,000). As no revaluation was required this year there was no revaluation adjustment, however there was a transfer from the revaluation reserve of £653,000 for depreciation adjustment (2014 £653,000). There was a transfer of £126,000 to the service charge reserve (designated) this year (2014 £103,000). The pension liability has increased to £4,801,000 (2014 £3,237,000).

Review of the Business and Future Developments

The review of the business and future developments are discussed within the Operating and Financial Review on pages 11-49. The Board acknowledges the potential impact on the operation of the group by the budget announcements of 8th July 2015. Work is underway to review current business plans. The Board consider that the Going Concern assessment set out on page 8 remains valid.

Changes in Fixed Assets

Details of changes in tangible fixed assets are shown in notes 9 and 12 to the financial statements.

Insurance

The Broadacres group maintains a range of insurance policies to protect the organisations against various risks. These are reviewed before renewal each year and cover is adjusted to take account of changing risks and value for money. The policies include Directors' and Officers' liability insurance for the Board of Management and staff.

Financial Instruments

The group's approach to financial risk management is outlined in the Operating and Financial review on pages 11-49.

Health and Safety

The Board is aware of its responsibilities on all matters relating to health and safety and detailed health and safety policies have been produced together with staff training and education on health and safety matters.

Corporate Governance

As at 31 March 2015 the Board of Management comprised 10 non-executive Board Members including 2 tenant members and two co-opted members. We currently have two vacancies for Board Members and one for co-opted members. The Board Members are drawn from a wide background bringing together commercial, development, social care, legal and other professional and local experience. The Board meets on six occasions throughout the year. Broadacres has adopted the National Housing Federations "Excellence in Governance Code". With the assistance of independent consultants, the competence of the Board and its individual members are appraised annually. Any training identified as part of this is then arranged.

REPORT OF THE BOARD OF MANAGEMENT

Remuneration

Our Board members are remunerated and the Chairman receives £10,000 and other members receive £3,500. These levels were set on the basis of information published by the National Housing Federation which takes into account the size of an organisation and its annual turnover.

The Board is supported by an Audit Committee, which oversees the activities of, and receives reports from, both the internal auditors and external auditors. The audit committee review the performance of our auditors every year and usually re-tender the services of the auditors on a three yearly basis. In addition, it is responsible for reviewing and monitoring the effectiveness of internal control systems, risk management, health and safety and the association's accounting policies. The Audit Committee meets at least four times a year.

Meetings of the senior management team are held weekly and are chaired by the managing director. They deal with management issues and recommend policy to the Board of Management. A full list of the Board of Management, advisors and senior management team can be found on pages 1-4.

The Board has conducted an annual review of the systems of internal control within Broadacres Housing Association and its subsidiary organisations, Broadacres Services Limited, the Richmond and Hambleton Furniture Store and Mulberry Homes Yorkshire Limited. In so doing, we acknowledge:

- that this board is responsible for the organisation's systems of internal control and for reviewing their effectiveness;
- that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss;
- that the process for identifying, evaluating and managing the significant risks faced by the organisations is ongoing and has been in place for the previous twelve months.

The board of Broadacres Housing Association takes its responsibility for ensuring that there exists effective systems of internal control and risk management very seriously.

All board members elected on to Broadacres' Audit Committee are encouraged to attend training on effective auditing and all board members of Broadacres' Board of Management are invited to attend training on risk management.

Furthermore, Broadacres has adopted a Probity Policy which includes a fraud policy and a fraud response plan. The policy and plan have been checked by our internal auditors and our insurers.

Within Broadacres, the Board of Management has delegated responsibility for monitoring risk management to the Audit Committee.

The Audit Committee (which meets at least four times a year) with the assistance of Broadacres' Senior Management Team and appointed internal auditors monitors risk on a regular basis. All risks are reviewed four times a year by the Audit Committee and twice yearly by Broadacres' Board of Management.

As at March 2015, those risks considered to be 'high risks' are shown on page 45.

REPORT OF THE BOARD OF MANAGEMENT

The board of Broadacres has put in place the following practices to review the effectiveness of the organisation's system of internal controls:

- It has established an Audit Committee which meets regularly and has delegated authority to review identified risks to Broadacres;
- The board receives regular financial and operational monitoring reports from the Senior Management Team;
- Annual budget/business plans are determined by the Broadacres' board;
- Broadacres has received external accreditation for its operating activities from Investors in People (IiP), Diversity Network Accreditation (DNA), Customer Service Excellence, the Royal Society for the Prevention of Accidents (RoSPA) and ISO14001;
- Internal auditors appointed by Broadacres' Audit Committee review risks to the organisation when conducting their reviews of our operational practices;
- Broadacres has a risk strategy which is regularly reviewed by the Audit Committee;
- External audit;
- Monitoring and publication of Broadacres' performance indicators;
- Review of external regulatory reports received from the Homes and Communities Agency;
- The production of an annual report from Broadacres' Chief Executive on the effectiveness of the organisation's systems of internal control;
- Established financial procedures;
- Adoption of the National Housing Federation's Excellence in governance; Excellence in service delivery and accountability and; Excellence in standards of conduct;
- An annual review of Broadacres' fraud register together with details of any fraudulent activity during the past 12 months.

Broadacres' external auditors, having conducted their audit of our financial statements, have not identified any material internal control issues, which require to be addressed.

Our internal auditors' 'Overall Conclusion' in their 2014/2015 Annual Report included the following statement:

"In our opinion, Broadacres has in place an appropriate framework for identifying, evaluating and managing the significant risks faced by the Group.

In respect of the areas of activity which we reviewed, and subject to the weaknesses identified and reported in our internal audit reports, Broadacres has an adequate, effective and reliable framework of internal control and effective risk management and governance processes which provides reasonable assurance regarding the effective and efficient achievement of the Group's objectives.

No instances of actual or suspected fraud have been encountered during our audit work."

The board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by Broadacres. This process has been in place throughout the year under review and is regularly reviewed by the board.

Going Concern

Broadacres business activities, together with the factors likely to affect its future development, performance and position are set out in the Operating and Financial Review which starts on page 11. The financial position of the company and its borrowing facilities are described on pages 11-49.

Broadacres has considerable financial resources together with long-term income streams in the form of rental income from properties. As a consequence, the Board Members believe that the group is well placed to manage its business risks successfully despite the changeable operating environment. Based upon the financial projections the Board Members have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

REPORT OF THE BOARD OF MANAGEMENT

FINANCIAL POLICIES AND STRATEGIES

Development

The Board operates a development policy based upon clearly demonstrated housing need and the financial viability of investment proposals and focusses on developments principally within North Yorkshire.

Funding/Treasury Management

Treasury management is operated within a policy approved by the Board and investments are made only with financial institutions agreed by the Board. Regular reports are presented to the Board of Management, which provide members with a review of borrowings, covenant compliance and investment performance. We currently do not have any financial instruments and details of our loans and repayment profiles are shown on pages 48-49.

Rent

On 15th April 2002 we commenced the implementation of the Rent Restructuring Framework as required by central government. The decision of the Board of Management is that rents should move towards the target in line with the government formula and increase straight to target on a relet. The Board have currently decided not to relet any of our existing properties at affordable rent levels although this is subject to review but as a result only properties which are built or acquired as part of the Affordable Housing Programme or Mortgage Rescue scheme will be let on that basis. We also have an active asset management strategy that ensures we review the performance of our property portfolio on an ongoing basis.

Repair, Reinvestment and Designated Reserves

The Board's policy is to maintain its housing stock in a good state of repair. The association's staff are undertaking a rolling stock condition survey which aims to comprehensively survey all our stock.

We maintain a service charge reserve, which reflects the associations' duty to replace certain equipment in our properties. This is largely in supported, extra care and housing for older person's accommodation. The annual transfer between reserves is based on income collected via service charges for these future replacements which is not incurred.

Payments to Creditors

Broadacres Housing Association has a policy to pay all suppliers and contractors in the next available payment run following the transaction being approved. This minimises the risk of the association incurring additional charges in respect of interest on late payment.

The creditor days (the creditor day payment period) in the year were on average 21 days (2014: 21 days).

Charitable donations

In addition to the time and support given by staff to local charities via our volunteering policy, several small donations were made during the year to local groups. The Performance Improvement Panel manages the community development fund (within criteria agreed by Broadacres Board of Management) which awards grants to applicants whose project is of benefit to the communities in which we have properties. The group does not make political donations of any kind.

REPORT OF THE BOARD OF MANAGEMENT

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF MANAGEMENT

The Board is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation 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 Registered Provider ("RP") and of the surplus or deficit for that period. In preparing these financial statements, the board is required to:

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

The Board is responsible for keeping proper accounting records that are sufficient to show and explain the RP's transactions and disclose with reasonable accuracy at any time the financial position of the RP and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and Regulations thereunder, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England 2012. It is also responsible for safeguarding the assets of the RP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the RP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PROVISION OF INFORMATION TO AUDITORS

So far as each Director is aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that he/she need to have taken as a director in order to make them aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP were appointed as the auditors with effect from the 26th January 2015.

The report of the Board of Management was approved on 27th July 2015 and signed on its behalf by

C Wilkie
Chairman

BROADACRES HOUSING ASSOCIATION LIMITED

Report of the Board – Operating and Financial Review

The pages following this report set out the financial results for the year and the auditors' report on them. The Board is pleased to present the operating and financial review which incorporates our Value for Money Self Assessment for the year. This provides a commentary on our results and the operations of Broadacres during the year as well as looking to the future.

Principal Activities

Broadacres Housing Association is one of the largest Registered Providers based in North Yorkshire. There were over 5,700 units in management at 31 March 2015.

	2015	2014	2013	2012	2011
General Needs & Sheltered Housing	5,361	5,189	5,120	4,967	4,807
Housing for Older People	218	218	224	224	225
Supported Housing	73	73	81	79	79
Shared Ownership	72	69	58	57	40
Non Social Housing lets	-	-	-	-	5
TOTAL	5,724	5,549	5,483	5,327	5,156

The association's housing stock is a combination of new build and refurbished properties, which have been added since the association's inception in 1993. The association is regulated by the Homes and Communities Agency (HCA) with whom it is registered. We submit the requisite quarterly and annual returns on time and consistently maintain a high standard of performance.

In 2013, Broadacres' Investors in People award was reviewed and the association achieved the gold standard, this is due to be reviewed in March 2016. The association also currently holds the Customer Service Excellence award and the Housing Diversity Accreditation award. In 2014 at our first time of completing the survey we were rated as 34th in the Sunday Times Top 100 not for profit companies to work for, and we are committed to undertake this survey every two years.

The association is currently governed by 12 non-executive Board Members including 2 co-opted members and 2 tenant members. (there are currently 3 vacancies). Senior members of staff attend Board meetings, which are held on a two monthly cycle.

Operational Performance

The Board, in consultation with our customers, sets out its review of the year in an Annual Report made available to all tenants and stakeholders. This includes information about housing management, support services, and responsive and planned maintenance, together with development progress, performance and our delivery of Value for Money.

Set out below are the main financial results for the year to 31 March 2015 which shows association turnover remains at £32m in 2014/15.

The association's surplus for the year before taxation is £6.9m (2014 £7.9m).

Broadacres' operating surplus was £10.9m (2014 £10.7m), which represents 34.4% (2014 33.2%) of association turnover.

Total expenditure on responsive repairs, voids and cyclical maintenance was £4.3m (2014: £4.6m). In addition, a further £5.9m of planned repairs and replacement of major components such as kitchens, bathrooms, heating etc were undertaken. (2014: (£5.3m). This demonstrates Broadacres' ongoing commitment to investing in its existing stock.

BROADACRES HOUSING ASSOCIATION LIMITED

Association highlights, five year summary

For the year ended 31 March	2015	2014	2013	2012	2011
Income and Expenditure account	£'000	£'000	£'000	£'000	£'000
Total Turnover	31,716	32,140	28,847	29,009	25,653
Operating Surplus	10,902	10,662	8,596	8,776	7,613
Surplus for the year transferred to reserves	<u>6,913</u>	<u>7,966</u>	<u>4,975</u>	<u>5,484</u>	<u>5,531</u>
Balance Sheet					
Housing properties, net of depreciation	250,770	234,964	223,876	186,657	173,955
Investments	4,354	3,100	3,100	-	-
Other fixed assets	<u>4,734</u>	<u>5,024</u>	<u>5,555</u>	<u>3,960</u>	<u>3,973</u>
Fixed Assets	259,858	243,088	232,531	190,617	177,928
Net current (liabilities) / assets	(1,518)	(199)	2,858	12,977	434
Debtors due after one year	<u>14,002</u>	<u>9,306</u>	<u>5,138</u>	<u>3,245</u>	<u>3,413</u>
Total Assets less current liabilities	<u>272,342</u>	<u>252,195</u>	<u>240,527</u>	<u>206,839</u>	<u>181,775</u>
Long term liabilities	115,120	101,760	98,034	95,753	76,082
Pensions liability	4,801	3,237	3,877	3,787	2,291
Reserves : restricted	3	3	4	4	7
: designated	791	665	562	483	412
: revenue	68,412	61,098	52,605	47,271	41,449
: revaluation	88,016	88,669	89,322	63,328	63,825
: pension	<u>(4,801)</u>	<u>(3,237)</u>	<u>(3,877)</u>	<u>(3,787)</u>	<u>(2,291)</u>
	<u>272,342</u>	<u>252,195</u>	<u>240,527</u>	<u>206,839</u>	<u>181,775</u>

Key Historic Performance Indicators Summary

The table below shows actual performance for 2014/15 against previous years.

Performance indicators	2015	2014	2013	2012	2011
Surplus before interest and tax (%)	34.4	33.2	29.8	30.3	25.7
Gross interest cover	2.35	3.09	2.22	3.71	3.44
Unit completions	173	144	187	174	238
Right to Buy properties sold	8	13	9	2	1
Overall service satisfaction*	88.3%	88.3%	93.1%	93.1%	93.1%
Customers Satisfied that their views have been taken into consideration	72%	72%	76%	76%	76%
Properties with current gas certificate	100%	100%	100%	100%	100%

*Survey carried out in 2013/14

Broadacres' turnover and operating surplus by activity are shown below:

	Turnover		Operating surplus	
	2015 £m	2014 £m	2015 £m	2014 £m
General Needs (including shared owners)	25.0	24.0	11.0	10.3
Housing for Older People & Supported Housing	2.4	2.3	0.5	0.6
Supporting People	1.0	1.7	(0.1)	(0.5)
Shared ownership sales	0.6	2.3	0.2	0.5
Other	2.7	1.8	(0.7)	(0.2)
TOTAL	31.7	32.1	10.9	10.7

As shown the majority of the Association's operating surplus continues to be sourced from property rentals. It is important to note that we need to continue to do so in the long term because Broadacres has significant loan balances and ongoing surpluses are required because we are repaying the interest on loans and currently also having to make capital repayments in excess of £1m per year. We therefore need to generate surpluses going forward to repay the capital when it becomes due and payable. The timing of these payments is shown on page 49.

Operating Performance

Broadacres' detailed financial results for the year are set out on pages 58-94 of this report but some of the key figures are set out below.

Income & Expenditure Account

The main elements of the Association's financial results are:

Key Elements	2015 £'000's	2014 £'000's	Increase / (Decrease) £'000's
Turnover on social housing lettings	27,908	26,306	1,602
Turnover from property sales	657	2,349	(1,692)
Supporting Peoples services income	991	989	2
Home Improvement Agency	615	798	(183)
ABLE	140	138	2
Broadacres Support Service & Telecare	615	743	(128)
Operating costs (including depreciation)	20,814	21,478	(664)
Housing depreciation	3,980	3,751	229
Interest payable	4,721	4,077	644

Key information about the results is explained as follows:

- Turnover from social housing lettings increased by £1.6m due to rent increases in April 2014 and the number of available units for letting increasing through the completion of development projects.
- Sales of completed properties decreased from 67 to 34. We sold 8 properties under the Right to Buy, and 26 low cost home ownerships / shared equity sales.
- Supporting People services include a number of elderly extra care schemes; older persons support services, mental health and learning disability schemes.
- Home Improvement Agency – Vale and Dale are continuing to operate in the Stockton area and are identifying additional funding from other local authorities.
- Broadacres Support Service and Telecare includes Lifeline which is our 24 hour response service for vulnerable members of our communities and enables them to call for assistance via pendants or by telephone. We also monitor fall detectors and fire alarms. ABLE is our successful Activity Based Learning Environment which provides diversionary craft activities for disabled people. Both are valued greatly by the communities and customers they assist.
- Operating costs increased due to our ongoing repairs programme and the timing of our major repairs to properties.
- Interest payable has remained at similar levels to last year largely as a result of loan drawdown timings required to fund our ongoing development programme. These were made from our loan facility held with the Royal Bank of Scotland. Variable interest rates have continued at their historic low rates and this together with effective treasury management has minimised our interest costs as far as possible.

Balance Sheet

At 31 March 2015, Broadacres' balance sheet showed total assets less current liabilities of £271m. This is an increase from last year and the main points are:

- The value of Broadacres' properties at 31 March 2015 was £251m (2014 £235m). The stock was valued as at 31 March 2013 by Jones Lang LaSalle and was on an Existing Use Value – Social Housing (EUV-SH) basis.
- The balance sheet includes our housing properties split into 7 main components, comprising of:
 - ◆ Land
 - ◆ Structure (excluding the roof)
 - ◆ Roof
 - ◆ Kitchen
 - ◆ Bathroom
 - ◆ Boilers
 - ◆ Heating Systems (excluding boilers)
- Expenditure on developments was £12.1m net of Social Housing Grant of £3.1m representing 197 completed new build properties.
- At 31 March 2015 our current assets include £614k of properties available for sale compared to £615k last year.

The Board consider that the results for the year have been as expected and that Broadacres has adequate resources to achieve the objectives set out in its Corporate Plan and Business Plan.

Value for Money –Self Assessment

Set out below is the Board's self-assessment of our compliance with the HCA's Value for Money Standard. This will be published on our website and referenced in our Annual Performance Report to tenants. The Board is determined to ensure that Value for Money is central to everything we do and underpins all of our actions to enable us to deliver:

Our Vision

'To deliver an individual service which makes a real difference to people's lives'.

Our Mission

Through a committed, enthusiastic and skilled workforce, working together, we deliver:

- Homes people want to live in-
- Customer driven services-
- Value for money-
- Wider community investment through partnership working, and
- Environmental responsibility.

Our Values in delivering services

- Be approachable, accessible, fair and honest-
- Value and respect equally the contribution of all people-
- Involve customers in all aspects of our business-
- Be environmentally responsible-

BROADACRES HOUSING ASSOCIATION LIMITED

- Keep promises and commitments, and
- Expect the highest standards from our own staff and those acting on our behalf.

The Association's objectives are set out in a corporate plan with a five-year time horizon. Progress against the objectives, is reviewed regularly by the Board of Management.

The strategy has been formulated by the Board and the delivery of the targets will involve the entire organisation's staff. The current corporate plan sets out our corporate objectives for the five-year period 2013- 2017 and this sets our priorities. The plan was adopted by the Board after taking account of and having identified via surveys and other feedback our customers' greatest concerns for the future, which were:

1. Increasing cost of living.
2. Increasing crime and antisocial behaviour.
3. Lack of affordable homes.
4. Inadequate support for the vulnerable.

The resources available to support the objectives are outlined in the organisation's business plan which has been extensively scenario and stress tested to ensure we can deliver our plans. By making VFM savings more resources can be allocated to services that our customers consider to be priorities.

As Broadacres vision is to "deliver an individual service that makes a real difference to people's lives", in that context Value for Money (VFM) for Broadacres has always been about ensuring we have the resources to deliver a service that goes the extra mile. The priorities of our customer's set out above are where we concentrate our efforts and resources.

Delivering these objectives is supported by our comprehensive VFM Strategy which sets out four key themes:

- To promote and embed a Value for Money culture
- Understand our costs, performance and how we compare with peers
- Effective procurement and partnership working
- Involve our board, customers and staff.

Promote and embed a Value for Money Culture

The Value for Money (VFM) working group has been in its current format, as a standing cross departmental group, since 2009. The terms of reference of the group are currently:

- to continually review, manage and action Broadacres' VFM strategy and action plan;
- to embed a VFM culture throughout Broadacres;
- to ensure Broadacres' continues to meet the requirements of the VFM Standard.
- to ensure VFM initiatives are identified and recorded in the efficiency register;
- to initiate and advise on VFM reviews in key business areas; and
- to provide regular feedback to staff and an annual report to the Senior Management Team.

This is the fifth annual report from the group and the activities and achievements in respect of the terms of reference are as follows:

To continually review, manage and action Broadacres' VFM strategy and action plan.

The previous VFM strategy was approved by the Board in May 2013.

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The group had an action plan with key priorities **for 2014/15**:

The key focus was to ensure Broadacres continues to meet the requirements of the VFM Standard and is able to deliver the required comprehensive self-assessment. Specifically we said we would:

Action	Outcome
Encourage inter-departmental competition to ensure all staff are contributing to VFM.	Savings from across the business are identified in the VFM register. £193,894 for 2014/15 (£171,000 2013/14)
Review the VFM savings as a result of the implementation of the environmental policy.	2014/15 represented the baseline year for Broadacres' Environmental Policy. The VFM group will review in detail going forward during 2015/16
Monitor the VFM impact following the implementation of the Document Image Processing (DIP) (paperless office) project.	We have been able to bring previously used storage space back into use as a meeting room for customers at Broadacres House. We have used this project to kick start a review of our office accommodation and further savings are expected in 2015/16 by sharing Hambleton District Council's offices in Stokesley and as a result bringing one of our bungalows back into use as accommodation and potentially generating a capital receipt in 2015/16.
Receive feedback from benchmarking projects undertaken by local benchmarking groups we are members of as well as reports from Housemark.	Work has been undertaken to establish links with local Housing Associations and meetings are held on a quarterly basis reviewing specific areas of interest.
Action (continued)	Outcome (continued)
Review the success of our induction training for staff with respect to their knowledge of VFM.	VFM is a standing item at all employee inductions. VFM also forms part of the annual staff appraisal system.
Assess the effectiveness of development procurement processes and monitor VFM savings.	Development team are currently working with the Finance team to enhance the IT systems for reviewing and appraising developments. The group are in the process of assessing the effectiveness of development and procurement processes and monitoring of the VFM savings. The Partnering contracts / Framework is not due until later this year.
Continue to communicate with staff to encourage them to record both monetary and non-monetary savings and to feedback VFM performance.	Savings have been identified and recorded in the VFM register. An emphasis is being placed on low cost values as being as equally important as high value. This may encourage staff that have responsibility for low levels of procurement to report and record efficiencies, savings and VFM. The reporting will be fed back to the group periodically to monitor any success.
Continue to hold "manager on the spot sessions" to challenge working practices and embed VFM.	Sessions are held at every VFM group meeting and cover a cross section of the business. Each visit gives the group a grass roots view of how VFM is being embedded into teams. Examples of themes that have been presented to the group are: <ul style="list-style-type: none"> • Minor adaptations service and

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	<p>procurement,</p> <ul style="list-style-type: none"> • Catering service, • Older persons support • Appraisal and recruitment systems.
Undertake a post project review of the success of taking the catering service in- house.	A review was presented to the VFM Group in March 2015, and the group will continue to monitor the progress of this service. We saved £24,000 in 2014/15 and are projected to save £39,000 in
Action (continued)	Outcome (continued)
	<p>2015/16 in addition to providing residents with two free weeks. Further improvements in 2015/16 include:</p> <ul style="list-style-type: none"> • Improve food quality by using better ingredients. • Evaluate the use of frozen and re-heated food at our new development in Leyburn. <p>Improve the monitoring of customer satisfaction.</p>
Undertake a final evaluation of the savings made by Broadacres Property Services (BPS).	<p>Although some savings have been recognised, the process is still ongoing. The group will revisit in 2015/16. Current reviews are:</p> <ul style="list-style-type: none"> • Planned maintenance to agree levels of specification and types of work on kitchens and bathrooms. • The reduction of labour time taken. • Identified a need to look at level of resources/skills required to reflect any drop off in volumes in different years. • Conducted a visit to North Lincs to see how their Optitime system works in practice.

To embed a VFM culture throughout Broadacres

- VFM articles were placed in the Big Listen organisation newsletter encouraging staff to record their efficiencies on the register.
- Broadnet (Broadacres intranet) is updated with meeting minutes, presentation slides and seminars that group members attend.
- The VFM self-assessment was publicised on our website and on Broadnet for all Broadacres' employees to consider.

To ensure that VFM initiatives are identified and recorded on the VFM register

This continues to remain a challenge. Ideas are implemented, but not always recorded. The register is reviewed on a regular basis and VFM is an ongoing KPI and reviewed regularly at Management Team meetings. The VFM strategy clearly sets out the responsibilities of staff, managers and the board in the delivery of VFM (As set out in the continue to communicate section previously).

Items have been logged giving an annual operational efficiency saving of £193,894 in 2014/15 (£171,000 in 2013/14) which is in excess of the £135,000 target (£112,000 in 2013/14). This does not include savings from one off reviews such as catering.

To initiate and advise on VFM reviews in key business areas

The VFM working group receives regular updates on the performance of Broadacres Property Services (BPS).

The group has also continued to receive progress reports on the progress of the catering review.

The VFM group also received several presentations on the development of our in- house system to enable us to consider the rate of return on our assets.

We continue to have a 'manager on the spot' session and invite managers to discuss what they are doing to deliver VFM in their service and what they are doing to embed a culture of VFM within their teams. These sessions have demonstrated that VFM remains a constant focus within Broadacres.

To provide regular feedback to staff and an annual report to Senior Management team (SMT)

Feedback to staff has been provided by:

- Articles in the Big Listen
- Board report/action summary
- Departmental / Team meetings

We report to each Board meeting the savings made in our VFM register which is displayed on our intranet for all staff. The performance with regard to the VFM register is also reported to the Performance Improvement Panel (PIP), Broadacres Tenant Scrutiny Panel. We have a target of savings that we want to deliver each year from on-going operations.

Year	Savings identified	Used for	Outcomes delivered / expected
2014/15	£ 193,894	Subject to Board approval, funding the provision of the floating support service.	Provide targeted one to one support for more vulnerable customers, e.g. hoarders. Meets our customers concerns for support of the vulnerable.
		Thirsk Clock project funding a support worker to work with young people.	Young people being engaged in positive activities that provide them with a greater breath of experience which benefits them by introducing them to new possibilities.
		Funding a school breakfast club in conjunction with Greggs Foundation.	Research has found that pupils who have eaten breakfast are more punctual, concentrate better in class, and have more energy and enthusiasm, leading to improvements in learning and academic performance. We are currently exploring the development of similar clubs with primary schools in Thirsk and Stokesley.

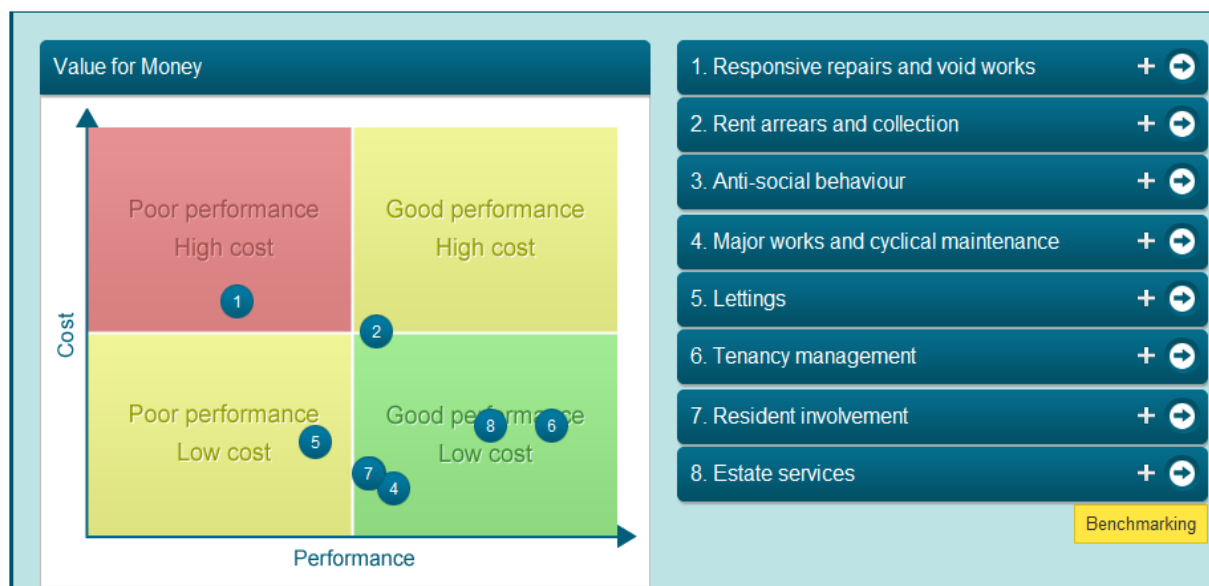
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Year	Savings identified	Used for	Outcomes delivered / expected
		Any remainder will be used to fund our development programme.	Meets our customers concerns for lack of affordable housing.
2013/14	£ 171,000	To part fund a floating support service to assist vulnerable tenants which commenced in April 14	Provide targeted one to one support for more vulnerable customers, e.g. hoarders.

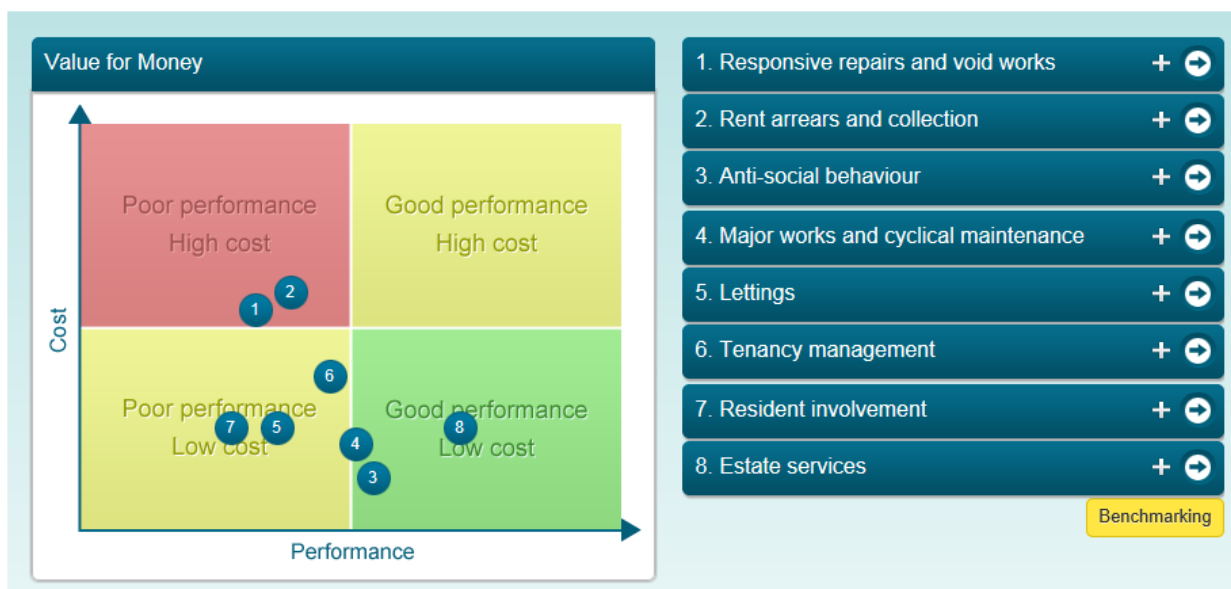
Understanding our costs and how we compare.

Broadacres are members of a number of benchmarking groups both locally and nationally and use this information to compare our performance across a range of disciplines from HR to our Contact Centre as well as our overall costs via Housemark.

The following chart is taken from the Housemark website and is based on our LSVT Northern Peer group of 25 organisations with between 2,500 and 8,000 units, it is based on 2012/13 data in the first graph and 2013/14 data in the second graph which is the latest available. It demonstrates we are performing relatively well and shows our costs compared to performance for each activity area.



Note – Anti –social behaviour (no 3) is in the same position as no 7 on the second graph so is not shown.

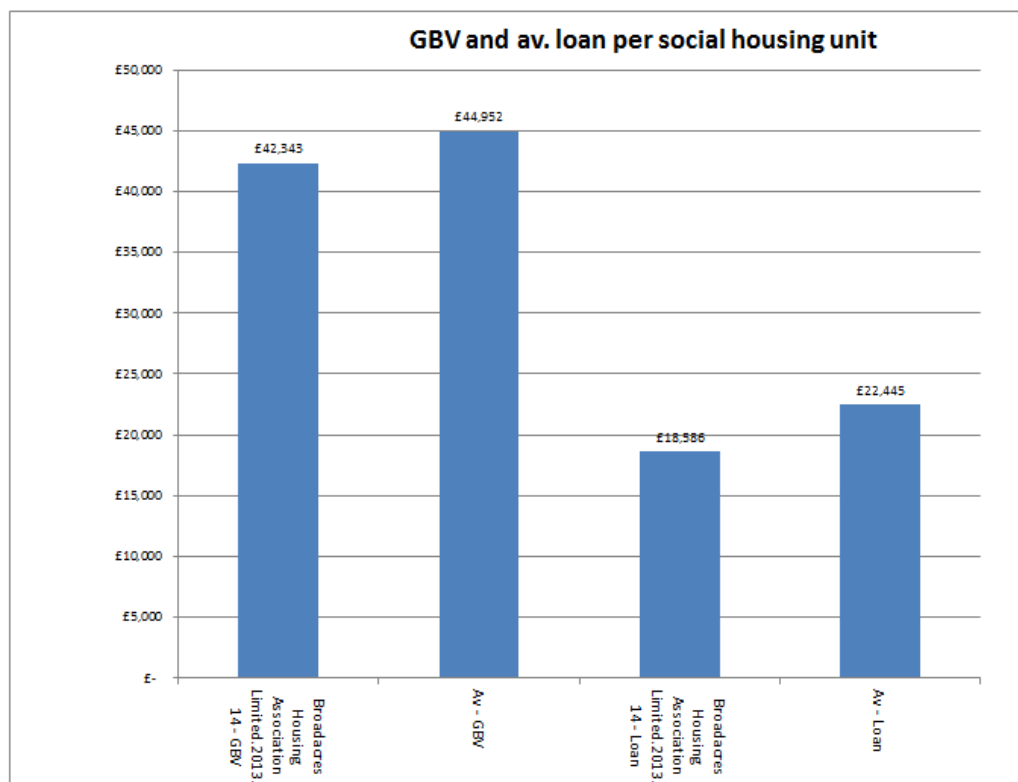


Our performance in respect of rent arrears reflects the additional costs associated with the new Tenancy Support Officers.

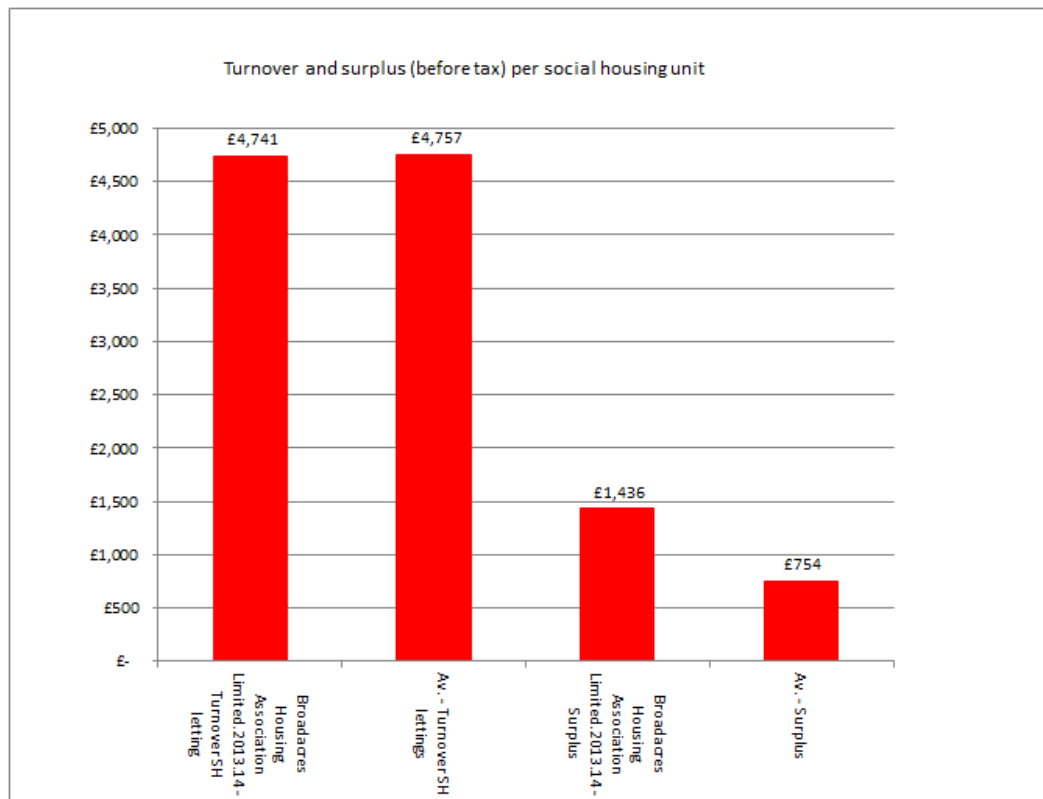
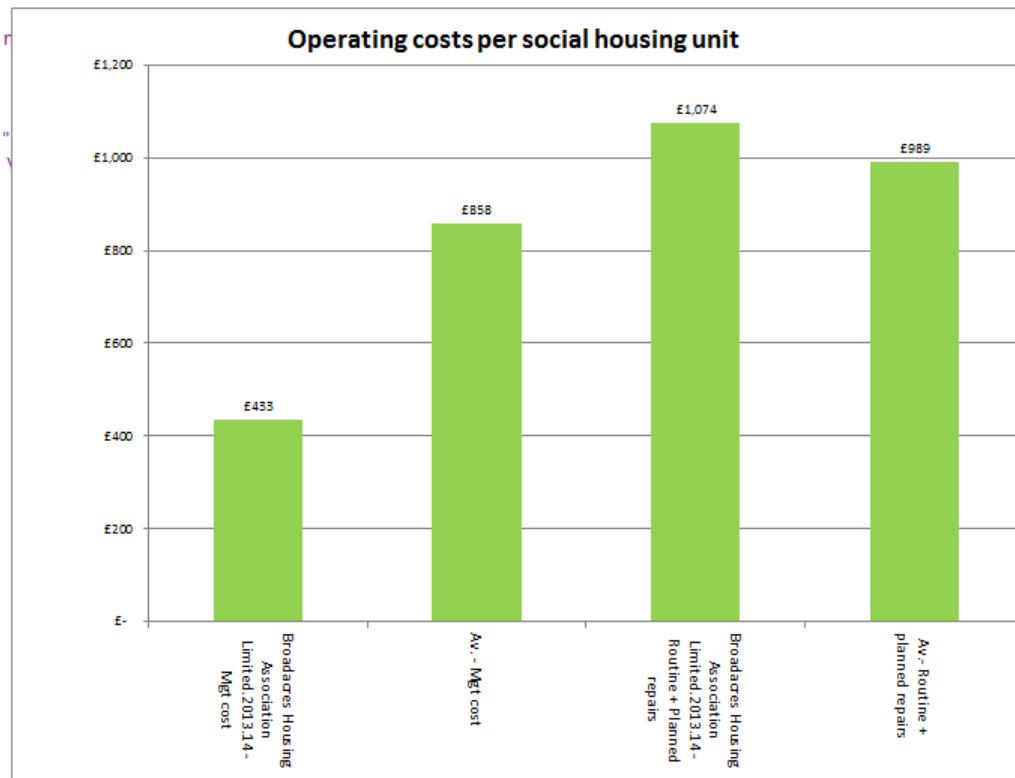
The Association has also benchmarked data from the HCA global financial statements and the following graphs show how the Association compares to other organisations with between 5,000 and 10,000 units, again the comparison data relates to 2013/14.

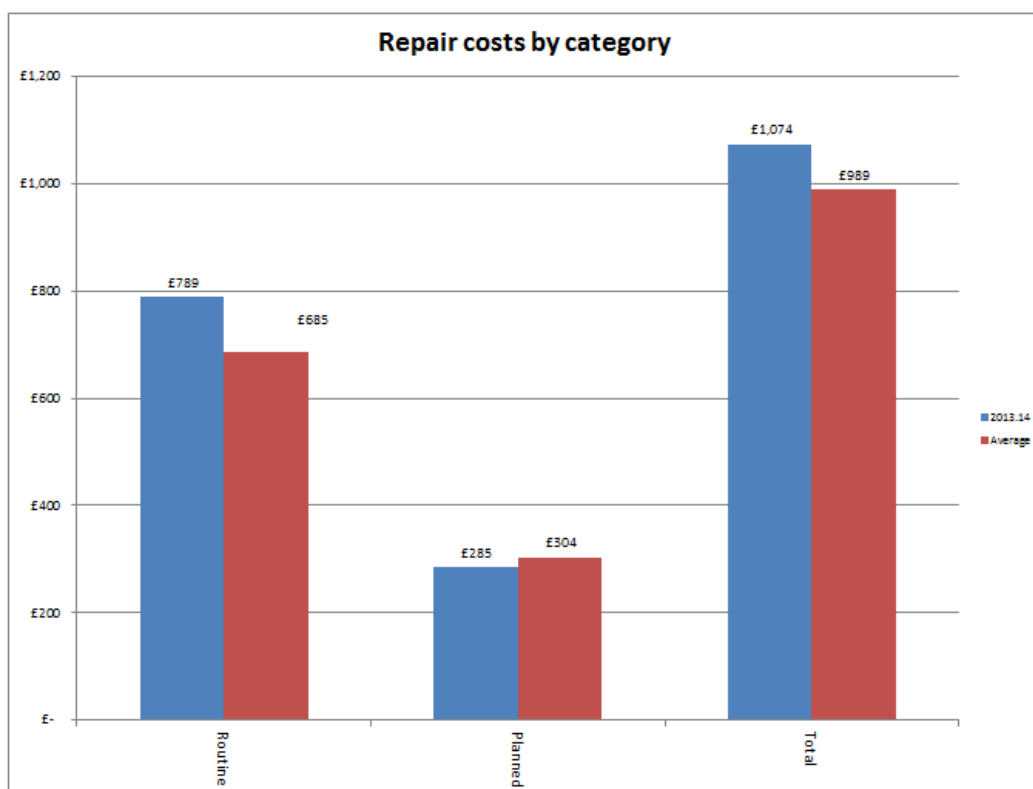
Broadacres Housing Association Limited

Banding: Between 5,000 to 10,000 units -Number of peer organisations - 92



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Repairs Costs

Our repairs costs remain relatively high for routine costs after bringing the service in house. This reflects the widespread geographical nature of our provision. Overall £1.8m was saved to 2014/15. (2013/14 £1.2m, with an additional £0.6m in 2014/15). The budget for 2015/16 reflects these savings, and we will continue to monitor to ensure that these are realised.

The most recent STAR survey was completed in 2013/14. The customer satisfaction results for the repairs service were:-

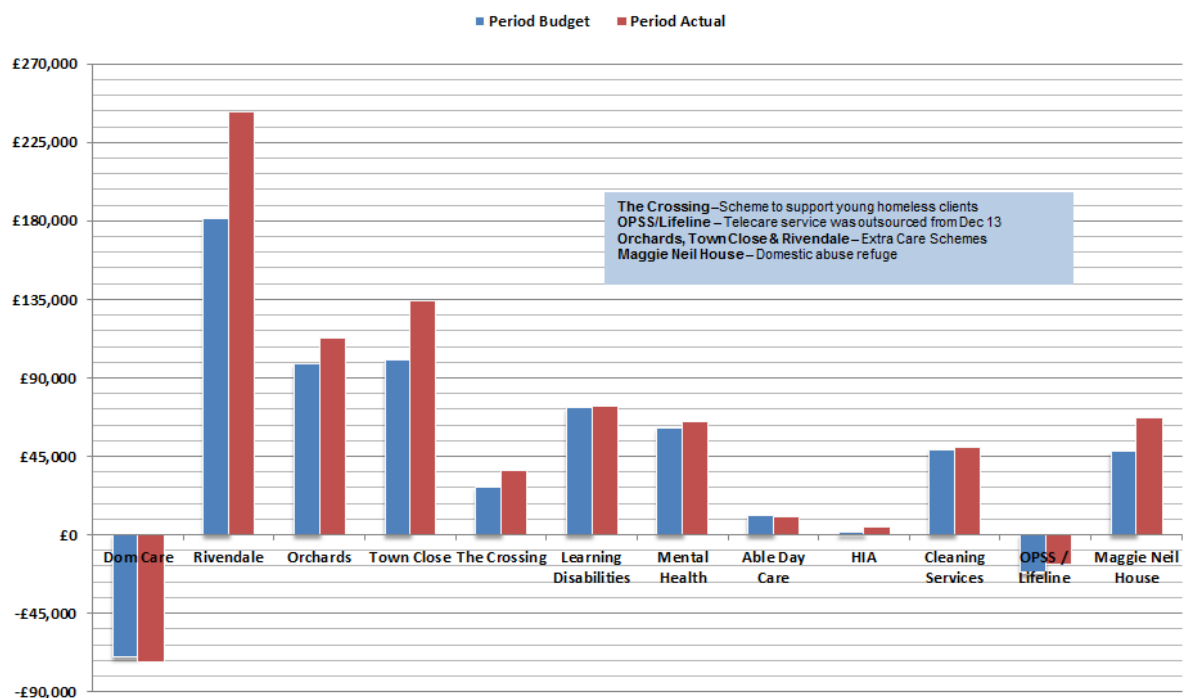
- Overall Repairs Service 81.6%
- Being able to make an appointment 88.3%
- Repair being done 'right first time' 76.2%
- Overall quality of repair 82.9%

We also review in detail the costs of our services and monitor the contribution towards central overheads of our support services. We have taken action where these are being subsidised but in some cases our Board believe that the service is crucial in delivering our objectives and therefore believe that continuing to deliver the service is more important.

During 2014/15 we started reviewing the operation of our Domiciliary Care service, which is still on-going and it is hoped that it will be completed in 2015/16.

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Support Services year end forecast contribution to general overheads. As at 31st March 2015



Services Summary for 2014/15

Our aim is to deliver social objectives and our business strategy in the most cost-effective way possible. The association has a financial system that ensures costs are accurately allocated and that the running costs of the organisation are easily obtained and able to be analysed.

As part of the Corporate Plan review process the Board consider detailed budget information, performance information and customer satisfaction data. As a result of the information available the Board and Senior Management Team are able to better understand and influence the costs and outcomes for each service area. We provide a wide range of services to meet our objectives and the costs of a selection of these together with their outcomes and some case studies are set out in the following tables:

Corporate Objective – Cost of Living	Cost of Service £'000	Human Resources Involved whole time equivalent (w.t.e)
Rent Management Service – 2014/15	805	13.63
Rent Management Service – 2013/14	754	14.83
Inputs		
<ul style="list-style-type: none"> Staff costs, provision of office accommodation, and access to vehicles and associated equipment. Costs have increased due to additional legal fees and management costs. 		
Investment at the Right Level		
Confirmed by: <ul style="list-style-type: none"> Following a successful trial arrangement within the team whereby we redeployed existing resources to help focus on current arrears we now have x 7 full time Rent Account Managers supported by x 1 Team Leader and x 1 Former Tenant Debt Officer. 		

- As reported last year we employed 2 additional members of staff – Tenancy Support Officers (TSOs) - within the Housing Team to provide extra support to those customers affected by the bedroom tax. One TSO now focusses on providing pre-tenancy support and training for those customers who require this intervention and the 2nd TSO (post currently vacant) will help those who have moved onto Universal Credit.

Outputs

- Provision of support and advice to minimise arrears, thereby sustaining tenancies and safeguarding the income stream for the business. Arrears as at 31 March 2015 stood at £973,193 (31 March 2014 £1,067,000, down 9%).
- Recovering monies owed by tenants, which as at 31 March 2015 was £380,641 (31 March 2014 £379,000). Over £113,000 has been recovered by our Debt Recovery Officers plus an additional £66,000 in Housing Benefit payments.

Outcomes:

Social & Economic

- Sustaining tenancies minimises costs to the business as well as the wider community. By allowing customers to remain in their homes there is no disruption to children's education and accessing health care.
- In 2014/15 we implemented mobile working solutions for all our housing management staff ensuring further still that we can maximise their efficiency
- In addition we also know that as a provider of rural housing with a high proportion of tenants in low paid employment that the cost of transport has a significant impact on their household budgets. Helping our tenants to deal with any debt issues and general cost of living problems ensures that they can meet their rental obligations.

Environmental

- By supporting tenants and helping them to maximize their income we are able to alleviate fuel poverty.

Service Quality

- We undertook a customer journey mapping exercise in 2013 which confirmed that customers value the service that they receive from the rents team. It also helped to identify the barriers we face in getting customers in debt to engage with us.

Evaluation & Evidence

- Success is currently measured in mainly financial terms i.e. whether the arrears have gone up or down
- It is intended to introduce more qualitative measures to ensure that we are able to capture individual outcomes.
- Reports are produced on a regular basis to measure actual work actions carried out, as well as levels of arrears at any given moment in time. This is reported to the organisation through the monthly balanced scorecard.
- We currently complete pre-tenancy support, which includes carrying out interviews with those applicants who have never held a tenancy or who are leaving the military as these are groups of customers who often experience the biggest challenges in sustaining a tenancy.
- In addition, we are constantly reviewing the way we send out literature – and more importantly, the content – by listening to our customers. The letters, emails and texts are constantly being revamped, updated and reformatted to meet the ever changing needs of the customer base.

Case Study		
<p>After attempting to visit an 82yr old tenant in March 2013 to discuss arrears, concerns were raised that she was unable to open the door as it had been locked by her son. After discussions regarding safeguarding with her daughter, along with support from the safeguarding team and the Police, in February 2015 the lady successfully moved to be nearer her daughter.</p>		
Corporate Objective – Cost of Living	Cost of Service £'000	Human Resources Involved (w.t.e)
Money Advice Service 14/15	144	3.00
Money Advice Service 13/14	138	3.00
Inputs		
<ul style="list-style-type: none"> Staff costs, provision of office accommodation, and access to vehicles and associated equipment. 		
Investment at the Right Level		
<p>Confirmed by:</p> <ul style="list-style-type: none"> Customer satisfaction surveys conducted and reported to Senior Management Team on a quarterly basis. (see results below) Quarterly statistics on customer outcomes together with case studies reviewed by Senior Management Team. 		
Outputs		
<ul style="list-style-type: none"> Provision of an independent and confidential money management and welfare benefits service which helps Broadacres' customers and employees' access advice on budgeting, welfare benefits and financial products such as home contents insurance and basic bank accounts. The service is also a source of reference for staff across the association on welfare benefits. 		
Outcomes		
<p>Financial</p> <ul style="list-style-type: none"> During the past year we have assisted 164 customers to obtain additional income of £890,937 from a range of grants and welfare benefits. (2014/15 140 customers and £653,000 additional income). <p>Social & Economic</p> <ul style="list-style-type: none"> From the surveys carried out, our customers have said the service has increased their income, reduced stress, improved their standard of living and given them peace of mind. <p>Environmental</p> <ul style="list-style-type: none"> As part of the service the Money Advisors review the customer's gas/electricity tariffs and work alongside the Property Services Team with issues around heating the home efficiently / best use of the heating system provided. <p>Service Quality</p> <ul style="list-style-type: none"> A customer satisfaction report is compiled on a quarterly basis to demonstrate the value of the service to the customer. The results are scored using a ten point scale (10 being excellent). The results of the survey completed as at 31st March 2015 saw a score of 9.60/10 (March 2014 9.85/10) for the following questions: being kept informed of the progress of your case; appointments made and kept; being given helpful advice; overall handling of case and service provided. 		
Evaluation & Evidence		
<ul style="list-style-type: none"> Ongoing monitoring of case work. 		

- Quarterly statistics produced for Senior Management Team.
- Detailed casework notes are kept for each customer using a bespoke database. The database is used to analyse the statistics and outcomes achieved for the customer.
- Providing a customer driven service which supports customers to improve their financial position through budgeting advice, increasing income and reducing/managing debts.

Case Study

In August 2014 Mr & Mrs H were referred to Broadacres Money Advice Service (MAS) by an Income Manager (IM) due to accruing rent arrears which stood at £1,300+. Mrs H informed the IM that they were struggling with payments as she had had to give up work in May to look after her husband. Mrs H is 68 years of age and Mr H is 71 and has a chronic spine problem.

At the time of referral Mr H was in receipt of Disability Living Allowance (DLA) high rate mobility and low rate care and both receiving State Retirement Pension plus small occupational pensions and were in receipt of partial housing benefit.

Mr H suffered a heart attack followed by a stroke, which prompted a review of the DLA. Whilst visiting the couple it was noticed that Mrs H seemed to suffer with a very poor memory and she was under review by her doctor/memory clinic. It was suggested that we make an application for Attendance Allowance (AA) for her, Mrs H then mentioned that she suffered with Temporal Arthritis which had resulted in loss of vision in one eye; she had several ongoing health issues of her own.

At the beginning of October a call was received from the IM as payments hadn't been made on the rent account for the past 2 weeks. Suggested that this is more likely to be because of failing memory than anything else but agreed to visit Mr & Mrs H to find out what was going on.

Outcome

On the first visit the local council agreed to spread the council tax arrears to a more affordable amount.

After a number of consequent visits the clients received AA, DLA was adjusted to middle rate care for MR H and pension credits were awarded. Due to these decisions they were then entitled to full housing and council tax benefits.

They now have a carer who comes in three times a day to help them, which has relieved the pressure on Mrs H.

Our journey with Mr & Mrs H over the seven months has resulted in them being financially better off by approximately £262 each week, which meant they were able to afford a new living room carpet (as theirs was very worn and had holes in it) all rent arrears cleared and hopefully an easier and less stressful life for them both.

Corporate Objective – Crime and Anti-social Behaviour	Cost of Service £'000	Human Resources Involved (w.t.e)
Tenant Involvement 14/15	177	2.60
Tenant Involvement 13/14	198	3.63

Inputs

- Staff costs, provision of office accommodation, and access to vehicles and associated equipment.

Investment at the Right Level

Confirmed by:

- Satisfaction levels on Survey of Tenants & Residents (STAR) survey.
- Annually assess the impact and value for money of key community involvement activities. This document is available to customers and approved by the Board. In May 2014 for the first time we held an independently facilitated Customer Forum which brought all of the more actively involved customers together in the same room.

- A Customer Involvement Strategy and associated action plan explain and put into context our approach to customer involvement. The action plan is regularly reviewed and updated.
- A Community Investment statement guides the community based work undertaken. It is based on five key themes for investment: Financial inclusion, Active Living, Creating Opportunities, Easy Access and Starting Young.

Outputs

- To strive to make our involvement structures represent the diversity of our communities.
- To ensure that anyone, regardless of age, disability, gender, race, religion and sexual orientation can get involved if they want to.
- Our Community Involvement Officer has been instrumental in effectively creating a journey map engaging customers who recently ended their tenancy and a mystery shop of Broadacres Contact Centre in 2014/15.
- We have assisted our Performance & Improvement Panel (PIP) to complete a review of The End of Tenancy Process and are now working through their recommendations which include reducing the amount of waste disposed of from void properties, including items like carpets, which may be usefully recycled by the incoming tenant and reduce our disposal costs.
- Customers, whether they are actively involved customers or engage in less time consuming activities, like completing surveys, all generously give up their time freely to work with us on improving services
- The following are just some examples of the number of people who have attended the various events / sessions we held in the year:

Activity	No of involved customers
Performance and Improvement Panel:	9
Maintenance Focus Group	7
Environmental Working Group:	4
Local Monitors:	39
Journey Mapping over the last year	9
Mystery Shoppers:	10
Customer Feedback Group:	11
Community projects e.g., community action with the Youth Justice Service at Bankhead Flats/Topcliffe Allotments / decorating the Fun Factory portakabin, Active Living Project. (customers, residents and staff).	100
Facebook – numbers of people ‘reached’ for community involvement team posts April 2014- April 2015	2,655
Oswaldene Residents Association – Customers and Residents	32
Coombes Close Residents Association	15
Young people’s projects -Fun Factory, Fire Place, Thirsk Youth Club and Alverton Breakfast Club: young people, volunteers	150

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(customers, residents and staff).	
Customer Forum (involved customers, parents and young people)	40
Training course attendance	34

Outcomes

Social & Economic

- Members of our Performance & Improvement Panel (PIP) have gained in depth knowledge about services, confidence in dealing with the challenges of scrutinizing different services and built positive working relationships with staff throughout the association.
- Various projects have been undertaken throughout the last financial year, which have all allowed our customers and other volunteers to improve self-confidence, communication skills, social interaction and gain awareness about the organization.
- Various training sessions organised for involved customers to enable them to better fulfill their voluntary activities and aid in their own personal development.
- Community Investment: Projects involving local young people that have orders to complete community reparations work through the youth justice service, these activities involved young people in meaningful activities such as helping out at youth club sessions and work on an allotment site and area of flats.
- Community Investment: Working in partnership with Greggs Foundation we have helped to set up and provided funding for a successful free breakfast club at Alverton Primary School for a two year period. Research has found that pupils who have eaten breakfast are more punctual, concentrate better in class, and have more energy and enthusiasm, leading to improvements in learning and academic performance. We are currently exploring the development of similar clubs with primary schools in Thirsk and Stokesley.
- Community Investment: Active Living Co-ordinator – Working in partnership with Age UK in Northallerton, the aim of the active living project is to deliver regular activities to the older residents of Broadacres housing schemes across the area, to help increase their health and wellbeing, and prevent social isolation.
- Community Investment: Community Development Awards Fund grants from Broadacres to local community projects amounted to £9,056 in 2014/15. These grants are awarded to community and voluntary organisations whose projects bring benefits to communities broadly within the remit of our community investment statement themes.

Environmental

- We re-use many recycled elements in the craft activities at the youth clubs, eg. scrap materials, naturally occurring materials etc
- We have a small collection of pre used unwanted gardening tools collected from void properties that we continue to use within various projects.
- As part of the PIP End of Tenancy Process Review recommendation there is more promotion of the furniture store service and less is thrown away from void properties eg. carpets.

Service Quality

- Our Community Involvement Officer has been instrumental in effectively creating a journey map engaging customers who recently ended their tenancy, as part of the PIP's End of Tenancy Process Review and a mystery shop of Broadacres Contact Centre in 2014/15.
- As a result of the review PIP undertook on the planned maintenance service in 2013/14, their recommendations for improvements to the service have been implemented in 2014/15.

- Through all our community investment activities we are able to provide additional services for customers that are 'not just about the bricks'.

Evaluation & Evidence

- Performance & Improvement Panel (PIP) reviews.
- Feedback from participants in organised events, including evaluation from training participants.
- Registration forms and attendance records - youth clubs, breakfast club
- Annual impact assessment
- Photos and film
- Meeting minutes
- Active Living Co-ordinator reports
- Youth Co-ordinator monthly reports
- Mystery shopping report
- Journey mapping report
- Facebook analytics
- Customer insight register

Case Study

Alverton Breakfast Club

: "A large proportion of the children who attend the school live in Broadacres' properties, so we are delighted to have been able to support such an important initiative like this, which is ensuring that children can receive a good, healthy breakfast before the start of the school day. We want to ensure that all school pupils have an equal platform to achieve and succeed and breakfast clubs like this are a great way to do that and we look forward to seeing the positive outcomes of the project."

Andy Powell, Broadacres' Customer Services Director

"Even though we are still very much in the early days of the club, we are already seeing the benefits. It helps with attendance because the children are getting to school earlier and concentration levels have also improved."

Sharon Robinson, Headteacher

Corporate Objective – Crime and Antisocial Behaviour	Cost of Service £'000	Human Resources Involved (w.t.e)
Estate Management 14/15	591	9.70
Estate Management 13/14	615	10.44

Inputs

- Staff costs, provision of office accommodation, and access to vehicles and associated equipment.

Investment at the Right Level

Confirmed by:

- Constantly reviewing the 'patches' managed by our estate management staff, taking into account the distance to travel and the needs of our customers.

Outputs		
<ul style="list-style-type: none"> • Provide tenancy management, support and advice in customers' homes. • To manage our estates, including re-letting of properties • To work with a wide range of external agencies to resolve low level anti-social behavior (ASB) cases. • Support and promote the work of the Customer Involvement Team. 		
Outcomes		
Social & Economic <ul style="list-style-type: none"> • The team is essential to addressing a customer's housing need and in helping them to sustain their home. This helps create vibrant communities where people choose to live. Environmental <ul style="list-style-type: none"> • By supporting tenants and helping them to maximise their income we are able to alleviate fuel poverty. • We balance work to include phone calls, text messages etc to reduce the need to travel. Service Quality <ul style="list-style-type: none"> • Regular surveys to all new tenants with an average of 9.89 out of 10 for overall satisfaction in 2014/15. 		
Evaluation & Evidence		
<ul style="list-style-type: none"> • We monitor a range of performance indicators including the number of days to re-let a property, as well as undertaking estate inspections and monitoring ASB calls. See Key Performance indicators on pages 45-46. • Work together with colleagues within our Development Team to ensure that new developments are let without delay and therefore maximising rental income. • This team is also critical to the delivery of the crime and ASB objective and meeting the housing needs of all customers. 		
Case Study		
<p>We received the following compliments during 2014/15</p> <p><i>Well done. More than satisfied from the service from Broadacres</i></p> <p><i>Many thanks to all staff. The service I received on the telephone was extremely helpful.</i></p> <p><i>The service to me by the Estates Officer was above and assistance I needed</i></p> <p><i>First class service, I was very pleased they very helpful and friendly</i></p>		
Corporate Objective – Crime and Antisocial Behaviour	Cost of Service £'000	Human Resources Involved (w.t.e)
Anti-social Behaviour (ASB) 14/15	188	2.95
Anti-social Behaviour (ASB) 13/14	195	3.02
Inputs		
<ul style="list-style-type: none"> • Staff costs, provision of office accommodation, and access to vehicles and associated equipment. 		

Investment at the Right Level

Confirmed by:

- Regular use of satisfaction surveys.
- Feedback from external partners e.g. police.

Outputs

- Provision of support to Housing Officer Team when dealing with complex ASB cases.
- Provision of support to individuals suffering from ASB.
- Provision of support to external partners, such as Police to help resolve community issues.
- Working with our colleagues in Community Safety Partnerships to develop new processes to implement the tools and powers set out in the Crime and Policing Act 2014.
- Provision of support to external partners and customers via diversionary activity work.

Outcomes

Social & Economic

- We continue to support a range of diversionary activities such as Footy Fest, youth clubs and healthy living. These help to promote positive behavior and minimise ASB.
- By dealing with ASB we enhance people's quality of life, which otherwise can have damaging consequences for example for their health or personal relationships.

Environmental

- Tenancy Relations Officer (TRO) and other staff group their work together wherever possible to reduce travelling time and costs.

Service Quality

- We benchmark our performance through Housemark.
- We participate in external best practice groups including the Northern Housing Consortium's ASB practitioner group. This ensures that our policies and procedures remain robust and up to date.
- Our policies and procedures were independently reviewed by a specialist legal firm at no extra cost to Broadacres as value added extra for arranging our annual training through them (this in turn had been procured at a competitive price).

Evaluation & Evidence

- Satisfaction surveys.

Performance Indicator	2013/14	2014/15
% of respondents very or fairly satisfied with the way their complaint was dealt with	100.00	95.20
% of respondents very or fairly satisfied with the outcome of their complaint	94.70	95.20

- The TRO role is the cornerstone in addressing crime and ASB on our estates and is instrumental in achieving high levels of customer satisfaction.

Case Study

A tenant with long standing mental health issues and complex physical needs started to cause anti-social behaviour in the community due to his mental health deteriorating. Over 20 reports were made to Broadacres and North Yorkshire Police, including calls from the tenant himself as he was stating he was hearing voices and banging from his neighbours flat upstairs in the early hours of the morning. Due to these noises he was hearing he would then bang on his ceiling with a hammer deliberately trying to disturb his neighbour, additionally when he heard the voices he would run outside and start screaming and shouting in the street due to the voices he was hearing.

Broadacres and North Yorkshire Police made numerous referrals to relevant agencies and also arranged a professional's strategy meeting which included Broadacres, North Yorkshire Police, Mental Health Team from The Friarage Hospital and Foundation Housing. The action plan from the meeting included Broadacres Mental Health Outreach Support Service supporting and visiting the tenant for 3 hours a week and also fitting a key safe lock outside the tenants flat in case he has a fall.

Since they have been supporting the tenant, Broadacres and North Yorkshire Police have not had any calls from the neighbours, local residents or our tenant. By taking this preventative action valuable staff resources of both Broadacres and North Yorkshire Police have been substantially saved and also peace and harmony in the community to local residents.

Corporate Objective – Deliver Affordable Homes	Cost of Service £'000	Human Resources Involved (w.t.e)
Development Services 14/15	813	14.58
Development Services 13/14	643	11.08

Inputs

- Staff costs, provision of office accommodation, and access to vehicles and associated equipment. Costs & w.t.e increase reflects the additional resources introduced in the year in line with our development programme.

Investment at the Right Level

Confirmed by:

- The Board approves a set of assumptions that are used when appraising all new development schemes and the effect of all schemes is considered within the overall business plan.
- Customer satisfaction surveys conducted.
- Working with Local Authorities & Housing Management Team to ensure the right properties are being built for our customers.
- Funding from Homes & Community Agency (HCA).

Outputs

- Provision of housing for people in high demand areas.

Outcomes

Financial

- To build quality homes at the right price and to use these assets to fund future developments.

Social & Economic

- Provision of 197 new homes in our operating area in 2014/15.

Environmental

- All of the properties built either meet or exceed the current environmental building regulations.

Service Quality

- Satisfaction surveys to those who have purchased new homes.

We continue to score over 80% for all aspects of the development process

The results for the last year are as follows:-

	2014/15	2013/14
Quality of your home	9.10/10	8.48/10
Your neighbourhood as a place to live	9.15/10	8.98/10
The build quality of your home	9.10/10	8.10/10

Evaluation & Evidence

- Satisfaction survey results from customers who have purchased new homes.
- After the Board approval process, build contracts are put out to tender. These are scrutinized by our Employers Agent and we tend to use a 70:30 split value against quality. This is all reported back in the Employers Agent Tender Report.

Case Study

Last year, following tenant consultation, we have successfully converted three former communal rooms into one bedroom properties. These were costing £27,000 to maintain and run per annum. There are two further communal rooms due for conversion in 2015/16.

Corporate Objective – Deliver Affordable Homes	Cost of Service £'000	Human Resources Involved (w.t.e)
Repairs Services, Including Asset Management 14/15	5,867	108.91
Repairs Services, Including Asset Management 13/14	5,220	108.77

Inputs

- Direct and indirect staff costs, provision of office accommodation, vehicle fleet and associated equipment, including Personal Digital Assistant (PDA). The increase in costs reflects the various areas associated with maintenance programme.

Investment at the Right Level

Confirmed by:

- Performance management is reviewed down to individual operative level in order to analyse trends and repair patterns. Process and ICT are reviewed regularly to assist in the delivery of our service standards to our customers; this in turn drives staffing levels, productivity demands and informed decisions on resource levels.
- Service questionnaires and customer feedback are captured electronically at source. These are analysed to ensure inputs are also at expected levels.
- Stock viability and investment costs are reviewed regularly including an options appraisal process that has been included within our property relet process on an individual property basis.

Outputs

- To deliver an efficient and effective repairs service to Broadacres customers across the association's property portfolio.
- Management of component replacement cycles.
- Production of a 30 year plan of cyclical replacement of major components, such as, kitchens and bathrooms.

Outcomes

Financial

- Bringing maintenance services in-house has resulted in significant savings on the VAT previously charged on labour costs and contractors margins of profit.
- Component lifespan and specifications are continually reviewed to ensure that Broadacres business plans are in line with the financial modeling. This is supported by the undertaking of sensitivity analysis and stress testing.
- Partnership working has realized significant savings as a result of negotiations with tier two material suppliers.

Social & Economic

- Work is undertaken to maintain Decent Homes Standards and identify failures / customer refusals. Most components are replaced ahead of Decent Homes Standards in line with our published Customer Offer.
- Housing Health & Safety Rating System for part of our stock condition survey to identify issues and to ensure Broadacres customers have quality homes to live in.

Environmental

- Our in-house Microgeneration Certification Scheme (MCS) accredited team installed 71 air source heating systems in the last financial year. This programme was put in place to assist customers that live in properties off the gas network. Broadacres also achieved Green Deal Assessment Organisation which enabled the self submission of Renewable Heat Incentive payments that will exceed £350,000 over a period of 7 years from the date of installation for each system. The income stream will start in 2015/16.
- All of our homes have had cavity wall insulation installed (where the property construction permits) and all have full central heating. We have revisited a number of properties to top up cavity insulation following the settlement of previous insulation to ensure the thermal efficiency of our homes is maintained. The only exceptions are those properties where the customer has declined to have the work completed. Waste disposal is managed in line with ISO14001.
- Our semi-rural nature makes it difficult at times to secure ECO support from utility providers; however we have managed to obtain external funding for the provision of insulated render for a number of properties.

Service Quality

- Service reviews have been undertaken to ensure the optimal amount of staffing resources are in place. The continual reviewing of services is in line with service standards to assist in the management of service standards vs. whole time equivalents.
- A rolling stock condition survey programme is in place to ensure lifecycle data is collected and is fed directly into our 30 year business plan.
- Upon completion of a repair/service, customer satisfaction surveys are undertaken, performance in this area for the 2014/15 financial year was as follows:-

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How easy was it for you to report a repair		9.50/10
How satisfied were you that the appointment you were given was convenient		9.30/10
How satisfied were you that the operative was friendly and helpful		9.70/10
Overall, how satisfied were you with the service you received from Broadacres		9.60/10
Evaluation & Evidence		
<ul style="list-style-type: none"> A suite of KPIs have been established that look across service areas such as compliance, operative/team performance, and customer satisfaction. Services are also reviewed with regards to "Value" and "Failure" feedback received by Broadacres Contact Centre. Weekly live reports are discussed at team leader level and top level performance is reviewed at extended management team level on a monthly basis. Bringing the services in-house has allowed for the redesign of processes and the implementation of advanced IT systems, such as the direct reordering of van stocks through the PDA's direct to Broadacres preferred supplier. 		
Corporate Objective – Deliver Affordable Homes	Cost of Service £'000	Human Resources Involved (w.t.e)
Lettings (Including Choice Based Lettings) 14/15	294	4.88
Lettings (Including Choice Based Lettings) 13/14	304	5.60
Inputs		
<ul style="list-style-type: none"> Staff costs, provision of office accommodation, and access to vehicles and associated equipment. 		
Investment at the Right Level		
Confirmed by: <ul style="list-style-type: none"> Reviewed the level of resources in this area as a result of change in management and introduced a Team Leader to assist in decision making and reviews. 		
Outputs		
<ul style="list-style-type: none"> Provide a dedicated team to administer our Choice Based Lettings (CBL) service, dealing with applications, resulting enquiries and assisting customers. The team assisted the business to achieve an average re-let performance of 28.9 days for 564 lets within the year. This includes any major works. 		
Outcomes		
Social & Economic <ul style="list-style-type: none"> The team is critical to addressing a customer's housing need as they maintain the CBL system which allows customers access to information about their proposed new home. This gives the customer the satisfaction of having a place to live in a neighbourhood they choose. Environmental <ul style="list-style-type: none"> We balance work to include phone calls, text messages etc to reduce the need to travel and therefore have an adverse effect on the environment. 		

Service Quality <ul style="list-style-type: none"> Regular surveys to all new tenants achieve high satisfaction levels. 2014/15 results 9.69 out of 10. 		
Evaluation & Evidence <ul style="list-style-type: none"> Customer feedback results show that the team achieves a high satisfaction level from those who have been through the CBL process. 		
Case Study <p>A lady who was privately renting a property which was completely inappropriate for her needs due to her quite significant health issues, applied for housing. We requested some more information regarding her health issues to assess her current situation. After reassuring her, the CBL Advisor arranged a visit for the Housing Officer, following which, we obtained an Occupational Therapist report and she was awarded emergency priority, as she couldn't access the upstairs of her property or the bathroom. She has now successfully bid for a bungalow.</p>		
Corporate Objective – Support for the Vulnerable	Cost of Service £'000	Human Resources Involved (w.t.e)
Mental Health & Outreach Services 14/15	144	3.52
Mental Health & Outreach Services 13/14	128	3.69
Inputs <ul style="list-style-type: none"> Staff costs, provision of flats, communal areas including office accommodation. Provision of support to individuals in their own homes via the Outreach Service. 		
Investment at the Right Level <p>Confirmed by:</p> <ul style="list-style-type: none"> Quality monitoring checks in place. Accommodation meets the requirements of commissioners of service. 		
Outputs <ul style="list-style-type: none"> Providing housing and care related support to specific client groups. 		
Outcomes <p>Social & Economic</p> <ul style="list-style-type: none"> Service allows vulnerable people to remain in their own home and prepare them with the skills to move into general needs accommodation to gain greater independence. <p>Environmental</p> <ul style="list-style-type: none"> Members of staff assist with identification of energy suppliers. Members of staff assist residents with recycling. Recycling is discussed at tenant meetings and during support sessions. Tenants are prompted to put recycling out on appropriate days for collection. <p>Service Quality</p> <ul style="list-style-type: none"> We measure the progress for service users towards self-reliance or other goals. 		

Evaluation & Evidence

- Supporting people workbooks, showing the utilisation and throughput for the service are completed on a quarterly basis.
- Customer satisfaction surveys.

Case Study

In 2010, after suffering a breakdown, Mr D attempted to take his own life. In a clearly troubled frame of mind, he then spent the next four months in a mental health ward of a local hospital. On his return to the community in June 2013, he was referred to Broadacres' mental health outreach service. Initially, the team identified a single issue that needed to be addressed and that was getting him to socialise in the community, although subsequently it became apparent that he needed support in other areas too.

Slowly, but surely, the process to get him to reintegrate began. This could range from a simple walk to and from the town centre to actually entering busy places like cafes and post.

He now also attends the Skill Mill twice a week, a local scheme for people with mental health problems, where he is learning to cook and do woodwork. He has a part-time job in a bar and is part of a group which tours the UK at music festivals, using a large reggae sound system.

He is now also in a relationship and whilst he admits he still has some way to go, he now feels much better prepared for the future. He credits Broadacres with this he says without our support "I wouldn't be here to talk about this."

Other Service Areas

In- house Services

We have brought the following services in house in order to make savings and be able to control the quality of services provided to our residents:-

- | | |
|---|---|
| • Cleaning Services (From April 2008) | With £140k savings to date |
| • Catering Services (From August 2014) | With £24k savings in the first 9 months, with |
| anticipated savings for 2015/16 of £52k | |

Reviewed Areas

The following areas have shown a reduction in costs and wte staffing due to the reviews of services after outsourcing and loss of contracts in 2013/14:-

- Home Improvement Agency
- Lifeline & Older Person Services

Case Study Lifeline & Older Person Services

Mrs W was over 85 years old and lived alone in her flat where she had lived for 14 years. She was diagnosed with Alzheimer's and her decline was such that she was falling and unable to summon help. It was suggested by social services that she moved to residential care. Her daughter who lived 10 miles away supported Mrs W and wanted her to be able to remain in her home for as long as possible. We fitted bed and chair sensors that automatically alerted when Mrs W was absent for 5 minutes. In this way Mrs W was kept safe from harm and continued to remain at home with a package of care until she passed away. Her daughter was appreciative that her mum ended her days in familiar surroundings and that she had the support in helping to attend the calls.

Retendered Contracts

The following areas have been retendered at the end of 2014/15

- Women's Refuge

Other Ongoing Services

The following services continue to be provided and some case studies are included to show the social value that is provided to residents and the community:-

- Learning Disabilities

Case Study Learning Disabilities

Mr L moved to Marshall House in 2002 he managed well with housing related support and stated he was happy living there. Mr L's mother passed away in 2009 and this led to a significant deterioration in Mr L's mental health and how he coped and looked after himself and his property. Mr L became withdrawn, unkempt and isolated. He was offered a vacant bedsit in Tinsley House where he would be around more people, have staff based within the house and have less responsibility due to the size of the property. He moved to Tinsley House in 2010 and within a very short space of time returned to his sociable well presented self. The move was discussed in Mr L's reviews and was seen as the main reason for him not being referred to a residential accommodation which was not seen as being in his best interests but would have met some of his basic needs. Mr L states the move to Tinsley House was the best choice he could have made.

- Domiciliary Care

Case Study Domiciliary Care

Mr W. was 43 years old and was living on his own and struggled to move around due to his mobility becoming increasingly worse. He was referred to us by Creative Support because, although he had a bedroom, and kitchen and bathroom, he could only use the lounge. The housing association which owned the property would not adapt the property. He had some mental health issues and alcohol misuse issues due to his situation and lifestyle, he chose to drink to cope. He moved into Rockliffe Court in June 2014. And has remained in contact with Creative Support accessing their support and has integrated into the scheme really well. He has made friends and follows a rehabilitation programme which enables him to remain off the alcohol. His health is improving and he appears happy within himself and this has been noticed by a number of people involved in his case.

Anticipated savings and plans for 2015/16 and future years

Over the next year Broadacres aims to make savings from operating costs of £150,000 which is based on 1% of management expenses and continue to deliver the savings on our repairs service in excess of that already delivered.

Areas to be considered by the VFM Group:-

- Monitor the Social Value recording mechanisms and review the register at each meeting.
- Monitor the development of the EU procurement framework for large contracts under EU regulations for Development
- Review the launch of HR initiatives relating to on-line recruitment and appraisal system.
- A revised process for monitoring works undertaken on void properties has been developed and the group will receive an update at each meeting on its progress.
- The group will review the further development of the Asset Management Plan and the software for reviewing the return on assets.

Rate of Return on our Assets

We have a comprehensive housing management system that collects all our contacts with our customers via a Customer Relationship Management database (CRM).

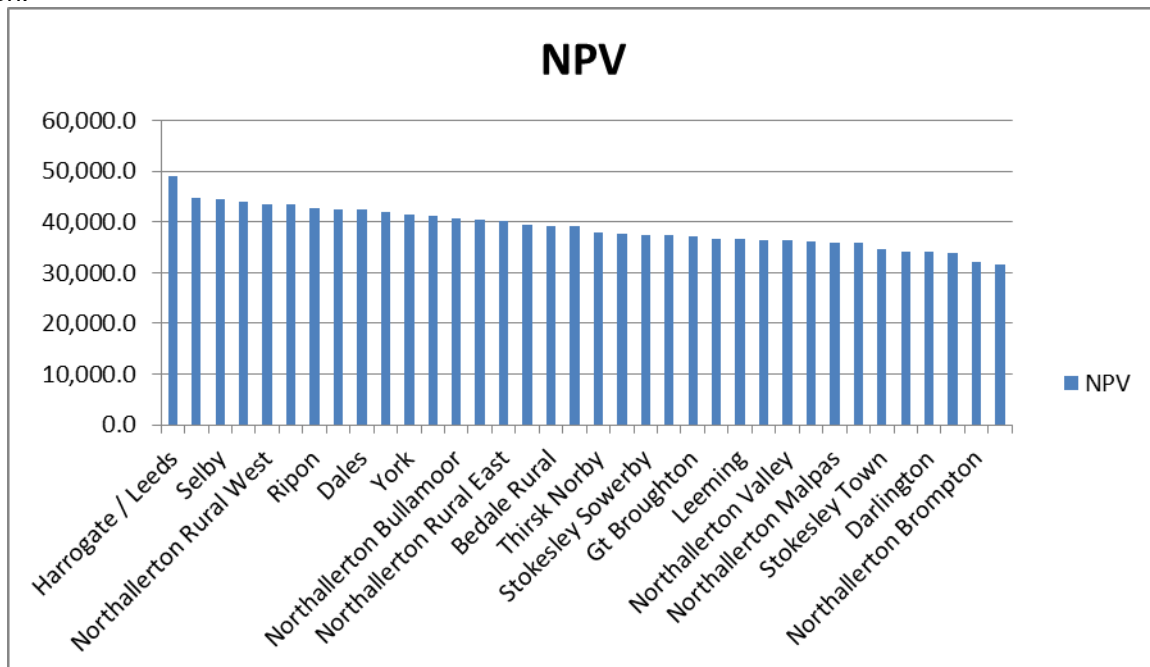
The system holds all the information about our assets and their future costs profile.

Under the Asset Management Strategy, we assess the relative performance of each asset in order to make an informed decision about future provision.

We use a number of data fields to assess each property and the main ones are shown below – the factors we have chosen are both quantitative and qualitative and using these factors we have calculated a weighted Net Present Value (NPV) for each property:

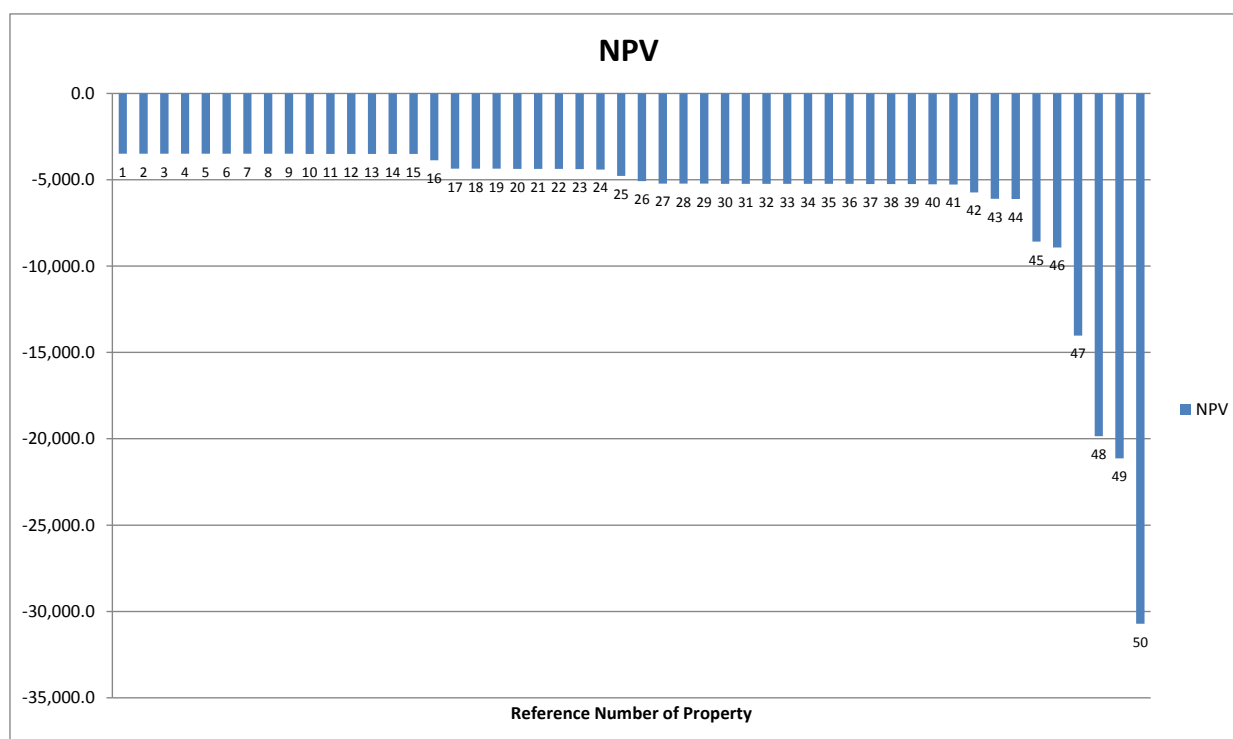
- Major works spend over the next 30 years
- % of days void in the last 2 years
- Average no of contacts in relation to rent queries
- Average no of contacts in relation to repairs
- Valuation
- Housing Management Score – rating 1-5 in terms of difficulty to manage
- Average length of tenancy in weeks.

As a result we can map the relative performance of different geographical areas – shown in the following graph:



The graph below shows the 50 lowest rated properties in terms of NPV:

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The Asset Management team review the performance of properties on the basis of the above and with additional factors including:

- Traditional or Non-traditional build
- SAP rating
- Location and Geographical “fit”
- Links with planned development schemes

And assign a “RAG” rating to properties.

When properties become void, an objective decision can then be made as to the strategic approach to the property.

For example, 12 properties with low scores were identified at Fairview Flats in Leeming Bar. A decision was taken to replace these properties with new builds, and demolish the existing. This will be completed in the summer of 2015.

Conversely, a number of properties were identified in a hard-to-let location with significant issues regarding leaseholders (BHA owns a majority of units in a block of flats, ref 48 & 50 on the graph). However, due to the complex spread of leasehold properties in relation to blocks of flats, a decision was taken to retain and maintain them subject to a long term strategic asset review.

In addition to this tool a working group consisting of Housing and Asset Management staff meet to review each void as it becomes available and consider whether to relet, refurbish, or dispose. We currently have 4 properties that we have decided to dispose of and these will be available for sale with local agents. The resources will be used to provide homes that are more suitable for our customers needs.

We also have a Performance Management System in place and report to each meeting of the Board on our on-going Performance Indicators – the position as at March 2015 is set out below.

Key 2014/15 Operational Performance Indicators Summary

The focus is on 4 key areas which are; customers, processes, innovation and financial and learning. The main indicators are set out in the following tables although a number of others are reported to the board at each meeting:

Performance Indicator: Customer	Benchmark	At March 2015	At March 2014	Target	Code & Trend
% of emergency faults attended to within 24 hours	HouseMark Upper quartile: 99.2%	100%	99.51%	100%	➔
% of appointments kept	HouseMark Upper quartile: 98.6%	94.1%	99.51%	>95%	➔
Average repairs satisfaction (scored out of 10)	No benchmark available	9.74	9.62	>9	➔
Average planned maintenance satisfaction (scored out of 10)	No benchmark available	9.68	9.64	>9	➔
Average annual heating safety check satisfaction (scored out of 10)	No benchmark available	9.62	9.61	>9	➔
Average new tenant satisfaction (scored out of 10)	No benchmark available	9.21	9.49	>9	➔
% of Customer Service Centre calls answered within 20 seconds	Customer Service Excellence Group	64.47%	71%	>75%	⬇
Performance Indicator: Processes	Benchmark	At March 2015	At March 2014	Target	Code & Trend
Average re-let time	HouseMark Upper quartile: 23 days	28.9 days	28 days	<21days	⬇
% of properties with valid gas servicing certificate (CP12)	No benchmark available	100%	99.99%	100%	➔
Performance Indicator: Innovation & Learning	Benchmark	At March 2015	At March 2014	Target	Code & Trend
% in days sickness	CIPD (HA'S): 4.4%	3.36%	3.10%	<3.4%	➔
% Labour turnover	CIPD: 11%	10.28%	15.75%	<15%	➔
Performance Indicator: Financial	Benchmark	At March 2015	At March 2014	Target	Code & Trend
Current gross rent arrears produced 4 weekly	Housemark	2.17%	3.08%	<3.08%	⬆
Former tenant arrears collected	No benchmark available	£113,153	£104,000	>£100,000 per annum	⬆
Void rent losses	Housemark Upper quartile: 0.9%	1.79%	1.42%	<1%	⬇
Interest Cover – This is our most 'at risk' covenant	No benchmark available	2.35	3.09	>1.10	➔
Value for money savings (£)	No benchmark available	£193,894	£171,000	£135,000 per annum	⬆

Performance against the corporate plan objectives are measured by the service improvement plans. These link directly to individual staff appraisals, ensuring individual staff targets contribute to achieving the corporate objectives. In 2015/16, we will be rolling out an online appraisal system that will improve the process and lead to VFM savings.

Effective procurement and partnership working

We use a range of procurement methodologies to ensure we deliver cost savings from the use of procurement clubs, development partnerships as well as traditional tendering. We provide training to staff on effective procurement practices and we benchmark our costs where possible. We have taken the view, for example, that our properties on the Yorkshire Coast and Harrogate can be managed by local organisations at a lower cost. However, we have monitoring in place to ensure that our customers receive a similar level of service to that provided directly by Broadacres.

In 2015/16, we are rolling out a capital works contractor framework to source suppliers for our development programmes and lead to efficiencies in procuring contracts.

Involve our Board, Customers and Staff

Our customers were consulted in establishing our objectives. We have provided training on Value for Money for staff, the board and tenants. The customers on our Performance and Improvement Panel which is our tenant scrutiny group, undertake regular independent reviews of our services. We also have a Customer Feedback Group and Maintenance Focus Group of tenants who also feed into service delivery.

Measuring Value for Money

Where appropriate, areas identified as possible efficiencies will be assessed against previous period's costs and performance. A reduction in costs, increase in revenues/surpluses or improvement in quality will represent a gain.

All gains will be identified, assessed and quantified by the relevant department and included on Broadacres' efficiency register which is reported to the Board as part of the Annual Report of the Value for Money Group.

Value for Money Roles and Responsibilities

Our Value for Money Strategy clearly sets out the roles and responsibilities of stakeholders in our VFM work. The board must ensure that they set the standard of what we must deliver in terms of value for money and all staff within Broadacres are expected to be aware of the need to deliver VFM in accordance with our Vision, Mission and Core Values and must seek and achieve VFM in their activities and bring to their manager's or a member of the VFM Group's attention any opportunities for improvement. VFM is discussed at team meetings and Heads of Service are responsible for the collation and recording of all service changes under their control, to ensure all possible efficiency gains are captured.

It is expected that all members of staff within Broadacres must clearly understand how important efficiency gains and VFM are:-

- In helping Broadacres to meet new challenges such as welfare reform
- In the delivery of on-going services to our existing and potentially new customers
- In providing resources for the development of new homes and improvements to our existing stock
- In ensuring Broadacres' future financial viability.

Directors ensure that VFM is being actively sought and that the board are kept up to date via the balanced scorecard, VFM assessments in relevant board reports and an annual report from the VFM Group.

Value for Money Monitoring & Reporting

The VFM Group prepares an annual report which is presented to the Senior Management Team and the Board. Our Service Improvement Plan actions have a value for money section and our efficiency register is also reviewed annually by the Board and monitored quarterly by the Management Team.

Value for Money Self Assessment Summary

The Board of Broadacres believes that our self- assessment set out on the preceding pages demonstrates that we comply with the Value for Money Standard because we have







- Set out in detail how we use our resources to deliver services in line with our objectives.
- Provided benchmarking and comparative information.
- Set out the outcomes for each of our key services.
- Demonstrated that we understand the rate of return on our assets.
- Shown that we have made value for money savings this year and have plans for the future.
- Explained how we intend to use the savings identified to deliver new services and fund our development programme.

Principal Risks

The association's Audit Committee has delegated responsibility for monitoring risks and risk management within the organisation.

We comprehensively reviewed our risk matrix during the year. An example of the register showing the high risks is shown below: Risks are categorised into 'High, Medium or Low'. All risks are reviewed monthly at the extended management team and at all meetings of the Audit Committee. The Risk map is also reviewed twice a year by the Board. Further plans for improvement during 2015/16 are to incorporate a risk appetite into a risk monitoring/management process linked with performance management within the organisation.

Broadacres Group - Risk Map

Risk	Strategic Risk	INHERENT RISK RATING			Main Controls / Policies and Procedures	Response		RESIDUAL RISK RATING			Residual	Traffic Light	Current Issues
		Impact	Probability	Score				Impact	Probability	Score	Risk Score		
1	Welfare Reform changes reduces income levels.	4	5	High	1. Prudent business plan assumptions protect against increasing arrears and voids. <i>Business Plan model reviewed 10/14</i> 2. Property Allocations Policy and Rent Arrears Framework in place. 3. Key Performance Indicator (KPI) in Balanced Scorecard monitored monthly. <i>Performance Indicators reviewed 6/15</i> 4. <i>Business Plan stress tested June 2015.</i>	Treat	1. Recruited additional staff to support customers. <i>Welfare reform action plan reviewed 2/14</i> 2. Action plan to address Universal Credit agreed by Board in January 2015.	4	5	High	20		1. Partial implementation of Universal Credit in Hambleton started February 2015 - <i>as at June 2015 less than 10 tenants in receipt of it.</i> 2. <i>We are currently reviewing the impact of the bedroom tax as the use of discretionary housing payments may be limited by further welfare reforms.</i> 3. <i>We are also modelling the impact on the overall welfare benefit cap as this may impact on affordability for some customers.</i>
2	Impact of an adverse regulatory judgement that leads to non-compliance with regulatory requirements.	5	4	High	1. Suite of KPIs in place to monitor performance. <i>Performance Indicators reviewed 6/15</i> 2. Regulatory reports and requirements submitted on a timely basis. 3. Co - regulation with Performance & Improvement Panel (PIP).	Treat	1. Engagement with regulator on going to ensure we address their concerns.	4	4	High	16		1. Governance status currently G2. 2. <i>Financial Viability Standard - V2.</i> 3. <i>Currently undertaking the regulatory Framework Self Assessment and Excellence in Governance analysis.</i> 4. <i>All funders and interested parties have been informed of the V2 downgrade and limited adverse comment received.</i> 5. <i>A cross departmental group is currently working on the Assets and Liabilities Register - detailed timetable for completion expected by 30 June 2015.</i>
3	Lack of effective governance/board member skills and experience.	5	5	High	1. Appointment of Campbell Tickell as external board appraisers, 2. Board member briefing programme in place. 3. Board members sign up to Role Requirement and Code of Conduct. 4. Recruitment process, induction programme and succession plan in place. <i>Governance reviewed 2/15</i> 5. Skills gap analysis undertaken. 6. Board members' information portal established.	Treat	1. Board members made aware of training events. 2. Board members have access to housing information websites and offered 'Inside Housing'. 3. <i>Board members' Briefing Day' held April 2015.</i>	4	4	High	16		1. 3 new board members appointed September 2014. 2. New Chair in place September 2014. 3. Reduction of tenant members from 4 to 2 will enable Broadacres to recruit further expertise to the board. 4. <i>Advert placed for new board members to address skills gap.</i>
4	Poor understanding and ineffective response to the changing external political and regulatory environment in which we operate.	5	4	High	1. Prudent business plan assumptions protect against financial shocks. <i>Business Plan model reviewed 10/14</i> 2. Membership of trade bodies and attendance at practitioner groups. 3. Representation on local strategic working groups e.g. Supporting People.	Tolerate	1. Staff respond to any consultations and invitations to comment to ensure Broadacres (BHA) impact perspective is recorded. 2. Programme of board member briefings. 3. Board member access to information on national housing scene.	5	3	High	15		1. Self assessment to Broadacres' board in January 2015 indicating how Broadacres measures up to recommendations made by Altair following near collapse of Cosmopolitan Group. 2. <i>Briefing session for board members on 'stress testing' held May 2015.</i> 3. <i>Action and recovery plan being developed to be considered by the board in July.</i>
5	A failure of Mulberry Homes impacts on BHA either financially or reputationally.	5	4	High	1. BHA board approval of Mulberry Homes Business Plan. 2. Mulberry board reports/minutes copied to BHA board members. 3. Recruitment of co-opted board member with relevant experience of development. 4. £15m on- lend limit to subsidiaries mitigates financial risk. 5. Risk map in place for Mulberry Homes. <i>Effective management of subsidiaries reviewed 10/14</i> 6. BHA board approval of Mulberry board's terms of reference. <i>Governance arrangements for Mulberry Homes reviewed 10/13</i>	Treat	1. Worst case scenario business plan modelled for BHA should Mulberry fail. 2. Reports and financial results reported to funders quarterly. 3. Ongoing monitoring of options deadlines to ensure we maintain our investment. 4. Engagement of experienced consultants to assist in - house team. 5. Risk map for Mulberry homes monitored quarterly.	5	3	High	15		1. Increased costs of the road junction being factored into Mulberry business plan and additional funding is being sought. 2. As of <i>8 June 2015</i> we have <i>26</i> plots released <i>and available</i> for sale. <i>In addition, a further 21 properties are reserved. 16 sales have been completed.</i> 3. <i>The Planning Committee agreed that the junction can be deferred until 207 properties are occupied.</i> 4. <i>Main contractor going into administration has delayed development. Some plots are now being completed by sub contractors to enable sales to complete whilst new contractors are appointed to complete the development.</i> 5. <i>New business plan for Mulberry with associated stress testing being drawn up.</i>
6	Lack of effective management of subsidiaries leads to financial and reputational loss.	5	4	High	1. Annual BHA board approval of all subsidiaries business plans. <i>Business Plan model reviewed 10/14</i> 2. Terms of Reference for subsidiary boards set by BHA. 3. All subsidiary board reports/minutes copied to BHA board members. <i>Effective management of subsidiaries reviewed 10/14</i> 4. On-lend limit to subsidiaries mitigates financial risk.	Treat	1. Financial records of all group companies maintained by one team. 2. Regular cashflow monitoring. 3. Developments undertaken in manageable tranches so can be stopped if market conditions change. 4. Stress testing of business plans undertaken.	5	3	High	15		1. <i>The loan agreement with the Charity Bank for BSL for £600k is now complete.</i> 2. <i>We are progressing a £500k loan from the Charity Bank for Mulberry Homes Yorkshire Limited secured to the show homes.</i> 3. <i>Specific report on Mulberry Homes provided to each meeting of Broadacres' Board of Management.</i> 4. <i>Strategic land sales by Mulberry Homes have been approved by the board.</i> 5. <i>Failure of main contractor has led to increased costs in completing the schemes for Mulberry which will increase the expected losses in the short term.</i>

Achievements to date

Broadacres' Board and senior management team are continually seeking to improve services. Our achievements in the last few years have been many and varied and a flavour of our most recent successes is set out below:

- We have provided 940 additional homes over the last 5 years. The Business Plan will deliver over 1,000 additional affordable homes over the next 5 years.
- Made operational efficiency savings of £193,894 in 2014/15.
- We have invested in an opti time system which allows our customer to have planned appointments.
- We have successfully completed bringing the responsive repairs and the majority of major repairs services in-house and this included procuring a fleet of vehicles, the servicing contract for vehicles, the TUPE transfer of staff and a preferred materials supplier.
- We have introduced a mobile working solution to enable operatives to pick up work sheets and order materials direct from our preferred supplier.
- We offer a dedicated money advice service to help our customers manage their money.
- Although the mortgage rescue scheme has now ceased, over the last few years have assisted over 70 households to remain in their home.
- We offer an innovative scheme for our tenants who have oil heating which enables them to spread the cost over the year.
- We run a furniture store which recycles donated furniture and provides a low cost source of furniture for our communities.
- We have invested in air source heat pumps in a number of our rural properties and have installed PV panels on our main head office and also on our business property in Colburn (ABLE) with a view to reducing energy costs.
- We provide a range of diversionary activities for young people and have played a role in establishing two boxing clubs, football competitions, fashion fests, and music events.
- We employ apprentices where possible and have also provided a work experience scheme for offenders and local school children.
- We implemented a flexible benefits scheme for staff and provide total reward statements which demonstrate the overall benefits of working for Broadacres.
- We are involved with various community organisations. We were instrumental in setting up Hambleton Food Share and continue to provide in kind support with procurement, administration and accounting services. In addition several of our staff are volunteers, providing help at the drop in sessions, they take advantage of our volunteer policy and in their own time. In 2014/15 Hambleton Food Share provided 1,207 food parcels.

Investment in the future

- We intend to investigate further options to assist our customers in fuel poverty and assisting them to manage their fuel costs.
- We have had success in providing employment opportunities in the past and will extend this further with training and apprenticeship schemes in our Broadacres Property Services Team and subsidiary companies.

BROADACRES HOUSING ASSOCIATION LIMITED

- Our ambition is to continue to develop new properties both for rent and sale and we will work with a range of partners to achieve this. Our subsidiary Mulberry Homes Yorkshire Limited which develops properties for sale is on site on 2 schemes and will construct around 100 homes next year. Broadacres Services Limited also intends to deliver a programme of new homes with at least 2 further schemes expected to get on site by early 2016 providing 26 homes.

Welfare Reform

- We strive to produce good quality accommodation that supports the creation of sustainable communities. Currently less than 50% of our tenants are in receipt of housing benefit and of these only those of working age are affected by the reform. Nevertheless, in all cases, we need to remain conscious of the affordability of properties for the people who will live in them, ensuring that we are in a position to offer properties that meet a range of housing needs.
- We have recruited an additional money advisor and two tenancy support officers, who will be working with our customers to assist them in the challenges they will face.

Development and Sales

During the year 197 units were constructed or acquired and Broadacres has a target to build or acquire a further 245 units in 2015/16 and a long term business plan of almost 1,500 units. We continue to have disposals through Right to Buy (8 properties were sold during the year).

We have now been given lead status in our own right by the HCA and have made a bid for grant under the new 2015-18 bid round. We have obtained nearly £2 million over the last 12 months from the HCA. We also have excellent relationships with local house builders and have been successful in receiving properties under S106 requirements.

We sold 26 properties via various low cost home ownership schemes and provided 58 properties for intermediate rent.

As a result of our development programme we have provided 197 new properties as follows:

Rigby Terrace, Aiskew	12	Hunton	6
Holme Lane	12	Lady Lumley	12
Huntington Road	4	Linton on Ouse	20
Sowerby	13	Strensall	10
Colburn	10	Ward Trailer	22
Brotton	3	Water Lane	23
Boston Spa	13	Welham Park	8
Burnholme	2	Woodside Chase	16
Communal refurbishments	3	Runswick Bay	8

Asset Management

We are pleased to report that all our homes meet the Decent Homes Standard unless tenants have declined to have work done and our current business plan allows for the relevant standards to be maintained. In fact we exceed the requirements of the Decent Homes Standard in a number of key areas via our current local offers which include replacement:

- Kitchens every 17 years (Decent Homes 20-30 years);
- Bathrooms every 23 years (Decent Homes 30-40 years);
- Windows and doors every 40 years (Decent Homes 40 years);
- A minimum of 250mm loft insulation for all heating types (Decent Homes 200mm for electric, LPG and solid fuel).

BROADACRES HOUSING ASSOCIATION LIMITED

At 31 March 2015, 100% of properties, where this was required, had a current gas safety certificate.

We have undertaken asbestos surveys on all property archetypes and, when required, carry out further more specific surveys to fully comply with our legal obligations. We undertake appropriate monitoring where asbestos has been identified and left in situ and we undertake testing for legionella. We also provide Energy Performance Certificates (EPCs) when letting our homes.

As a Registered provider we fund minor (disability) aids and adaptations for our customers up to a value of £2,000. Simple fixings such as lever tap handles, grab rails, small step adaptations and handrails. These are normally done on a self-assessment/referral basis direct from the customer. Anything other would have to be supported or referred by an Occupational Therapist.

During the year we completed 421 minor adaptations and 83 Major adaptations. This is an increase on the previous year where we completed 372 Minor adaptations and 37 major adaptations. These adaptations cost in excess of £218,000 (2014:£80,000), this reflects the higher number of major adaptations.

Adaptations costing over £2,000 are funded using Disabled Facilities Grants from the local authority. We currently have a further 31 major adaptations in progress.

Capital Structure and Treasury Policy

Broadacres has a formal Board approved treasury policy which follows the revised CIPFA Code of Practice. Our approach is that treasury management is a function to allow us access to funds to carry on our business; it is not a separate activity that is expected to produce surpluses. As such, whilst we endeavour to borrow at as low a cost as possible, we primarily aim to manage cash flow effectively and monitor the inherent risks in treasury activities by maintaining a reasonable split of fixed and variable loans. We only borrow or invest with financial institutions that meet strict criteria and aim to keep our fixed rate loan balances to 70%.

Our existing loan facilities and borrowings are set out in the following table:

Loan Portfolio March 2015

	Nationwide	RBS Syndicate	Barclays	Total Borrowing	
	£000's	£000's	£000's	£000's	
Fixed:					
Facility A 30 Jun 2036		21,250		21,250	
Facility C 30 Jun 2036		8,750		8,750	
Facility 10 Oct 2048			55,000	55,000	
Housing Corporation Loan				66	
Total Fixed Loans	-	30,000	55,000	85,066	74%
Revolvers average annual interest rate					
Facility A Revolvers		8,500		24,875	
Facility B Revolvers	16,375	5,000		5,000	
Facility C Revolvers					
Total Variable Loans	16,375	13,500	-	29,875	
Total Loans Utilised	16,375	43,500	55,000	114,941	26%
Total Facilities	16,375	50,000	55,000	121,441	100%

BROADACRES HOUSING ASSOCIATION LIMITED

The loan with Nationwide will be repaid by March 2027 and the RBS loan will be repaid on a gradual basis commencing 2022. The Barclays loan, taken out in 2009, was a 40 year loan and repayments will not commence until 2040 and will thereafter be paid in 10 equal instalments.

The repayment profile of our current facilities is as follows:

Current Facilities	£'000s
Maturing in:	
0 - 3 years	3,875
4 - 6 years	3,750
7 - 9 year	7,500
10 - 12 years	9,750
13 - 15 years	9,500
16 - 18 years	10,750
19 - 20 years	9,500
Over 20 years	39,250
Over 30 years	27,566
	121,441

The repayment profile of our current loan balance is:

Current Loan Portfolio	£'000s
Repayments within 1 yr or less	1,375
Repayments beyond 1 yr but less than 2 yrs	1,250
Repayments within 2 yrs but less than 5 yrs	3,750
Repayments over 5 years	108,566
	114,941

Our fixed rates vary from 3.55% to 9.5% (excluding margin).

Cashflows

Cash inflows and outflows for the year ended 31 March 2015 are set out in the cashflow statement on page 85. The net cash inflow/outflow from operating activities was £16.7m (2014: £10.5m). At the year-end the group had £6.5m of undrawn facilities. These will be required over the next 1-2 years to fund our on-going development programme. During the year investments in financial assets have been limited to short term deposits in line with our treasury policy.

Statement of Compliance

In presenting the Operating and Financial Review on the preceding pages the Board has endeavoured to follow the principles regarding purpose, audience, timeframe, reliability, comparability and financial and non-financial measures as set out in the Statement of Recommended Practice (SORP).

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROADACRES HOUSING ASSOCIATION LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, Broadacres Housing Association Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the registered provider's affairs as at 31 March 2015 and of the group's and the registered provider's surplus and cash flows for the year then ended; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England 2012.

What we have audited

The financial statements comprise:

- the group and registered provider balance sheets as at 31 March 2015;
- the group and registered provider income and expenditure accounts and statements of total recognised surpluses and deficits for the year then ended;
- the group and registered provider statements of historical cost surpluses and deficits for the year then ended;
- the group cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the board has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records, system of internal control and information and explanations received

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROADACRES HOUSING ASSOCIATION LIMITED (CONTINUED)

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the board

As explained more fully in the Statement of Responsibilities of the Board of Management set out on page 11, the Board is responsible for the preparation of the financial statements and for being satisfied that they 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the registered provider's members as a body in accordance with Section 87 (2) and Section 98(7) of the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the registered provider'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.

We primarily focus our work in these areas by assessing the board's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Greg Wilson
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

BROADACRES HOUSING ASSOCIATION LIMITED

CONSOLIDATED INCOME & EXPENDITURE ACCOUNT

Year ended 31 March 2015

	Note	2015 £'000	2014 £'000
Turnover		36,591	35,190
Operating costs		(25,480)	(24,185)
GROUP OPERATING SURPLUS		11,111	11,005
Surplus on sale of fixed assets		242	580
Interest receivable and similar income	5	42	36
Interest payable and similar charges	6	(4,770)	(4,387)
Other finance costs	31/32	(119)	(64)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		6,506	7,170
Equity Minority Interests		178	248
Tax on surplus on ordinary activities		(2)	107
SURPLUS FOR THE YEAR		6,682	7,525

All activities derive from continuing operations.

The notes numbered 1 to 34 form part of these financial statements.

BROADACRES HOUSING ASSOCIATION LIMITED

ASSOCIATION INCOME & EXPENDITURE ACCOUNT

Year ended 31 March 2015

	Note	2015 £'000	2014 £'000
Turnover	2	31,716	32,140
Operating costs	2	(20,814)	(21,478)
OPERATING SURPLUS		10,902	10,662
Surplus on sale of housing properties	1	242	580
Interest receivable and similar income	5	651	418
Interest payable and similar charges	6	(4,763)	(4,077)
Other finance costs	31/32	(119)	(64)
Gift Aid		-	447
SURPLUS FOR THE YEAR		6,913	7,966

All results derive from continuing operations.

The notes numbered 1 to 34 form part of these financial statements.

STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS

Year ended 31 March 2015

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Income and expenditure surplus for the year	6,682	7,525	6,913	7,966
Actuarial (loss)/gains recognised in the pension scheme	(1,688)	616	(1,688)	616
	<hr/>	<hr/>	<hr/>	<hr/>
Total recognised gains and losses relating to the year	4,994	8,141	5,225	8,582
	<hr/>	<hr/>	<hr/>	<hr/>
Total gains and losses recognised since last annual report and financial statements	4,994	8,141	5,225	8,582
	<hr/>	<hr/>	<hr/>	<hr/>

NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS

Year ended 31 March 2015

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Reported surplus on ordinary activities before taxation	6,682	7,525	6,913	7,966
Difference between depreciation for the period on the basis of historic cost and actual charged	653	653	653	653
	<hr/>	<hr/>	<hr/>	<hr/>
Historical cost surplus on ordinary activities before tax	7,335	8,178	7,566	8,619
	<hr/>	<hr/>	<hr/>	<hr/>

BROADACRES HOUSING ASSOCIATION LIMITED

CONSOLIDATED BALANCE SHEET 31 March 2015

	Note	2015 £'000	2014 £'000
FIXED ASSETS			
Freehold housing properties	9	250,770	234,964
Other fixed assets	12	4,744	5,033
Fixed asset investments	34	5,007	4,016
Total Fixed Assets		260,521	244,013
CURRENT ASSETS			
Debtors amounts falling due after one year	14	10	-
Housing properties for sale	13	19,263	13,287
Debtors amounts falling due within one year	14	2,997	3,369
Stock	15	164	169
Cash at bank and in hand		2,225	3,598
		24,649	20,423
CREDITORS: amounts falling due within one year	16	(11,616)	(7,261)
NET CURRENT ASSETS		13,033	13,162
TOTAL ASSETS LESS CURRENT LIABILITIES		273,564	257,175
CREDITORS: amounts falling due after one year	17	(116,425)	(106,427)
NET ASSETS EXCLUDING PENSION LIABILITY AND PROVISIONS			
Pension liability	32	(4,801)	(3,237)
TOTAL PENSION LIABILITY AND PROVISIONS		(6,152)	(3,237)
NET ASSETS INCLUDING PENSION LIABILITY		152,338	147,511
CAPITAL AND RESERVES			
Share capital	22	-	-
Revaluation reserve	23	88,016	88,669
Designated reserve	23	791	665
Restricted reserve	23	3	3
Revenue reserve	23	67,744	60,648
Pension reserve	23	(4,801)	(3,237)
Minority reserve	23	585	763
RESERVES		152,338	147,511

The notes numbered 1 to 34 form part of these financial statements. The financial statements for Broadacres Housing Association Ltd (registered number 27656R), on pages 58 to 94 and their related notes were approved by the Board of Management on 27th July 2015 and were signed on its behalf by:

C Wilkie Chairman

J Osborne Board Member

C Fawcett Secretary

BROADACRES HOUSING ASSOCIATION LIMITED

ASSOCIATION BALANCE SHEET 31 March 2015

	Note	2015 £'000	2014 £'000
FIXED ASSETS			
Freehold housing properties	9	250,770	234,964
Other fixed assets	12	4,734	5,024
Investments	11	4,354	3,100
Total Fixed Assets		259,858	243,088
Debtors amounts falling due after one year	14	14,002	9,306
CURRENT ASSETS			
Housing properties for sale	13	614	615
Debtors amounts falling due within one year	14	2,024	2,241
Stock	15	164	169
Cash at bank and in hand		1,213	2,139
		4,015	5,164
CREDITORS: amounts falling due within one year	16	(5,533)	(5,363)
NET CURRENT ASSETS		(1,518)	(199)
TOTAL ASSETS LESS CURRENT LIABILITIES		272,342	252,195
CREDITORS: amounts falling due after one year	17	(115,120)	(101,760)
NET ASSETS EXCLUDING PENSION LIABILITY		157,222	150,435
Pension liability	32	(4,801)	(3,237)
NET ASSETS INCLUDING PENSION LIABILITY		152,421	147,198
CAPITAL AND RESERVES			
Share capital	22	-	-
Revaluation reserve	23	88,016	88,669
Designated reserve	23	791	665
Restricted reserve	23	3	3
Revenue reserve	23	68,412	61,098
Pension reserve	23	(4,801)	(3,237)
RESERVES		152,421	147,198

The notes numbered 1 to 34 form part of these financial statements. The financial statements for Broadacres Housing Association Ltd (registered number 27656R), on pages 58 to 94, and their related notes were approved by the Board of Management on 27th July 2015 and were signed on its behalf by:

C Wilkie Chairman

J Osborne Board Member

C Fawcett Secretary

BROADACRES HOUSING ASSOCIATION LIMITED

CONSOLIDATED CASH FLOW STATEMENT

31 March 2015

	Note	2015 £'000	2014 £'000
Net cash inflow from operating activities	26	16,781	10,474
Net cash outflow from returns on investment and servicing of finance	24	(4,826)	(2,872)
Net cash outflow from capital expenditure	24	(24,913)	(16,190)
Net cash inflow from financing	24	11,585	7,844
Decrease in cash in the year		<u>(1,372)</u>	<u>(744)</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1. ACCOUNTING POLICIES

The Registered Provider (RP) is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Tenant Services Authority as an RP as defined by the Housing and Regeneration Act 2008.

Basis of accounting

These financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and the Statements of Recommended Practice for Registered Social Landlords. The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing Act 1996 (as amended by the Housing Act 2004), the Accounting Requirements for Registered Social Landlords General Determination 2006, and the Statement of Recommended Practice for Registered Social Landlords 2010 published by the National Housing Federation. The financial statements are prepared on the historical cost basis of accounting with the exception of the revaluation of completed housing properties.

Going Concern

In preparing these financial statements the directors have continued to adopt the going concern basis. Further details regarding the adoption of the going concern basis can be found in the Report of the board of management on page 8.

Basis of consolidation

The group income and expenditure account and balance sheet consolidate the results and financial position of the association and its subsidiary undertakings. Details of the subsidiary undertakings are included in Note 11 to the financial statements. Intra-group turnover, surpluses and balances are eliminated fully on consolidation.

The association also has a subsidiary undertaking Market Gate Residential Management Company Limited, a wholly owned subsidiary incorporated in the UK. The principal activity of Market Gate Residential Management Company Limited is the provision of property services, limited to a scheme containing 21 properties. The net assets as at 31 March 2015 were less than £9,000. In line with FRS2 this subsidiary has not been consolidated as it is not material for the purposes of giving a true and fair view.

Turnover

Turnover comprises:

- Rental income from tenants and leaseholders receivable in the year is recognised as it becomes due and payable.
- Revenue grants are recognised the earlier of when due under a relevant contract or when received.
- Income from other services included at the invoice date (excluding VAT) of goods and services supplied in the year are recognised when they become due and payable.
- Income from the sale of shared ownership or other properties developed for sale is recognised when received.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

Pensions

The association participates in two final salary defined benefit pension schemes, the Social Housing Pension Scheme (SHPS) and the London Pension Fund Authority Superannuation Fund.

The SHPS is a multi-employer scheme in respect of which it is not possible to identify the group's individual share of the underlying assets and liabilities, therefore, in accordance with FRS17, the group accounts for its membership of this scheme on a defined contribution basis. In respect of this scheme the amount charged to the income and expenditure account is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

In respect of the London Pension Fund Authority Superannuation Fund the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised surpluses and deficits.

The defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, by the London Pension Fund Authority. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after net assets excluding pension liabilities on the face of the balance sheet.

Housing properties

Completed housing properties are principally properties available for rent and are stated at Existing Use Value for Social Housing (EUV-SH) following a professional valuation in accordance with FRS15. Historical cost is also disclosed comprising cost less Social Housing Grant (SHG). Cost includes the cost of acquiring any land and buildings and the associated development costs. Housing properties in the course of construction are stated at historical cost and are transferred into completed housing properties held for letting when completed.

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

Where land is donated or acquired at a price below market value, from a non-public body irrespective of the source, as part of a development scheme the carrying value will reflect the current value (taking into account any restrictions on the use of the land). If the price paid does not equate to its value then the land will be included at a price determined by an independent valuer. Any excess in the value above purchase price will be recognised in turnover, if the land was purchased from a non-public body, and as a government grant if received from a public body.

Valuations for housing properties are updated on a cyclical basis covering 5 years with valuations being obtained in years 3 and 5. If the valuation obtained indicates that the value of a property has increased this gain is recorded through the Statement of Total Recognised Gains and Losses and carried in the revaluation reserve. If the valuation indicates that the value of a property has fallen then the loss is also recorded in the Statement of Total Recognised Gains and Losses to the extent that it represents a reversal of previously recognised gains.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

Housing properties (continued)

Where insufficient balances exist within the revaluation reserve to extinguish these losses the remaining loss is recognised within operating expenditure as impairment.

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.

Improvements

Improvements that enhance the economic benefits of the assets such as works which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in the net rental income, or result in a significant extension of the useful economic life of the property in the business are capitalised as improvements. Only direct overhead costs associated with any new developments or improvements are capitalised.

Social Housing and other grants

Social Housing Grant (SHG) is receivable from the Homes and Communities Agency (HCA) and formerly the Housing Corporation and it is utilised to reduce the capital costs of housing properties, including land costs. It is allocated to the land and structure components in relation to their cost. SHG due from the HCA or received in advance is included as a current asset or liability. 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 are matched against those costs as part of turnover.

SHG is subordinated to the repayment of loans by agreement with the HCA. SHG released on the sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the balance sheet. However, SHG may have to be repaid if certain conditions are not met.

Other Grants

Other grants are receivable from local authorities and other organisations. Capital grants are used to reduce the capital costs of housing properties, including land costs. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same financial year as the expenditure to which they relate.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2015****1. ACCOUNTING POLICIES (continued)****Depreciation of housing properties**

Freehold land is not depreciated. Depreciation of properties is charged so as to write down the net book value of housing properties to their estimated residual value on a straight-line basis, over their estimated useful economic lives in the business. The depreciable amount is arrived at on the basis of original cost or valuation, less the proportion of SHG attributable to housing properties, less residual value. The group's housing properties are depreciated over the following useful lives which give rise to annual rates as shown.

Component	Useful lives	Annual depreciation rate
Structure	75 -100 years	1% -1.34%
Land	infinite	0.00%
Roofs	50 years	2.00%
Windows	30 years	3.34%
Bathrooms	20 years	5.00%
Kitchens	15 years	6.66%
Boilers	10 years	10.00%
Heating Systems	30 years	3.34%

Other tangible fixed assets

Depreciation is provided evenly on the cost of other tangible fixed assets. The principal annual rates and bases used are:

Housing properties	see previous table
Freehold offices	2% straight line
Computer and Office equipment	between 20% - 33.3% straight line
Furniture, fixtures and fittings	20% straight line
Vehicles	25% straight line

Bad and doubtful debts

Provision is made against rent arrears of current and former tenants as well as other miscellaneous debts to the extent that they may be irrecoverable.

Taxation

The association has charitable rules and with effect from 9 June 1998, when charitable status was obtained, the association is not liable to Corporation Tax.

The Association's subsidiaries Broadacres Services Limited and Mulberry Homes Yorkshire Limited are liable to taxation within the UK. Current UK corporation tax is provided for at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation or pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

Taxation (continued)

differences between the subsidiary's taxable profits and its results are stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Value added tax (VAT)

The association is registered for VAT but a large proportion of its income, including rents, is exempt from VAT. The majority of expenditure is subject to VAT which cannot be reclaimed, and expenditure is therefore shown inclusive of VAT. Partial exemption has been obtained for some business activities and the VAT recovered is credited to the income and expenditure account in the year in which they occur.

Restricted reserves

The association maintains restricted reserves for specific purposes where their use is subject to external restrictions.

Designated reserves

The association maintains one designated reserve which has been set aside for a use which prevents it, in their judgement of the Board, from being regarded as part of the free reserves of the association. This is a services reserve which is specifically designated to reflect the association's duty to replace certain equipment in supported housing schemes. The annual transfer is based on income collected through service charges.

Support income and costs including supporting people income and costs

Supporting People (SP contract received from the administering authorities is accounted for as SP income in the turnover, note 2). The related support costs are matched against this income in the same note.

Investments

Investments in the Group balance sheet are held at the lower of cost and net realisable value and represent an equity share of properties sold by Broadacres Services Limited at less than 100%, along with the fair value adjustment to account for the 75% holding of Mulberry Homes Yorkshire Ltd acquired in December 2012.

Investments in the Association balance sheet represent the investment of the Association in the subsidiary companies identified in note 11 and are carried at historic cost.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2015****1. ACCOUNTING POLICIES (continued)****Sale of housing property**

This includes sales of second tranche shared ownership properties and the sale of housing properties under Preserved Right to Buy. Any surplus or deficit on disposal of housing properties held as fixed assets, including second tranches of shared ownership properties, are shown on the face of the income and expenditure account.

The surplus on the sale of housing properties is broken down as follows:

	2015 £'000	2014 £'000
Sales of housing property	514	770
Cost of property sales	(272)	(190)
Surplus on sale of housing property	242	580

Interest

Interest on borrowings in respect of completed properties is charged to the income and expenditure account. Interest on the cost of financing housing development is capitalised as part of the cost of the properties for the period until completion.

Development on-costs

Staff costs and all other directly attributable costs of development incurred in the year are capitalised and treated as a deduction from operating costs. All other development costs are charged to operating costs in the period they are incurred.

Impairment

Reviews for impairment of housing properties and the value of our land bank is carried out on an annual basis and any impairment in an income generating unit or land held for redevelopment is recognised by a charge to the income and expenditure. Impairment is recognised where the carrying value of an income generating unit or land exceeds the higher of the net realisable value or value in use to the group. 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.

Leasing and Hire Purchase commitments

The rentals paid under operating leases are charged to the income and expenditure account as incurred.

Stocks

Stocks represent items such as handrails, wood and small items used by our Home Improvement Agency and housing repair materials used by our Property Services when carrying out works, as well as catering supplies. All stock is held at cost.

Loans

We account for all loans as creditors and these are presented between amounts due within one year and after one year as required.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

2. OPERATING COST AND OPERATING SURPLUS

Association

	Turnover £'000	Operating costs £'000	2015 Operating surplus / (deficit) £'000
Income and expenditure from social housing lettings	27,908	(16,421)	11,486
Other social housing activities			
Shared ownership and low cost home ownership shares	657	(447)	210
Supporting people contract	449	(441)	9
Other supporting people services	542	(674)	(133)
Telecare and older persons services	615	(761)	(146)
Home improvement agency	615	(663)	(48)
Able	140	(149)	(9)
Catering	46	(195)	(149)
Cleaning	269	(252)	18
Development Services	143	(647)	(504)
Other	331	(164)	167
	<u>31,716</u>	<u>(20,814)</u>	<u>10,902</u>
	Turnover £'000	Operating costs £'000	2014 Operating surplus / (deficit) £'000
Income and expenditure from social housing lettings	26,306	(15,384)	10,922
Other social housing activities			
Shared ownership and low cost home ownership shares	2,349	(1,870)	479
Supporting people contract	436	(468)	(32)
Other supporting people services	553	(751)	(198)
Telecare and older persons services	743	(1,051)	(308)
Home improvement agency	798	(893)	(95)
Able	138	(152)	(14)
Cleaning	251	(265)	(14)
Development Services	152	(483)	(331)
Other	414	(161)	253
	<u>32,140</u>	<u>(21,478)</u>	<u>10,662</u>

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

The income from lettings in respect of shared ownership properties is included within General Needs in the analysis on page 65. The association has 72 shared ownership properties (2014:69) with an income of £168,000 (2014:£155,000) per annum. This represents 0.60% (2014:0.66%) of rental income.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

Association – Turnover from lettings:	General Needs Housing £'000	Supported & Housing for Older People £'000	2015 Total £'000
Rent receivable net of service charges	25,568	1,231	26,799
Service charges receivable	378	1,275	1,653
Gross rental income	25,946	2,506	28,452
Voids	(465)	(79)	(544)
Turnover from lettings	25,480	2,427	27,908
Management	2,127	188	2,315
Services	404	1,088	1,492
Routine maintenance	4,634	194	4,828
Planned maintenance	1,157	126	1,283
Major repairs expenditure	2,091	184	2,275
Rent loss from bad debts	159	(10)	149
Depreciation of housing properties	3,773	207	3,980
Loss on write off of components	99	-	99
Operating costs of lettings	14,444	1,977	16,421
Operating surplus on lettings	11,036	450	11,486
	General Needs Housing £'000	Supported & Housing for Older People £'000	2014 Total £'000
Rent receivable net of service charges	23,907	1,180	25,087
Service charges receivable	408	1,281	1,689
Gross rental income	24,315	2,461	26,776
Voids	(349)	(121)	(470)
Turnover from lettings	23,966	2,340	26,306
Management	2,393	7	2,400
Services	342	1,075	1,417
Routine maintenance	4,147	231	4,378
Planned maintenance	1,470	110	1,580
Major repairs expenditure	1,563	142	1,705
Rent loss from bad debts	123	29	152
Depreciation of housing properties	3,441	197	3,638
Loss on write off of components	113	-	113
Operating costs of lettings	13,592	1,791	15,383
Operating surplus on lettings	10,374	549	10,923

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

4. OPERATING SURPLUS

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Operating surplus is stated after charging				
Lease arrangements	67	89	67	89
Bad debts expense	149	152	149	152
Depreciation of tangible fixed assets	741	802	741	798
Depreciation of housing properties	3,980	3,638	3,980	3,638
Profit on sale of tangible fixed assets	5	(57)	5	(57)

The analysis of auditors' remuneration is as follows:

Fees payable to the Association's auditors for audit of the Association's annual accounts	19	19	19	19
Fees payable to the Association's auditors for audit of the Association's subsidiary's annual accounts	11	7	-	-
Total Audit Fees	30	26	19	19
– taxation services	-	2	-	2
Total non audit fees	30	28	19	21

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Intercompany loan interest	-	-	644	401
Bank interest receivable	42	36	7	17
	<u>42</u>	<u>36</u>	<u>651</u>	<u>418</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Interest on loans repayable in more than five years by instalments	4,906	4,469	4,899	4,159
Development interest capitalised	(136)	(82)	(136)	(82)
Loan Fees and other costs	-	-	-	-
	<u>4,770</u>	<u>4,387</u>	<u>4,763</u>	<u>4,077</u>

7. EMPLOYEE COSTS

	Group		Association	
	2015	2014	2015	2014
	Number	Number	Number	Number
Number of full time equivalent employees at the year ending 31 March 2015	278	268	271	263
Staff costs:				
Wages and salaries	7,455	7,501	7,322	7,425
Social security costs	591	594	580	588
Other pension costs (note 32)	768	675	766	674
	<u>8,815</u>	<u>8,770</u>	<u>8,668</u>	<u>8,687</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

8. DIRECTORS' EMOLUMENTS

	2015 £'000	2014 £'000
Emoluments of the association's senior staff, including pension contributions	613	616
Pension contributions of the association's senior staff	72	84
Emoluments (excluding pension contributions) of the highest paid director	141	138
Pension contributions of the highest paid director	24	23
Emoluments of all directors (excluding pension contributions) fall into the following bands:	Number	Number
£10,001 - £15,000	1	0
£15,001 - £30,000	1	0
£60,001 - £65,000	1	0
£85,001 - £90,000	1	1
£95,001 - £100,000	0	2
£105,001 - £110,000	1	1
£110,001 - £115,000	1	0
£135,001 - £140,000	0	1
£140,001 - £145,000	1	0

The pension arrangements of the managing director are consistent with those offered to the group's other employees.

During the year the Board of Management received emoluments as follows:

	Number	Number
£0 - £5,000	13	9
£5,001- £10,000	1	1

Emoluments were paid to Board members totalling £44,055 (2014 £40,334).

Expenses paid during the year to members of the Board of Management amounted to £3,864 (2014 - £3,482).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

9. FREEHOLD HOUSING PROPERTIES

Group and Association	Housing properties held for letting £'000	Housing properties under construction £'000	Total £'000
Cost (net of SHG) or valuation			
At 1 April 2014	228,284	6,680	234,964
Additions	-	16,267	16,267
Impairment	-	-	-
Improvements	4,026	-	4,026
Transferred on completion	13,219	(13,219)	-
Disposals	(1,165)	-	(1,165)
At 31 March 2015	244,363	9,728	254,091
Depreciation			
At 1 April 2014	-	-	-
Charged in the year	(3,980)	-	(3,980)
Disposals	659	-	659
At 31 March 2015	241,042	9,728	250,770
Net book value			
At 31 March 2014	228,284	6,680	234,964
At 31 March 2015	241,042	9,728	250,770
Cost or valuation at 31 March 2015 is represented by:			
Cost	235,674	12,877	248,552
Less Depreciation and impairment	(21,680)	-	(21,680)
SHG	(60,969)	(3,149)	(64,118)
	153,026	8,973	162,754
Revaluation reserve	88,016	-	88,016
At 31 March 2015	241,042	8,973	250,770

A full valuation for financial statements purposes of the housing properties was carried out by Jones Lang Lasalle Housing Investment Consultancy who are specialist affordable housing valuation surveyors working throughout the UK. The valuer is 'external' and the valuation of £218,210,000 was as at 31 March 2013 on an EUV-SH basis, with a small number of properties being valued at Market Value (MV) where considered appropriate by the valuer. The valuations have been prepared in accordance with Royal Institution of Chartered Surveyors' Valuation – Professional Standards, March 2012, Global and UK edition (commonly known as the "Red Book"). It should be noted that future growth in both capital and rental values may not occur and values can fall as well as rise.

Housing property additions include £136,425 (2014 - £81,903) interest on development costs, on the basis of 1.51% (2014 1.46%) interest rate. Included within housing properties for letting are 72 (2014- 69) Shared Ownership properties with a net cost of £4.1m. (2014 £3.9m)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

9. TANGIBLE FIXED ASSETS – FREEHOLD HOUSING PROPERTIES (continued)

Depreciation has been charged on major components on the basis of their useful economic lives, the replacement of major components totalling £4,026,000 (2013/2014 £3,620,000) were capitalised in the year.

Expenditure on works to existing properties

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Components capitalised	4,026	3,620	4,026	3,620
Amounts charged to the income and expenditure account:	1,905	1,705	1,905	1,705
	<u>5,931</u>	<u>5,325</u>	<u>5,931</u>	<u>5,325</u>

Social Housing Grant

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Total accumulated social housing grant received or receivable as at 31 March:				
Capital grant	<u>64,118</u>	<u>60,920</u>	<u>64,118</u>	<u>60,920</u>

Finance Costs

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Aggregate amount of finance costs included in the cost of housing properties:	<u>2,057</u>	<u>1,921</u>	<u>2,057</u>	<u>1,921</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

10. ACCOMMODATION IN MANAGEMENT

	2015 Number of properties	2014 Number of properties
General Needs	5,361	5,189
Housing for Older People	218	218
Supported Housing	73	73
Shared Ownership Accommodation	72	69
	<u>5,724</u>	<u>5,549</u>

In February 2008 a management agreement was agreed with Yorkshire Coast Homes (YCH) to manage our east coast properties. This agreement is ongoing and 181 (2014 171) properties are currently managed by YCH.

The association retains the financial risk on these properties and therefore all the income and expenditure arising from these properties is included in the income and expenditure account.

This note has been included for the association only as the subsidiary undertakings are not registered providers.

11. FIXED ASSET INVESTMENTS

Association

Shares in Group Undertakings

As at 31 March 2015, the association has control of the following subsidiary organisations, the results of which are consolidated where required in these financial statements in accordance with Co-operative and Community Benefit Societies Act 2014.

The Associations investment of £4.4m relates to the initial purchase of a 75% share in Mulberry Homes Yorkshire Limited and is represented by £3.1m consideration paid on acquisition and £1.3m deferred consideration payable based on an agreed share of future sales revenues on sites being developed by Mulberry Homes Yorkshire Limited. The present value of the minimum deferred consideration payable of £1,923,750 is included in the cost of the investment, discounted at 5.5%.

The consolidated investment for the group (£5.2m) represents the fair value of the assets acquired through the purchase of Mulberry Homes Yorkshire Limited (£5.0m) along with the equity interest in a number of properties owned by Broadacres Services Ltd (£0.2m).

The financial statements of the Market Gate Residential Management Company Limited are not required to be consolidated as per the requirements of FRS2 as it is deemed to be immaterial (for information the results were profit £nil and net assets £8,839).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

FIXED ASSET INVESTMENTS (continued)

Subsidiary Name	Country of registration	Registered Provider	Shares held by BHA	Basis of Control
Broadacres Services Limited	England	No	£1	100% share ownership
Richmond and Hambleton Furniture Store	England	No	-	100% control of the board of trustees
Mulberry Homes Yorkshire Limited	England	No	£75	75% share ownership
Marketgate Management Company	England	No	£0	86% ownership of properties in the scheme

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

12. OTHER FIXED ASSETS

Group and Association	Freehold offices £'000	Computer & office equipment £'000	Furniture fixtures & fittings £'000	Vehicles £'000	Total £'000
Cost					
At 1 April 2014	4,159	2,241	233	1,321	7,954
Additions	42	279	16	119	456
Disposals	-	(83)	(1)	(11)	(95)
At 31 March 2015	4,201	2,437	248	1,429	8,315
Depreciation					
At 1 April 2014	526	1,682	191	531	2,930
Charged in the year	84	306	16	335	741
Disposals	-	(83)	(1)	(6)	(90)
At 31 March 2015	610	1,905	206	860	3,581
Net book value Group and Association					
At 31 March 2015	3,591	532	42	569	4,734
At 31 March 2014	3,633	559	42	790	5,024

The group figures include a vehicle for the furniture store with a net book value of £5,490 (2014 £9,150), computer software in Broadacres Services Ltd with a net book value of £2,154 and computer software in Mulberry Homes Yorkshire Limited with a net book value of £2,154. The net book value for the group for 2015 is £4,744,199 (2014 £5,032,897).

13. HOUSING PROPERTIES FOR SALE

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Properties intended for resale				
Completed properties	614	615	614	341
Properties under construction	18,649	12,672	-	274
	19,263	13,287	614	615

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

14. DEBTORS

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Arrears of rent and service charges	1,415	1,506	1,415	1,506
Less: Provision for bad and doubtful debts	(549)	(537)	(549)	(537)
	<u>866</u>	<u>969</u>	<u>866</u>	<u>969</u>
Amounts receivable from group undertakings	-	-	1	10
Other debtors	1,130	1,382	293	245
Prepayments and accrued income	1,001	1,017	864	1,017
Deferred Taxation Asset	-	2	-	-
	<u>2,997</u>	<u>3,369</u>	<u>2,024</u>	<u>2,241</u>
Amounts falling due after more than one year				
Amounts receivable from group undertakings	-	-	13,991	9,306
Other debtors	10	-	10	-
	<u>10</u>	<u>-</u>	<u>14,002</u>	<u>9,306</u>

15. STOCKS

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Materials for repairs and adaptations	160	169	160	169
Catering Services Food Stock	4	-	4	-
	<u>164</u>	<u>169</u>	<u>164</u>	<u>169</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Rent, service & support charges received in advance	302	221	302	221
Amounts due to group undertakings	-	-	1,097	694
Other taxation and social security payable	265	290	265	290
Other creditors	954	1,796	156	478
Accruals and deferred income	4,562	2,305	2,338	2,305
Loan repayments in one year or less	5,533	2,649	1,375	1,375
	11,616	7,261	5,533	5,363

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Recycled Capital Grant Fund (RCGF)	201	318	201	318
Bank, Building Society and Housing Corporation	114,214	105,575	113,568	101,442
Non Current Trade Creditors	185	60	-	-
Non Current Other Creditors	474	474	-	-
Deferred Consideration (See Note 31)	1,351	-	1,351	-
	116,425	106,427	115,120	101,760

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

18. RECYCLED CAPITAL GRANT FUND

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
At 1 April	318	217	318	217
Grants recycled	14	143	14	143
Withdrawals	(131)	(42)	(131)	(42)
At 31 March 2015	201	318	201	318

The amount of grant due for repayment after more than one year is £201k (2014 £318k). There were £131k (2014 £42) withdrawals from the recycled capital grant fund which were used to fund new build development.

19. ANALYSIS OF LOAN DEBT

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Due within one year				
Building Society and HCA "Get Britain Building" Loan	5,533	2,649	1,375	1,375
Due after more than one year				
Bank, Building Society and Housing Corporation and HCA "Get Britain Building" Loans	114,214	105,575	113,566	101,442
	119,747	108,224	114,941	102,817
Debt is repayable as follows:				
In one year or more but less than two years	5,533	2,649	1,375	1,375
In two years or more and less than five years	5,648	9,383	5,000	3,750
In five years or more	108,566	96,191	108,566	97,692
At 31 March 2015	119,747	108,224	114,941	102,817

Bank, Building Society and Housing Corporation loans are secured by way of a fixed and floating charge over all the assets of the association. They include fixed term, and variable loans and they bear interest at various rates over LIBOR. Bank and Building Society loans are repayable in periods of up to 40 years.

In November 2011 the association increased its loan facility with RBS to £50m. Of this facility £6.5m remains available to the association to draw with 3 days notice. The facility must be fully drawn by Nov 2021. The loans are due for repayment within 25 years with capital repayment commencing in year 10.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

20. CAPITAL COMMITMENTS

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Capital commitments				
Expenditure contracted for but not provided in the financial statements	33,847	38,524	17,940	30,200
Expenditure authorised by the Board and Management but not contracted	20,252	221	3,766	221
	<u>54,099</u>	<u>38,745</u>	<u>21,706</u>	<u>30,421</u>
	2015			
	£'000			
The capital commitments above are expected to be funded as follows:				
Grants	1,142			
Sales	28,110			
Borrowings	24,847			
	<u>54,099</u>			

21. CONTINGENT LIABILITIES

Broadacres Housing Association has given a parent company guarantee to the Homes and Communities Agency in respect of Get Britain Building funds totalling £4.8m (2014 £5.3m) which has been lent to Mulberry Homes Yorkshire Limited. These funds will be repaid in full by 2016/17.

Broadacres Housing Association participates in a number of pensions schemes and the employer debt were we to withdraw from these schemes is disclosed in Note 32.

22. SHARE CAPITAL

	2015	2014
	£	£
At 1 April 2014	74	115
Shares issued during the year	4	6
Shares surrendered during the year	(6)	(47)
At 31 March 2015	<u>72</u>	<u>74</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

23. RESERVES

Group	Restricted reserves £'000	Service charge reserve (designat ed) £'000	Revaluati on reserve £'000	Pension reserve £'000	Minority Reserve	Revenue reserve £'000
As at 31 March 2014	3	665	88,669	(3,237)	763	60,648
Loss attributable to the minority	-	-	-	-	(178)	12
Surplus for the year	-	-	-	-	-	6,682
Actuarial gain relating to pension scheme	-	-	-	(1,688)	-	-
Transfer from pensions reserve	-	-	-	124	-	(124)
Transfer to/from revenue reserve	-	126	-	-	-	(126)
Depreciation adjustment	-	-	(653)	-	-	653
At 31 March 2015	3	791	88,016	(4,801)	585	67,744

Service charge reserve (designated)

The service charge reserve is specifically designated to reflect the association's duty to replace certain equipment in supported housing schemes over a number of years.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

23. RESERVES (continued)

Movements on the restricted reserves	Legacy from former resident £'000	Total £'000
At 1 April 2014	3	3
Additions /(utilisation)	-	-
	<hr/>	<hr/>
At 31 March 2015	3	3
	<hr/>	<hr/>

The £3,000 legacy total is allocated for the current and future residents of Rockliffe Court and Supported care legacies (£2,000) and a grant for ABLE (£1,000).

Association	Restricted reserves £'000	Service charge reserve (designated) £'000	Revaluation reserve £'000	Pension reserve £'000	Revenue reserve £'000
As at 31 March 2014	3	665	88,669	(3,237)	61,098
Surplus for the year	-	-	-	-	6,913
Actuarial gain relating to pension scheme	-	-	-	(1,688)	-
Transfer from pensions reserve	-	-	-	124	(124)
Transfer to/from revenue reserve	-	126	-	-	(126)
Depreciation adjustment	-	-	(653)	-	653
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	3	791	88,016	4,801	68,412
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

24. GROSS CASH FLOWS

	2015	2014
	£'000	£'000
Returns on investments and servicing of finance		
Interest received	35	960
Interest paid	(4,861)	(3,832)
Refinancing Costs	-	-
	<u>(4,826)</u>	<u>(2,872)</u>
Capital expenditure		
Purchase and construction of housing properties	(23,064)	(20,640)
Housing property improvements	(3,475)	(3,462)
Payments to acquire other tangible fixed assets	(446)	(432)
Payments to acquire investments in housing property	-	21
SHG/Other grants received	1,115	2,253
Sale of housing properties	958	6,070
Payment to Hambleton District Council under Right to Buy Clawback Agreement	-	-
	<u>(24,912)</u>	<u>(16,190)</u>
Financing		
Housing loans repaid	(1,915)	(1,375)
Loan drawdown	13,500	9,219
	<u>11,585</u>	<u>7,844</u>
Taxation		
Corporation tax paid	-	-

25. ANALYSIS OF CHANGES IN NET DEBT

Group	At 1 April 2014 £'000	Movement £'000	At 31 March 2015 £'000
Cash at bank and in hand	3,598	(1,373)	2,225
Debt due within one year	(2,649)	(2,884)	(5,533)
Debt due after one year	(105,575)	(8,639)	(114,214)
Total	<u>(104,626)</u>	<u>(12,896)</u>	<u>(117,522)</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

26. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £'000	2014 £'000
Group		
Operating surplus	11,111	11,005
Depreciation of tangible fixed assets	741	802
Work in progress/stock	5	(98)
Depreciation and impairment of housing properties	3,980	3,638
Profit from sale of tangible fixed assets and housing properties	(210)	(1,143)
Difference between pension charge and cash contributions	(146)	(88)
Decrease/(increase) in debtors	531	(1,829)
(Decrease)/increase in creditors	769	(1,813)
Net cash inflow from operating activities	<u>16,781</u>	<u>10,474</u>

27. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2015 £'000	2014 £'000
Group		
Decrease in cash in year	(1,373)	(744)
Repayment of loan during the year	1,977	1,375
Loan drawdown	(13,500)	(6,035)
Net debt at 1 April 2014	<u>(12,896)</u>	<u>(5,404)</u>
	<u>(104,626)</u>	<u>(99,222)</u>
Net debt at 31 March 2015	<u>(117,522)</u>	<u>(104,626)</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

28. MINORITY INTERESTS

	2015	2014
	£'000	£'000
At 1 April 2014	763	1,011
Loss on ordinary activities after taxation	(178)	(248)
At 31 March 2015	<u>585</u>	<u>763</u>

29. RELATED PARTY TRANSACTIONS

The Board of Management includes up to four members (2014: four), as shown on page 1, who are tenants of the association. The terms of the tenancy arrangements are consistent with those offered to other tenants of the association and they are not able to use their position to their advantage.

The Richmond & Hambleton Furniture Store Ltd (charity number 1120580) amended its Memorandum and Articles on 26 March 2009 and became a subsidiary of the association under the Housing Act with effect from that date. The Furniture store collects donated furniture and resells it to people in need as well as reducing the impact on the environment by reducing the amount of waste to landfill.

The principal transactions between the association and its subsidiaries, Broadacres Services Limited and Mulberry Homes Yorkshire Limited, were as follows:

	2015	2014
	£'000	£'000
Management fees paid to subsidiaries	116	53
Services and overheads charged to subsidiaries	<u>143</u>	<u>152</u>

The balances due to and from subsidiary undertakings at the year-end are disclosed in notes 14 and 16, no provisions were raised against intra group debts nor any balances written off in the period (2014: nil). The transactions with our non-consolidated subsidiary relate to the collection of service charge income £7,574 (2014 £7,942) from tenants and the related service and other expenditure such as utilities, repairs and future replacement costs £7,574. (2014 £6,243)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

30. OPERATING LEASES

At 31 March the association and group had annual commitments under non cancellable operating leases for the following assets expiring as follows:

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Office equipment and vehicles:				
Within one year	44	21	44	21
More than one year but less than five years	23	68	23	68

31. DEFERRED CONSIDERATION

	2015
	£'000
Group and Association	
Provided for in year	(1,254)
Unwinding of discount	(158)
Amounts repaid	61
	<hr/>
Provision Carried Forward	(1,351)
	<hr/>

Under the terms of the purchase agreement for 75% of Mulberry Homes Yorkshire Limited (previously Castlevale Group Ltd) in December 2012 the Association is obligated to make overage payments to the previous owners as part of the overall consideration payable. This represents deferred consideration which is based on an agreed share of future sales revenues on sites being developed by Mulberry Homes Yorkshire Limited. A minimum of £1,923,750 is payable by 31 December 2021. To date, £61k has been repaid in respect of these amounts. The deferred consideration liability is recognised as its present value and is discounted at an annual rate of 5.5%. The unwinding of the discount is charged to the income and expenditure account as a finance cost.

32. PENSION LIABILITY

The group participated in two industry-wide funded defined benefit final salary pension schemes and also a defined contribution scheme during the financial year.

Defined contribution scheme.

The group participates in a defined contribution retirement scheme for all employees. The scheme is operated by the Social Housing Pension Scheme (SHPS) and during the year to 31 March 2015 contributions of £16,350 have been made to this scheme.

Defined benefit schemes

The group participates in two defined benefit contribution retirement benefit schemes for all qualifying employees. The schemes are operated by the London Pension Fund Authority (LPFA) and the Social Housing Pension Scheme (SHPS) and the assets of the scheme are held separately from those of the group under the control of Trustees. Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the group are reduced by the amount of the forfeited contributions. The total cost charged to operating expenses in the year of £751,650 (2014: £675,000) represents contributions payable to this scheme at the

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

rates specified in the rules of the plan. As at 31 March 2015 contributions of £42,266 (2014: £34,092) due in respect of the current reporting year had not been paid over.

The London Pension Fund Authority Superannuation Fund

The latest valuation of the assets and liabilities of the London Pension Fund Authority Superannuation Fund was made by Barnett Waddingham a qualified actuary as at 31 March 2013 using the projected unit method. In order to assess actuarial value of the fund as at this date the valuation was rolled forward, allowing for different financial assumptions required under FRS 17.

The actuaries state that they are satisfied that the approach of rolling forward the previous valuation data to 31 March 2015 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as the latest formal valuation.

The return on the Fund (on a bid value basis) for the year to 31 March 2015 is estimated to be 7%. The actual return on Fund assets over the year may be different. The estimated asset allocation for BroadacresHousing Association Limited as at 31 March 2015 is as follows:

32. PENSION LIABILITY (continued)**Assets**

	2015	2015	2014	2014
	£000's	%	£'000	%
Equities	4,120	43%	4,613	53%
LDI/Cashflow matching	713	8%	522	6%
Target Return Portfolio	2,745	29%	2,611	30%
Alternative Assets	-		-	
Infrastructure	470	5%	348	4%
Commodities	88	1%	87	1%
Property	269	3%	261	3%
Cash	1,090	11%	261	3%
Total	9,495	100%	8,704	100%

Demographic/Statistical Assumptions

The assumed life expectancies from age 65 are summarised below:

Life expectancy in years from age 65	2015	2015	2014	2014
	Males	Females	Males	Females
Retiring today	23.3 years	24.9 years	23.2 years	24.9 years
Retiring in 20 years	25.6 years	27.2 years	25.5 years	27.1 years

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

32. PENSION LIABILITY (continued)

Financial Assumptions

The financial assumptions used for the purposes of the FRS 17 calculations are as follows:

Assumptions as at	31 March 2015		31 March 2014		31 March 2013	
	% p.a.	Real	% p.a.	Real	% p.a.	Real
RPI increase	3.1%	-	3.5%	-	3.3%	-
CPI increase	2.3%	(0.8%)	2.7%	(0.8%)	2.5%	(0.8%)
Salary increases	4.1%	1.0%	4.5%	1.0%	4.2%	0.9%
Pension increases	2.3%	(0.8%)	2.7%	(0.8%)	2.5%	(0.8%)
Discount rate	3.2%	0.1%	4.4%	0.9%	4.3%	1.0%

These assumptions are set with reference to market conditions as at 31 March 2015 and an estimate of the duration of the Employer's liabilities of 17 years. The discount rate is the annualised yield at the 17 year point on the Merrill Lynch AA-rated corporate bond yield curve which has been chosen to meet the requirements of FRS17 and with consideration of the duration of the Employer's liabilities. This approach is consistent with the approach used at the last accounting date.

The RPI increase assumption is set based on the difference between conventional gilt yields and index-linked gilt yields at the accounting date using data published by the Bank of England, specifically the 17 year point on the BoE market implied inflation curve. The RPI assumption is therefore 3.1% p.a. This is consistent with the approach used at the last accounting date.

As future pension increases are expected to be based on CPI rather than RPI, we have made a further assumption about CPI which is that it will be 0.8% p.a. below RPI i.e. 2.3%p.a. We believe that this is a reasonable estimate for the future differences in the indices, based on the different calculation methods.

Salaries are then assumed to increase at 1.8% per annum above CPI in addition to a promotional scale. An allowance has been applied for a short-term overlay for the period from 31 March 2013 to 31 March 2015 for salaries to rise in line with CPI.

Expected Return on Assets

For accounting years beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate. Therefore there is no requirement to disclose an expected return assumption for the year to 31 March 2016.

For the year to 31 March 2015, the expected return was 6.4% per annum, which has been used to determine the profit and loss charge for the year ended 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

32. PENSION LIABILITY (continued)

Statement of financial position as at 31 March 2015

Net pension assets as at	31 March 2015 £'000	31 March 2014 £'000	31 March 2013 £'000
Present value of defined benefit obligation	14,097	11,756	11,699
Fair value of Fund assets (bid value)	(9,495)	(8,704)	(8,009)
Deficit	4,602	3,052	3,690
Present value of unfunded obligation	199	185	187
Unrecognised past service cost	-	-	-
Net defined benefit liability	4,801	3,237	3,877

Statement of profit or loss for the year to 31 March 2015

The amount recognised in the profit and loss statement are:	31 March 2015 £'000	31 March 2014 £'000
Current service cost	238	269
Interest on obligation	528	515
Expected return on Fund assets	(563)	(455)
Past service cost	-	-
Total loss	203	329
Actual return on Fund assets	579	278

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

32. PENSION LIABILITY (continued)

Asset and benefit obligation reconciliation for the year to 31 March 2015

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	31 March 2015 £'000	31 March 2014 £'000
Opening defined benefit obligation	11,941	11,886
Current service cost	238	269
Interest cost	528	515
Actuarial losses / (gains)	1,704	(612)
Estimated benefits paid net of transfers in	(171)	(172)
Contributions by Scheme participants	68	66
Unfunded pension payments	(12)	(11)
Closing defined benefit obligation	14,296	11,941

Reconciliation of opening and closing balances of the fair value of Fund assets	31 March 2015 £'000	31 March 2014 £'000
Opening fair value of Fund assets	8,704	8,009
Expected return on Fund assets	563	455
Actuarial gains	16	4
Contributions by employer including unfunded benefits	327	353
Contributions by Scheme participants	68	66
Estimated benefits paid including unfunded benefits	(183)	(183)
Fair value of Fund assets at end of period	9,495	8,704

Reconciliation of opening and closing surplus	31 March 2015 £'000	31 March 2014 £'000
Surplus / (Deficit) at beginning of year	(3,237)	(3,877)
Current service costs	(238)	(269)
Employer contributions	315	342
Unfunded pension payments	12	11
Past service costs	-	-
Other finance income/(costs)	35	(60)
Actuarial (losses) / gains /	(1,688)	616
Surplus (Deficit) at end of year	(4,801)	(3,237)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

32. PENSION LIABILITY (continued)

Amounts for the current and previous periods	31 March 2015 £'000	31 March 2014 £'000	31 March 2013 £'000	31 March 2012 £'000	31 March 2011 £'000
Defined benefit obligation	(14,296)	(11,941)	(11,886)	(10,571)	(8,785)
Fund assets	9,495	8,704	8,009	6,784	6,494
Surplus (Deficit)	(4,801)	(3,237)	(3,877)	(3,787)	(2,291)
Experience adjustments on Fund liabilities	(2)	745	(17)	3	1,530
Percentage of liabilities	(0.0%)	6.2%	(0.1%)	0.0%	17.4%
Experience adjustments on Fund assets	16	5	575	(379)	17
Percentage of assets	0.2%	0.0%	7.2%	(5.6%)	0.3%
Cumulative actuarial gains (losses)	(4,282)	(2,594)	(3,210)	(3,095)	(1,508)

Statement of total recognised gains and losses (STRGL)	31 March 2015 £'000	31 March 2014 £'000
Actual return less expected return on Fund assets	16	(177)
Experience gains (losses)	(2)	926
Changes in assumptions underlying the present value of the Fund liabilities	(1,702)	(133)
Actuarial gains/(losses) in Fund and recognised in STRGL	(1,688)	617

Projected pension expense for the year to 31 March 2016	31 March 2016 £'000
Service cost	289
Net interest on the defined liability (asset)	149
Administration expenses	14
Total	452
Employer contributions	325

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2015. These projections are based on the assumptions as at 31 March 2015, as described above.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

32. PENSION LIABILITY (continued)

The Social Housing Pension Scheme Disclosure

Broadacres Housing Association participates in the Social Housing Pension Scheme (SHPS – the Scheme). The Scheme is funded and is contracted-out of the state 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 benefits structure, final salary with a 1/60th accrual rate until March 2007. From April 2007 three benefit structures have been available, namely:

Final salary with a 1/60th accrual rate

Final salary with a 1/70th accrual rate

Career average revalued earnings (CARE) with a 1/60th accrual rate.

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

Final salary with a 1/80th accrual rate

Career average revalued earnings (CARE) with a 1/80th accrual rate.

A defined contribution option 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 operate one open defined structure at any one time. An open benefit structure is one which new entrants are able to join.

Broadacres currently operates the final salary 1/60th, CARE 1/80th structures for active members.

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 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 to 31st March 2015, Broadacres Housing Association Limited paid contributions at the rate of 11.65%(2014:11.65%). Member contributions varied between 6.15% (2014:6.15%) and 8.15%(2014:8.15%).

As at the balance sheet date there were 102 (2014:93) active members of the Scheme employed by Broadacres Housing Association. The annual pensionable payroll in respect of these members was £2,644,946. Broadacres 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.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2015****32. PENSION LIABILITY (continued)**

The Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of 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 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 is currently finalising the 2014 valuation but key provisional results have been confirmed. As at 30 September 2014, the market value of the Scheme's assets was £3,123 million. There was a shortfall of assets compared with the value of liabilities of £1,323 million, equivalent to a past service funding level of 70%.

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

Valuation Discount Rates:		% p.a.
Pre-Retirement		7.0
Non Pensioner Post Retirement		4.2
Pensioner Post Retirement		4.2
Pensionable Earnings Growth		2.5 per annum for 3 years, then 4.4
Price Inflation (RPI)		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 Pension Protection Fund (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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

32. PENSION LIABILITY (continued)

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 1/60th accrual rate	19.4
Final salary with a 1/70th accrual rate	16.9
Career average revalued earnings (CARE) with a 1/60th accrual rate	18.1
Final salary with a 1/80th accrual rate	14.8
Career average revalued earnings (CARE) with a 1/80th accrual rate	14.0
Career average revalued earnings (CARE) with a 1/120th 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.

Following consideration of the results of the actuarial valuation it was agreed that the shortfall 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

32. PENSION LIABILITY (continued)

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 Scheme.

New employers that do not transfer any past service liabilities to the Scheme pay contributions at the ongoing 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.

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).

EMPLOYER DEBT

Broadacres Housing Association Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scheme, based on the financial position of the Scheme as at 30 September 2014. At this date the estimated employer debt for Broadacres Housing Association Limited was **£9,133,764**

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 employers that have ever participated in the scheme). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. Orphan liabilities are the deferred and pension liabilities of members previously employed by employers that have ceased to participate in the scheme and who have either not paid their share of the deficit in full or who ceased to participate at a time when the debt was nil.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

32. PENSION LIABILITY (continued)

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 employers' withdrawal from the scheme and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

There has been an increase in the overall deficit within the scheme – the decrease in Gilt yields is a significant factor contributing to this.

The increase in deficit means that the debts for each employer have increased. As the deficit has increased by around 29% from 30 September 2013 to 30 September 2014, this means that the 'average' employer would expect to see an increase in their debt of around 29%.

The actual change for each employer will also depend on how their membership is made up i.e. the proportion of members that are in each of active, deferred and pensioner status and also the age/benefit profile of these members.

The change in the debt of each employer will be more volatile between 30 September 2013 and 30 September 2014 than it would have been over the previous 2 years, because the latest figures are based on an up-to-date member-by-member valuation at 30 September 2014, with the impact of all membership movements over the 3 year period being seen in this 1 year.

For employers with a high number of active members, their debt would have increased by a higher percentage because their share of debt will have increased due to benefits accruing.

Finally, for smaller employers, the debts will be more volatile to changes in membership (e.g. transfers, deaths).

A number of members in the SHPS have pensionable service with more than one employer that participates (or has participated) in the Scheme. In certain circumstances this service is treated as continuous for the purpose of calculating member benefits, i.e. pension entitlements in respect of previous employments are revalued by salary increases with the current employer rather than by Limited Price Indexation (LPI). Where a member's service is treated as continuous the employer debt figures quoted above have been calculated on the assumption that the whole of the employer debt for these members relates to the latest participating employer (as opposed to changes in employment contracts arising from, for example, a merger of two participating employers or a transfer of engagements from one participating employer to another) the calculation of any debt on withdrawal, should it crystallise, would be based on actual service with the withdrawing employer.

The figures shown above are based on the financial position of the Scheme as at 30 September 2014 and are therefore out of date; they only provide an indication of the level of buy-out debt, in practice the actual buy-out debt would need to be recalculated at the time of withdrawal. This calculation would allow for the impact of member movements between participating employers (see note above) and for the factors that have occurred since 30 September 2014 (e.g. membership changes, additional accrual, market conditions changes etc).

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2015****33. TAX ON SURPLUS ON ORDINARY ACTIVITIES**

Broadacres Housing Association is not liable for taxation hence all corresponding association only disclosures are nil. The disclosures below therefore relate to the affairs of the subsidiary Broadacres Services Limited and Mulberry Homes Yorkshire Limited as consolidated into the group financial statements.

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	317	-
Corporation tax at 21% (2014:23%)	(66)	-
	<u> </u>	<u> </u>
Retained profit on ordinary activities after taxation	251	-
	<u> </u>	<u> </u>

The tax assessed for the year is lower (2014: lower) than the standard rate of corporation tax in the UK (21%) (2014:23%) The differences between total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Group 2015 £'000	2014 £'000
UK corporation tax on profit for the year	(66)	-
	<u> </u>	<u> </u>
Tax reconciliation		
Tax at 21% (2014:23%)	-	-
Application of group relief	64	
Tax relief on gift aid payment	-	107
	<u> </u>	<u> </u>
Current tax charge for the year	(2)	107
	<u> </u>	<u> </u>

34. INVESTMENTS

	2015 £'000	2014 £'000
Housing properties – equity share	171	171
Investments – fair value adjustment	4,836	3,845
	<u> </u>	<u> </u>
	5,007	4,016
	<u> </u>	<u> </u>

Equity share of housing properties relates to investments held by Broadacres Services Limited in shared ownership properties.

The investments are in respect of the 75% share held in Mulberry Homes Yorkshire Limited. A fair value adjustment is made on consolidation to recognise the fair value of the assets acquired with Mulberry Homes Yorkshire Limited.