

Broadacres Housing Association Limited
Annual report and financial statements
for the year ended 31 March 2016

Registered number: 27656R

Erratum

Page 77 of the Annual Report contains an error, whereby the subtotal shown for 'net current assets' in the current year (2016) is incorrectly stated due to a spreadsheet formulae error. This error only impacts the 'net current assets' subtotal. The below extracts show the original text and the corrected version:

	2016 (corrected) £'000	2016 (original) £'000
Fixed assets		
Housing properties	285,347	285,347
Investment properties	2,400	2,400
Other property, plant and equipment (review)	4,282	4,282
Investments	3,879	3,879
	<hr/>	<hr/>
	295,908	295,908
Current assets		
Inventories	256	256
Housing properties for sale	16,672	16,672
Debtors	2,793	2,794
Cash	3,918	3,918
	<hr/>	<hr/>
	23,639	23,639
Creditors: Amounts falling due within one year	(9,833)	(9,833)
Provision for the onerous contract	(3,760)	(3,760)
	<hr/>	<hr/>
Net current assets	10,046	13,593
	<hr/>	<hr/>
Total assets less current liabilities	305,956	305,956
Creditors: Amounts falling due after more than one year	(132,299)	(132,299)
Defined benefit pension liability	(6,163)	(6,163)
	<hr/>	<hr/>
Net assets	<u>167,494</u>	<u>167,494</u>

Broadacres Housing Association Limited

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Broadacres Housing Association Limited

BOARD, MANAGEMENT TEAM AND PROFESSIONAL ADVISERS

CHAIRMAN

Mr C Wilkie

OTHER MEMBERS

Mrs C Milbanke

Mr P Burke

Mrs J Osborne

Mr P Ottowell

Mrs E Pollard

Mrs H Wintersgill (Tenant member)

Mr N Cotterill (Tenant member) (Resigned 13 July 2015)

Mr D Dumbleton (Tenant member Appointed 28 September 2015)

Mr M Cann (Appointed 28 September 2015)

Mr L Parkinson (Appointed 28 September 2015)

Mr N Bell (Co-opted board member appointed 28 September 2015)

Mr G Roberts (Co-opted board member)

SENIOR STAFF

S Towers (Chief Executive)

A Grainger (Finance Director)

P Lightfoot (Property Services Director)

A Powell (Customer Services Director)

C Fawcett (Business Support Director)

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

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

SOLICITORS

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

Anthony Collins Solicitors
134 Edmund Street
Birmingham,
B3 2ES

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

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

Bevan Brittan LLP
Toronto Square
Toronto Street
Leeds
LS1 2HJ

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

Hambleton District Council
Civic Centre
Stone Cross
Northallerton
DL6 2UU

FUNDING ADVISORS

Capita Asset Services
65 Gresham Street
London
EC2V 7NQ

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

The Board present their strategic report on the affairs of the Broadacres Housing Association (BHA) and Group, together with the financial statements and auditors' report, for the year ended 31 March 2016.

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.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Group holds only basic financial instruments. The loans held by Association are largely at fixed interest rates.

Credit risk

The Group's principal financial assets are bank balances and cash, rent arrears and other receivables, and investments.

The Group's credit risk is primarily attributable to its rent arrears. The amounts presented in the Statement of Financial Position are net of allowances for bad debts. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and tenants.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the Group uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the statement of accounting policies in the financial statements.

Going Concern

The group's activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to credit, liquidity and cash flow risk are described above / in the Strategic Report.

The group has considerable financial resources and, as a consequence, the Board believe that the group is well placed to manage its business risks successfully despite current uncertainties in the social housing sector.

After making enquiries, the Board have a reasonable expectation that the Association and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

The Board of Management comprises the following people with various skills which they believe enable Broadacres to deliver its objectives.

Board Member	Occupation	Date Joined Board	Past experience / skills	Committees /Working Groups	Remuneration
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.	Broadacres Board of Management (Chairman); Broadacres Services Limited	£10,000
Patrick Burke	Retired Planning Inspector	September 2007	Local Authority Solicitor and Planning Inspector	Broadacres Board of Management; Broadacres Services Limited (Chairman)	£3,500
Hilary Wintersgill	Self-employed taxi driver	November 2008	Tenant of Broadacres Previously a member of the PTA Committee.	Broadacres Board of Management; Broadacres Services Limited	£3,500
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.	Broadacres Board of Management; Audit Committee (Chairman);	£3,500
Gareth Roberts	Chartered Surveyor	January 2014	Public Sector Land and Property Management which included land acquisition and residential property services.	Broadacres Board of Management; Director Mulberry Homes Yorkshire Limited	£3,500
Jane Osbourne	Chartered Accountant	September 2012	Public Sector Accountant and Trustee of Church Charity	Broadacres Board of Management; Audit Committee Value for Money Champion	£3,500

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

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 (Ltd) (Chairman)	£3,500
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	£3,500
Mr M Cann	Retired Chartered Town Planner	September 2015	I previously managed a local authority Planning Department, together with Building Control and Environmental Health and support services. More recently, I now work as a volunteer Advocate with North Yorkshire Advocacy and sit on their board as a trustee.	Broadacres Board of Management; Broadacres Services Limited	£1,779
Mr N Bell	Retired	September 2015	An initial career in local government planning, but the majority spent in private house-building with both national and regional companies, mostly at board level	Broadacres Board of Management; Director Mulberry Homes Yorkshire Limited	£1,779
Mr D Dumbleton	Fleet Manager	September 2015	I am a retired Civil Servant with experience of managing building projects and performance improvement. I now manage a fleet of vehicles for a local authority and am a member of the West Tanfield Parish	Broadacres Board of Management; Diversity Champion	£1,779

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

			Council.		
Mr Lee Parkinson	Managing Director and Chief Executive	September 2015	Corporate leadership and senior management roles for major construction companies' procurement and supply chain management operations. Development and management of large public sector procurement frameworks for Local Authorities and Registered Providers of Social Housing. Currently Chief Executive of Efficiency North, the Yorkshire and Humber region's Homes and Communities Agency sponsored collaborative procurement consortium for social housing providers. Corporate member of the Chartered Institute of Purchasing and Supply.	Broadacres Board of Management; Audit Committee;	£1,779

Members are reimbursed expenses incurred in carrying out their duties in line with HMRC guidance rates.

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

Board Attendance:

BROADACRES HOUSING ASSOCIATION		
CURRENT MEMBERS' ATTENDANCE AT MEETINGS – April 2015 to March 2016		
	Possible	Actual
Mr C Wilkie	7	7
Mrs C Milbanke	7	6
Mr P Burke	7	7
Mrs J Osborne	7	7
Mr P Ottowell	7	6
Mrs E Pollard	7	4
Mr G Roberts	7	7
Mrs H Wintersgill	7	6
Mr L Parkinson	5	4
Mr N Bell	5	5
Mr M Cann	5	5
Mr D Dumbleton	5	3

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.

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

Results

The group results have been impacted by changes in accounting treatment under adoption of financial reporting standards 102. Revised accounting policies are included at note 1 to the accounts. Comparator figures from previous years value been restated and details of the accounting movements are included at note 25 to the accounts.

The group's financial performance for the year shows a surplus of £1,462,000 (2015 restated £5,206,000) before reserve transfers. The reduction in the group surplus has arisen due to the losses incurred by Mulberry Homes Yorkshire Limited (MHYL). An exceptional loss is disclosed in the Statement of Comprehensive income of £3.7m relating to projected future losses on ongoing schemes. Further details on subsidiary results are included on page 24 of these accounts. 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 on-going interest and loan repayments. The timing of required loan repayments are shown on page 24. All surpluses are re-invested in the services and properties of Broadacres.

The housing stock is shown at gross cost net of depreciation at a value of £285,347,000 (2015 restated £272,332,000) the pension fund liability has increased to £6.2 million following recognition of the liability relating to the Social Housing Pension Fund under FRS 102.)

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 13-46.

Changes in Fixed Assets

Details of changes in tangible fixed assets are shown in notes 11 and 12 to the financial statements. Previously, housing fixed assets were included at valuation net of social housing grant. Following adoption of FRS102, the board determined that properties would be held at cost less accumulated depreciation.

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 13-46.

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

Broadacres adopt and fully comply with the National Housing Federation Code of Governance 2015. We constantly review our governance arrangements and take independent assurance to ensure we have an appropriate board comprising of the right composition, skills, duties and responsibilities. Broadacres Audit Committee report directly to the board, managing the internal auditors and external auditors to ensure effective controls are working to manage the risks of the business in accordance with our risk appetite. Clear working arrangements between the board and chief executive ensure the correct discussions and decisions takes place at board level. The board set the strategic direction with appropriate external advice to align the remuneration and recruitment of board members and executive directors with the objectives of Broadacres. This all works together to provide an environment and culture where all board members, directors and employees operate to the highest ethical standards of probity and conduct. As at 31 March 2016 the Board of Management comprised 10 non-executive Board Members including 2 tenant members and two co-opted members. Competence of the Board and its individual members are appraised annually. Any training identified as part of this is then arranged.

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

Compliance with the Homes and Communities Agency (HCA) Regulatory Standards: Governance & Viability Standard

Broadacres fully comply with the HCA regulatory standards, the HCA in May 2016 completed an In Depth Assessment and confirmed we comply with their standards. Broadacres strive to manage resources effectively and ensure their viability is maintained and that social housing assets are not put at undue risk. We achieve this by good governance which ensures arrangements are in place to deliver the aims and outcomes of our customers and potential customer's needs in an effective, transparent and accountable manner.

Remuneration

Our Board members are remunerated and the Chairman receives £10,000 and other members receive £3,500. These amounts are disclosed on pages 4-6. 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 1-3.

This 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. 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 exist 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 the effectiveness of the audit committee 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 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 reviews 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 2016, those risks considered to be 'high risks' to Broadacres (determined by the residual risk score) were:

- Welfare reform changes reduces income levels;
- Lack of effective management of subsidiaries leads to financial and reputational loss.

Broadacres Housing Association Limited

STRATEGIC 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;
- Broadacres has a risk strategy which is regularly reviewed by the Audit Committee;
- Internal auditors appointed by Broadacres' Audit Committee review risks to the organisation when conducting their reviews of our operational practices;
- External audit;
- Monitoring and publication of Broadacres' performance indicators;
- Review of external regulatory reports;
- 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 Code of Governance;
- Adoption of a Probity Policy and Fraud Response Plan.

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

Our internal auditors' 'Overall Conclusion' in their 2015/2016 Annual Report included the following statement:

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

In respect of the areas of activity which we reviewed, and subject to the weaknesses identified and reported in our internal audit reports, Broadacres Housing Association 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 Association'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.

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 13. The financial position of the company and its borrowing facilities are described on pages 13-46.

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.

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.

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

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 23-24.

Rent

From April 2016 the Association, as part of a national government initiative, will reduce social rents by 1% each year over the next 4 years. The Board have taken this reduction into consideration when preparing financial forecasts.

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.

Previously the board maintained a service charge reserve, which reflects the associations' duty to replace certain equipment in our properties. Following changes in accounting treatment, this fund is now allocated as income in advance. This is largely in supported, extra care and housing for older person's accommodation. The annual transfer is based on income collected via service charges for these future replacements which is not incurred from income and expenditure 2016 £80k, (2015 £126k).

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 20 days (2015: 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, (as per note 3 in the notes to the financial statements).

The group does not make political donations of any kind.

Amount £'s	Reference
50	Northallerton school awards
607	Staff charity day
50	NASC Sponsorship
3,500	Stokesley CP School breakfast
110	Thirsk in Bloom, 4 containers
60	Sponsor Junior RUFC
50	RSPB Donation
184	Children in need
77	Yorkshire air ambulance
200	Joe Allan memorial event
920	Charity gold day
5,808	Total

Broadacres Housing Association Limited

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF MANAGEMENT

The Board are 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 Housing Association legislation requires the Board to prepare financial statements for each financial year. Under that legislation the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Housing Association legislation the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Association and of the surplus or deficit of the Group and Association for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 Group and Association will continue in business.

The Board are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2015.. They are also responsible for safeguarding the assets of the Group and Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

Each of the Board members at the date of approval of this report has confirmed that:

- As far as the Board members are aware, there is no relevant audit information of which the Group's auditor is unaware; and
- The Board members have taken all the steps that they ought to have taken as Board members in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is 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 25th July 2016 and signed on its behalf by



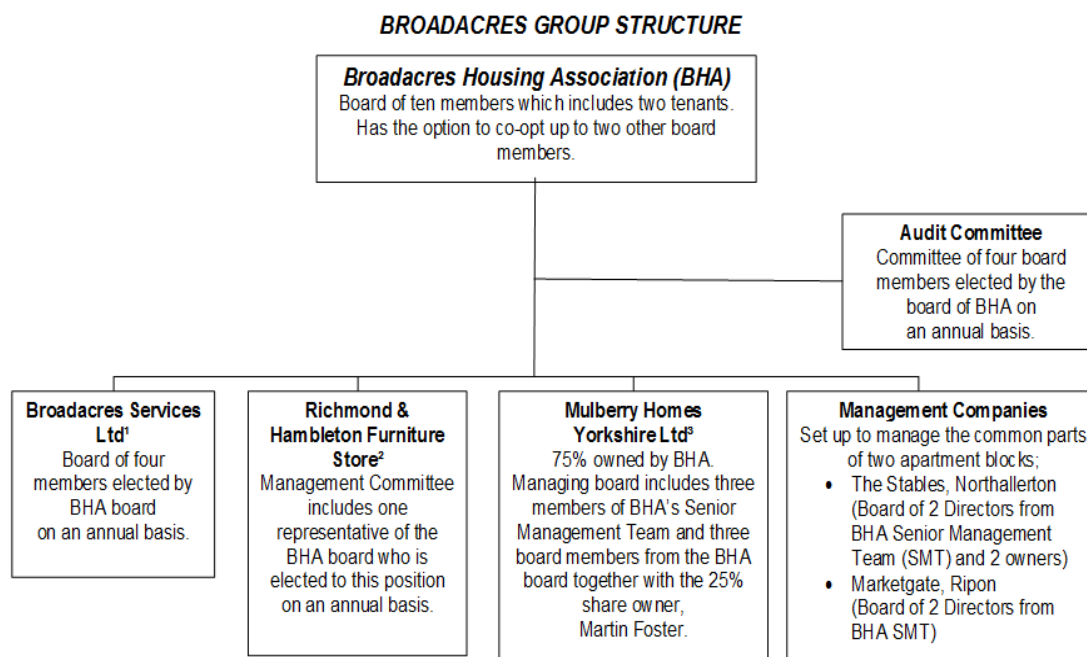
C Wilkie
Chairman

Broadacres Housing Association Limited

Report of the Board – Incorporating the Value for Money Self-Assessment

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 this 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.

The Broadacres Housing Group has the following structure



¹Broadacres Services Ltd – Set up in 2002 to let house building contracts.

²Richmond & Hambleton Furniture Store – Became part of the Broadacres' Group in 2009. Based in Northallerton, the store collects and sells unwanted furniture to persons on a low income and reduces landfill waste.

³Mulberry Homes Yorkshire Ltd – BHA acquired a majority share in this company in 2012. The company builds properties for sale with 75% profit to BHA. Affordable homes built as a condition of planning requirement offered to BHA.

The group results have been consolidated and reported on pages 75-120 for more detail on the subsidiary results and their impact on the group refer to page 24. The information presented below on pages 13-74 refers to Broadacres Housing Association Limited.

Principal Activities

Broadacres Housing Association is one of the largest Registered Providers based in North Yorkshire. There were almost 6,000 units in management at 31 March 2016.

	2016	2015	2014	2013	2012
General Needs & Sheltered Housing	5,488	5,361	5,189	5,120	4,967
Housing for Older People	218	218	218	224	224
Supported Housing	73	73	73	81	79
Shared Ownership	77	72	69	58	57
TOTAL	5,856	5,724	5,549	5,483	5,327

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. We are currently rated G2 V2 by the HCA. In May 2016 the association was subject to an In Depth Assessment and we have received informal notification that the ratings will be unchanged in the judgement to be published in due course.

Broadacres Housing Association Limited

In 2013, Broadacres' Investors in People award was reviewed and the association achieved the gold standard, this is due to be reviewed in September 2016. The association also currently holds the Customer Service Excellence award and the Housing Diversity Accreditation award. In 2016 at our second time of completing the survey we were rated as 41st in the Sunday Times Top 100 not for profit companies to work for.

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

Broadacres Housing Association 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 customer services, support services, 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 2016 which shows association turnover rose to £34m (£32m 2015).

The Association's surplus for the year before taxation is £5.5m (2015 restated £5.4m).

BHA's operating surplus was £10.9m (2015 restated £9.6m), which represents 32% (2015 30.1%) of association turnover.

Total expenditure on responsive repairs, voids and cyclical maintenance was £3.5m (2015: £4.0m). In addition, a further £2.5m of planned repairs and replacement of major components such as kitchens, bathrooms, heating etc were undertaken (2015: £5.9m), demonstrating Broadacres' ongoing commitment to investing in its existing stock.

Association highlights, five year summary

For the year ended 31 March	2016	2015	2014	2013	2012
		restated	previous	previous	previous
			UK GAAP	UK GAAP	UK GAAP
	£'000	£'000	£'000	£'000	£'000
Total Turnover	33,942	31,723	32,140	28,847	29,009
Operating Surplus	10,871	9,563	10,662	8,596	8,776
Surplus for the year transferred to reserves	<u>5,177</u>	<u>5,444</u>	<u>7,966</u>	<u>4,975</u>	<u>5,484</u>
Statement of Financial Position					
Housing properties, net of depreciation	285,347	272,332	234,964	223,876	186,657
Investments	5,815	5,289	3,100	3,100	-
Other fixed assets	<u>4,272</u>	<u>4,734</u>	<u>5,024</u>	<u>5,555</u>	<u>3,960</u>
Fixed Assets	295,434	282,355	243,088	232,531	190,617
Net current (liabilities) / assets	16,244	12,356	(199)	2,858	12,977
Total Assets less current liabilities	<u>311,679</u>	<u>294,711</u>	<u>252,195</u>	<u>240,527</u>	<u>206,839</u>
Debtors due after one year	<u>17,005</u>	<u>16,026</u>	<u>9,306</u>	<u>5,138</u>	<u>3,245</u>
Long term liabilities	(132,137)	(120,634)	101,760	98,034	95,753

Broadacres Housing Association Limited

Pensions liability	(6,163)	(6,057)	3,237	3,877	3,787
Reserves : restricted	(6,160)	(6,054)	(3,234)	(3,873)	(3,783)
: revenue	137,048	131,078	61,098	52,605	47,271
: revaluation	42,501	42,616	88,669	89,322	63,328
	<u>173,389</u>	<u>167,640</u>	<u>146,533</u>	<u>130,054</u>	<u>106,816</u>

Key Historic Performance Indicators Summary

The table below shows actual performance for 2015/16 against previous years.

Performance indicators	2016	2015 restated	2014	2013	2012
Surplus before interest and tax (%)	32.0	30.1	33.2	29.8	30.3
Gross interest cover	2.01	2.35	3.09	2.22	3.71
Unit completions	165	173	144	187	174
Right to Buy properties sold	9	8	13	9	2
Overall service satisfaction*	88.3%	88.3%	88.3%	93.1%	93.1%
Customers Satisfied that their views have been taken into consideration	72%	72%	72%	76%	76%
Properties with current gas certificate	100%	100%	100%	100%	100%

*Survey carried out in 2013/14 – next survey due in 2016/17

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

	Turnover		Operating surplus	
	2016 £m	2015 £m	2016 £m	2015 £m
General Needs (including shared owners)	27.4	24.4	12.0	9.6
Housing for Older People & Supported Housing	2.5	2.4	(0.3)	0.5
Supporting People	0.8	1.0	(0.3)	(0.1)
Shared ownership sales	1.1	0.7	0.2	0.2
Other	2.1	3.2	(0.8)	(0.6)
TOTAL	34.0	31.7	10.8	9.6

Broadacres Housing Association Limited

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 make a surplus to enable us to repay our loans. The timing of payments is shown on page 24.

Operating Performance

Broadacres' detailed financial results for the year are set out on pages 47-74 of this report but some of the key figures are set out below.

Statement of Comprehensive Income

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

Key Elements	2016 £'000's	2015 £'000's	Increase / (Decrease) £'000's
Turnover on social housing lettings	29,891	27,961	1,930
Turnover from property sales	1,063	657	406
Supporting Peoples services income	843	991	(143)
Home Improvement Agency	607	615	(8)
ABLE	139	140	(1)
Broadacres Support Service & Telecare	609	615	(6)
Operating costs (including depreciation)	23,071	22,160	911
Housing depreciation	4,944	5,208	(264)
Impairment of housing properties	662	0	662
Impairment of investment	1,300	0	1,300
Interest payable	6,229	4,975	1,254

Key information about the results is explained as follows:

- Turnover from social housing lettings increased by £1.9m due to rent increases in April 2015 and the number of available units for letting increasing through the completion of development projects.
- We sold 9 properties under the Right to Buy, and 5 low cost home ownerships / shared equity sales.
- As part of our active asset management process we sold 5 void properties in 2015. These disposals generated £676,000 cash with a surplus of £380,000.
- Supporting People services include a number of extra care schemes; older persons support services, mental health and learning disability schemes.
- Home Improvement Agency – this continues 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 increased as a result of loan drawdown timings required to fund our on-going development programme. These were made from our loan facility held with the Royal Bank of Scotland and from our new loan facility with Hambleton District Council. Variable interest rates have continued at their historic low rates and this together with effective treasury management has minimised our interest costs.

Broadacres Housing Association Limited

Statement of Financial Position

At 31 March 2016, Broadacres' Statement of Financial Position showed total assets less current liabilities of £312m (2015 294m). This is an increase from last year and the main points are:

- The statement of financial position includes our housing properties split into 7 main components, comprising of:
 - ◆ Land
 - ◆ Structure (excluding the roof)
 - ◆ Roof
 - ◆ Kitchen
 - ◆ Bathroom
 - ◆ Boilers
 - ◆ Heating Systems (excluding boilers)

Broadacres has adopted the accounting principle of valuing properties at cost going forward (see note 1).

- Expenditure on developments to deliver new social homes was £ 15m.
- At 31 March 2016 our current assets include £510k of properties available for sale compared to £614k last year.
- Broadacres holds £2.3m of "land bank", classified as an investment property.

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.

Key 2015/16 Operational Performance Indicators Summary

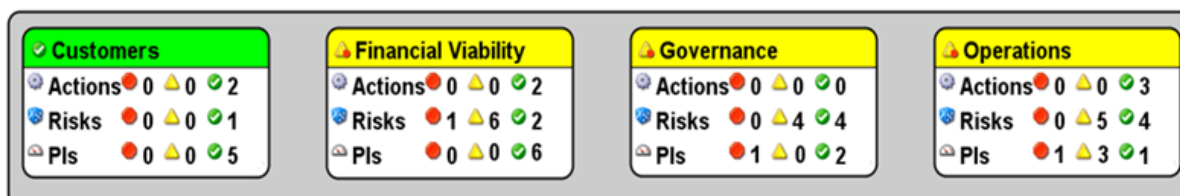
During 2015/16 we reviewed our Performance Management System and we now use a dynamic reporting tool called Covalent. This allows board members to access performance data via our board member portal at any time. In addition a summary report is presented to the board at each meeting showing progress against our Service Improvement Plan, PI data and status of key business risks.

Broadacres Housing Association Limited

Key Performance Indicators and Service Improvement Actions	Risks	Trend Status	Performance
Green – on or above target.	Low	↓	Getting worse
Amber – within 5% of target.	Medium	→	Stayed the same
Red – misses target by more than 5%.	High	↑	Improving

Broadacres Performance Scorecard

Broadacres aims to provide the highest standards of service and accommodation. Our mission, to provide an individual service which makes a real difference to peoples lives' underpins the things we choose to measure and the targets we have set. The information charts below give an overview of Broadacres current position in relation to our targets against the Key Performance Indicators (PIs), Risks and Service Improvement Action Plans (Actions) for the year 2015/16. They are aligned to the four key areas of Broadacres.



March 2016

All Customer performance indicators finished 2015/16 above their respective targets; this is an excellent achievement for Broadacres and our customers. Despite recent improvements we did not meet the target for re-letting vacant properties this year.

Financial performance is positive and finished above target, 163 new affordable properties were also delivered in 2015/16. Risks associated with our governance arrangements continue to be managed e.g. meeting our regulatory standards, probity and health and safety, whilst those relating to financial viability because of recent government announcements are likely to increase in 2016/17. Service improvements plans (actions) for 2015/16 have been completed.

Customers







Performance Indicators	Description	Current Value	Current Target	Trend	Reason for any poor performance
✓	Average repairs satisfaction (scored out of 10).	9.45	9	↓	
✓	Telecare customers satisfied (scored out of 10).	9.67	8.5	↑	
✓	Average new tenant satisfaction (Scored out of 10).	9.4	9	↓	
✓	% resolved stage 1 complaints responded to in full within target time.	95.45%	96%	↓	Only 2 out of 44 complaints received during 2015/2016 were not responded to within our target time.
✓	Contact Centre satisfaction.	91.89%	85%	↑	

Financial Viability











Performance Indicators	Description	Current Value	Current Target	Trend	Reason for any poor performance
✓	Value for money (VFM) savings (£).	156277	135000	↓	
✓	Current gross rent arrears excluding expected housing benefit	2.28%	3.08%	↑	
✓	Number of new affordable properties provided this year.	163	120	↑	
✓	% variance of actual surplus vs forecasted surplus.	8.1%	10%	↓	
✓	Interest cover covenant.	2.32	1.2	↑	
✓	Debt per unit.	£22,213	£30000	↓	

Broadacres Housing Association Limited

Governance

Performance Indicators	Description	Current Value	Current Target	Trend	Reason for any poor performance
	% of Audit recommendations completed.	70%	100%		Audit Committee to agree an extension to the target date for those improvements not yet complete and are aligned to future planned changes.
	% of properties with valid gas safety certificate.	100%	100%		
	Lost time accidents over 3 days per 100 employees.	0.63	1.75		

Operations

Performance Indicators	Description	Current Value	Current Target	Trend	Reason for any poor performance
	Average re-let times (calendar days).	31.3	25		Recent performance has improved and March alone had 21.1 days average re-let times.
	% Labour turnover.	15.67%	15%		
	% of appointments kept.	92.61%	95%		
	% in days sickness.	3.44%	3.4%		
	ICT service user satisfaction.	93.21	85		

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.

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 and risks are now monitored via our performance management system Covalent. An example of the register showing the high risks and related risk appetite is shown below: Covalent also records all the controls in place to mitigate our risks and it is available on the Board member portal. Risks are categorised into 'High, Medium or Low'. All risks are reviewed monthly at the management team and at all meetings of the Audit Committee. The Risk map is also reviewed twice a year by the Board.

Customers

No High Risks identified

Financial Viability

Level of Risk	Description – more details on each risk available via online system.	Risk Appetite
HIGH RISK	Lack of effective management of subsidiaries (including Mulberry Homes and Broadacres Services Limited) leads to financial and/or reputational loss.	Cautious
HIGH RISK	Welfare Reform changes reduce income levels.	Minimal

Governance

Level of Risk	Description – more details on each risk available via online system.	Risk Appetite
HIGH RISK	Non-compliance with regulatory requirements leads to an adverse regulatory judgement.	Averse
HIGH RISK	Lack of effective governance/board member skills and experience.	Averse

Operations

Level of Risk	Description – more details on each risk available via online system.	Risk Appetite
HIGH RISK	Poor understanding and ineffective response to the changing external political and regulatory environment in which we operate.	Averse
HIGH RISK	Supporting People (SP) do not renew our contracts and cuts in local authority care provision impacts on our customers.	Cautious

Risk Appetite Descriptions

Averse – Avoidance of risk and uncertainty is a key organisation objective.

Minimal – Preference for ultra-safe options that are low risk and only have a potential for limited reward.

Cautious – Preference for safe options that have a low degree of risk and may only have limited potential for reward.

Open – Willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money.

Hungry – Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

Broadacres Housing Association Limited

Board Report

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 1,105 additional homes over the last 5 years. The Business Plan will deliver over 1,000 additional affordable homes over the next 7 years.
- Made operational efficiency savings as recorded by staff of £156,277 in 2015/16.
- We have invested in an opti time system which allows us to use our resources effectively and our customers 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 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.
- 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. This has saved over £18,000 over the last 3 years.
- 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 2015/16 Hambleton Food Share provided 1,207 food parcels.

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 currently affected by the reform. As at the 31st March 2016 we have 27 customers in receipt of universal credit. Nevertheless, in all cases, we need to remain conscious of the affordability of properties for the people who live in them, ensuring that we are in a position to offer properties that meet a range of housing needs.
- We now have three money advisors and two tenancy support officers, who work with our customers to assist them in the challenges they face in maintaining their tenancies successfully.

Broadacres Housing Association Limited

Board Report

Development and Sales

During the year 165 units were constructed or acquired and Broadacres has a target to build or acquire a further 264 units in 2016/17 and a long term business plan of around 1000 units. We continue to have disposals through Right to Buy (9 properties were sold during the year)

The introduction of the Voluntary Right to Buy scheme (VRTB) has generated significant interest from customers and we have received over 100 calls with nearly 50 customers requesting more information when it becomes available. Over the next 5 years we have estimated we will sell 65 properties under VRTB. The board will be developing our approach to the VRTB in the next few months but we expect that a number of our properties will be lost as a result of this. We continue to have excellent relationships with local house builders and have been successful in receiving properties under S106 requirements and we expect that this will continue where planning arrangements require such provision.

We sold 10 properties via various low cost home ownership schemes and provided 53 properties for intermediate rent.

As a result of our development programme we have provided 163 new properties as follows:

Linton on Ouse	20	Ivy Cottages Knaresborough	11
Langthorpe	1	Sowerby Gateway	8
Boston Spa	11	Oxenby Place Easingwold	4
Swale Bridge Richmond	24	Holme Lane Selby	8
Maythorne Farm Leyburn	6	Heworth Edge Burnholme	3
Carlton Miniott	8	Leeming Gate	13
Castlegate Northallerton	26	The Nurseries Aiskew	14
New Lane Huntington	2	Woodside Chase	4

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. We currently exceed the requirements of the Decent Homes Standard in a number of key areas via our current local offers which include replacement timescales but due to the rent cuts over the next four years we have had no option other than to extend out the timescales for future replacements towards to decent homes standard timescales. We have therefore reduced our planned maintenance teams for kitchens and bathrooms for 2016/17. We have achieved this reduction without redundancies through natural wastage and also through bringing other services such as painting in –house.

At 31 March 2016, 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 2015/16 we spent £215,000 (2015 - £218,000) on these adaptations.

Broadacres Housing Association Limited

Board Report

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 at least 70%.

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

Loan Portfolio March 2016

	Nationwide	RBS Syndicate	Barclays	HDC/ HC	Total Borrowing
	£000's	£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
Hambleton District Council				10,000	10,000
Housing Corporation Loan				66	66
Total Fixed Loans (75%)	-	30,000	55,000	10,066	95,066
Revolvers average annual interest rate					
Facility B Revolvers	15,000	11,000			26,000
Facility C Revolvers		5,000			5,000
Total Variable Loans (25%)	15,000	16,000	-	-	31,000
Total loans utilised (100%)	15,000	46,000	55,000	10,066	126,066
Total Facilities	15,000	50,000	55,000	35,066	155,066

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 Hambleton District Council loan repayments commence in 2020 and are repayable between 5 and 25 years. Our Treasury Policy also dictates that we should have access to at least 24 months of funds to meet our operating requirements and this is monitored on a quarterly basis. In addition, following the comprehensive stress testing of our business plan we will maintain a buffer of at least 3m in undrawn but available funds at all times.

Broadacres Housing Association Limited Board Report

The repayment profile of our current facilities is as follows:

Current Facilities	£'000s
Maturing in:	
0 - 3 years	3,750
4 - 6 years	5,750
7 - 9 year	8,650
10 - 12 years	13,300
13 - 15 years	12,000
16 - 18 years	13,200
19 - 20 years	14,500
Over 20 years	61,850
Over 30 years	22,066
	155,066

The repayment profile of our current loan balance is:

Current Loan Portfolio	£'000s
Repayments within 1 yr or less	1,250
Repayments beyond 1 yr but less than 2 yrs	1,250
Repayments within 2 yrs but less than 5 yrs	4,750
Repayments over 5 years	118,816
	126,066

Our fixed rates vary from 2.21% to 9.5% (excluding margin).

Cashflows

Cash inflows and outflows for the year ended 31 March 2016 are set out in the cashflow statement on page 82. The net cash inflow/outflow from operating activities was £15.7m (2015: £15.1m). At the year-end the group had £29m of undrawn facilities. These will be required over the next 3 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.

Subsidiaries Performance

Broadacres Services Limited (BSL) had a positive year and made a surplus before tax of £580,000 (2014/15 - £317,000) – BSL's next development site is currently under construction with the first sales expected in spring / summer 2017.

Mulberry Homes Yorkshire Limited (MHYL) has experienced extremely challenging trading conditions following the collapse in late April 2015 of their main contractor Southdale Homes. It was problematic replacing the contractors on-site and as a result extensive delays were encountered. This was exacerbated by the upturn in the construction industry and the scarcity of bricks and sub-contractors and consequently the new contract prices were significantly in excess of the original amounts. As a result of this and the related sales delays Mulberry Homes Yorkshire will make a loss this year of £5.5m reflecting the likely losses on the schemes at Thirsk and Leeming Bar. The Board of Mulberry are determined to improve the position in future years and Mulberry's new five year business plan demonstrates Mulberry's ability to continue to meet its obligations to both BHA and other funders. It is the intention of the board to continue to develop the brand positively by delivering successful future schemes.

Mulberry has responded to this difficult situation by selling some of its land options during the year with other sales expected in the future. As a result of this reduction in future land options BHA has prudently impaired its

Broadacres Housing Association Limited Board Report

investment in Mulberry accordingly and as a result an impairment of £1.3m has been included in the financial statements of BHA with the consolidated accounts showing an impairment of £1.73m.

The Richmond & Hambleton Furniture Store (RHFS) had a positive trading year and made a surplus of £5,159 (2014/15 £3,702). This small charity currently has reserves of nearly 11 months operating costs although a replacement vehicle will be purchased in 2016/17 which will reduce this. The store successfully diverted 59,679kg from landfill and provided a much needed low cost furniture service to those in need.

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).

Broadacres Housing Association Limited Board Report

Value for Money –Self Assessment

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Broadacres Housing Association Limited

Board Report

Introduction

Welcome to Broadacres annual Value for Money (VfM) Self-Assessment. This is a key document within which we assess our performance against the Regulators VfM Standard. The document is intended to be a transparent self-assessment which will allow the interested external observer to reach an informed conclusion about where Broadacres is doing well in providing value, and in identifying areas in which we could improve. It allows our stakeholders including our regulator, tenants and leaseholders to hold us to account.

The self-assessment includes the benchmarking of comparative costs, both within Broadacres and with comparative providers. It gives details of progress against VfM targets set for 2015/16 and identifies targets for future years. It also reports on how Broadacres assets are performing across the range of our operations.

2015/16 has been a challenging year for the sector. Housing providers have been under intensive scrutiny with regard to the value they deliver. Business and financial plans have been challenged by the programme of rent reduction which coupled with welfare reform has made for a more difficult operating environment. We believe that at Broadacres we have addressed these challenges in a way which minimises the impact on our customers, aims to maximise the value of our assets and maintains our commitment to provide new homes.

Both our Board and employees will continue to deliver our commitment to ensure that driving out VfM will be a priority in shaping the future of the organisation.

The self- assessment 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-
- 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 our 2012-2017 corporate plan. Progress against the objectives, is reviewed regularly by the Board of Management.

The strategy was formulated by the Board and the delivery of the targets involves the entire organisation's staff. The plan is flexible and was adjusted in light of the recent changes to our operating environment necessitated by the recent changes to the rent regime. Nevertheless the current corporate plan sets out our corporate objectives and our priorities and these remain despite the difficulties we face. 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.

Broadacres Housing Association Limited

Board Report

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 & Embed a VfM Culture

Our Value for Money Strategy clearly sets out the roles and responsibilities of stakeholders in our VfM work. The board 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.

Understand our Costs and how we compare

Where appropriate, areas identified as possible efficiencies are assessed against previous period’s costs and performance. We prepare comprehensive service summaries each year and present them in our VfM self – assessment. We compare ourselves with relevant peer groups and benchmark the quality and the cost of services. A reduction in costs, increase in revenues/surpluses or improvement in quality will represent a gain.

All gains are identified either at the time of setting the annual budget or additionally recorded throughout the year on Broadacres’ efficiency register which is reported to the Board as part of the Annual Report of the Value for Money Group.

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 in 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 2016/17, our new procurement framework for capital works and consultants should lead to further efficiencies in procuring contracts.

Broadacres Housing Association Limited

Board Report

Involve our board, customers and staff

Our Board have set out the priorities in the VfM strategy and also appointed a Board member champion to lead on VfM from their perspective.

Our customers were consulted in establishing our objectives in the current corporate plan and 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

We have provided training on Value for Money for staff, the board and tenants.

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 and the rent reductions
- 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 regular performance reports, VfM assessments in relevant board reports and an annual report from the VfM Group.

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 budgets and efficiency target is also reviewed at each meeting of the Board.

Value for Money Self-Assessment Summary

The Board of Broadacres believes that our self- assessment set out on the forthcoming 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 or existing services and fund our development programme.

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Annual Report of the Value for Money Group

The Value for Money (VfM) working group has been in its current format, as a standing cross departmental group, since 2009. It is also augmented by a Board Member VfM Champion who attends the meetings of the group and feeds back to board colleagues. 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 (SMT).

This is the sixth 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 VfM Strategy has been reviewed by the group and was presented to and approved by the board in May 2016.

Specifically, the Strategy reflects the impact of the rent reduction introduced by the government. It was recognised that Broadacres needs to review and revise its business plan to take account of this reduced income, and to consider the savings that would be required to mitigate the impact of the rent loss.

Budget managers worked with the finance team and the VfM group to consider what level of savings would be required and these were incorporated into the revised business plan for 2016/17.

The outcomes required by the strategy over the next 3 years are –

1	Ensure VfM is embedded in the organisation and staff complete the VfM register and measure outcomes.
2	Improve our measurement of Social Value
3	Refine the comparative group of peers that we use to benchmark with to ensure they match more closely our operating environment and join other relevant benchmarking services.
4	Undertake Service Reviews across the business to deliver year on year savings included in the Business plan of 2.5% of management costs and monitor the savings being made by previous reviews.
5	Using benchmarking data to review areas requiring improvement – the Service Improvement Plan for 2016/17 includes two such areas, namely; <ul style="list-style-type: none"> • to improve void performance • increase customer satisfaction with new homes.
6	With the change in emphasis in national housing policy away from the development of rented homes towards promoting affordable owner occupation, BHA will need to develop the VfM scorecard to encapsulate the perception of value that the sale products offer
7	Review our Development Strategy and ensure our future development of properties meets the needs of our future customers.
8	Review our Asset Management Strategy with detailed focus on the Return on Assets that our properties offer to ensure we evaluate the effectiveness of our housing stock and rationalise it

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	where necessary.
9	Ensure we evaluate all major procurement and investment decisions and evaluate procurement networks regularly to ensure we are achieving the highest savings possible
10	Introduce an electronic procurement / ordering system
11	Review the service we provide to tenants for repairs and provide more information to them about their role in delivering value for money.
12	Consult with and inform customers when we are considering changes to their services.
13	Invest in on-line services for customers and continue to promote access points for our customers to be able to access / use on-line services via "Get on line at home". This will enable customers to take advantage of internet deals.
14	Continue to investigate the possibility of bulk purchase of utilities. Creating an Energy Services Company with a consortium of similar organisations to see if we can secure more affordable tariffs for our customers. In addition when properties become void consider switching the property to a more affordable tariff with a smart meter.
15	Review the provision of our Care Services to ensure we are cost effective and meeting the needs of our customers in this changing environment.
16	Investigate the possibility of setting up a fundraising group "Broadacres Community Friends" which could access grant funding for our care & support services.

To embed a VfM culture throughout Broadacres:

- VfM articles have been placed in the Big Listen (employee newsletter) encouraging staff to record their efficiencies on the register.
- Broadnet our intranet site is updated with meeting minutes, presentation slides and seminars that group members attend for other staff to review.
- The VfM self-assessment is 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 on-going Key Performance Indicator (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.

Items have been logged giving an annual operational efficiency saving of £156,277 in 2015/16 (£193,894 in 2014/15) which is in excess of the £135,000 target. Examples of some of the savings identified are shown in the following table. It should be noted that this is the operational register designed to capture initiatives by staff. It does not necessarily include other savings in the normal course of business or indeed savings from the business plan review that have already been included in the base budget setting for 2016/17.

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Financial					
Year	Service Area	Details	Details2	Saved p/a	Frequency
2015-16	Business Support	HR processing all internal DBS applications	We have processed 112 internal DBS applications this year.	£ 2,680	Ongoing
2015-16	Business Support	Abrasive Wheel Course and Manual Handling Course	The H&S Officer has now been trained to deliver these courses.	£ 5,000	Ongoing
2015-16	Property Services	Renegotiated a fee account	Renegotiated a fee with a consultant which resulted in a reduction of payment due.	£ 500	Ongoing
2015-16	Business Support	Sold old mobile devices	Sold legacy operative devices, Motorola mc6500 devices	£ 7,620	Ongoing
2015-16	Finance	BACS software review	Review of BACS software following changes to TLS security.	£ 1,728	Ongoing
2015-16	Customer Services	HIA hiring stair lift	HIA hired stair lift instead of purchasing following Occupational Therapy advice - the client has a life limiting condition.	£ 950	One Off
2015-16	Asset Management	Income from lead on Town Close Roof	Suggestion to remove remaining lead on Town Close Roof and weigh in after previous theft.	£ 5,557	One Off
2015-16	Finance	NHC - Consortium Procurement	Assisted Living Product / Tunstall & Cirrus Maintenance - group procurement saving	£ 46,236	Ongoing
2015-16	Customer Services	Removal of uniform for 3 teams in housing	The removal of the reissue of uniforms for the rents team, estates and CBL team.	£ 3,195	Ongoing

To initiate and advise on VfM reviews in key business areas:

The group monitor the outcomes expected from the VfM work undertaken throughout the Association. The details for 2015/16 are shown below.

Value for Money Outcomes expected in 2015/16	Result
Monitor the impact of the environmental policy	<p>Solar PV panels on our offices saved £7,184</p> <p>Installed LED lights in new kitchens – Cost £1,120 – annual savings for customers - £4,000</p> <p>Increased the average SAP rating of our properties to 70.21 from 70.02</p> <p>156 Air Source heat pumps installed – income of £73,414 received. This will be recurring income for 7 years</p> <p>Installed PV panels on 129 properties – Feed in Tariff income of £17,500 – will be received over 20 years.</p>
Monitor the Value for Money savings identified by staff via the VfM register	Discussed at each meeting of the VfM group savings made £156,277
Hold 'manager on the spot' sessions to challenge managers on VfM	3 managers presented to the group how they were embedding VfM into their teams and the efficiencies they had made were included in the register.

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<p>Monitor on-going savings from previous reviews</p> <ul style="list-style-type: none"> • Catering – expecting £39,000 savings and higher customer satisfaction. • Cleaning - expecting to maintain previous annual savings of £23,000 • In-house repairs service – expected to realise on-going savings of £1.8m per annum 	<ul style="list-style-type: none"> • Savings of £23,000 achieved, this is lower due to a high level of staff absence in the year however, we have had positive feedback from customers. Total savings to date £47,000 • Total savings now £163,000 since service brought in house • Savings were £2m. These are on-going assuming similar volumes of repairs and improvements are completed
<p>Review of Domiciliary Care Service at Rockliffe Court.</p>	<p>The contribution to overheads for this service has increased by £20,000 but more importantly we refined the rotas and released more time to improve the quality of care for residents. In June 2016 we received a “good” rating from the Care Quality Commission.</p>
<p>Evaluate a sample of our services using the Housing Association Charitable Trust Model of Social Value</p>	<p>Social value amounts for our community involvement activities, Money Advice Service, staff volunteering and procurement activities have been included in the 2015/16 VFMSA.</p>
<p>Establish a capital works and consultants procurement framework</p>	<p>Now in place</p>
<p>Roll out an on-line appraisal system</p>	<p>90% of our staff were appraised using the on-line tool which allows for improved recording of outcomes – including the VfM suggestions made by staff at their appraisals.</p>
<p>Evaluate the impact of implementation of the on-line recruitment site introduced in April 2015</p>	<p>We estimated an average net saving of £2,000 per advert – This was achieved and as a result we saved £58,000</p>
<p>Investigate options to assist our customers in fuel poverty</p>	<p>As well as offering to assist customers to switch suppliers via the NHF scheme we are currently part of a consortium investigating the possibility of setting up an energy supply company (ESCO). This project has been delayed as a result of the rent reductions but we intend to continue to progress during 2016/17.</p>
<p>Development target to deliver 245 homes.</p>	<p>We delivered 165 new homes. The reduction in numbers was due to fewer starts on sites and completions by developers including Mulberry for S106 units and a delay in completion of our Extra Care Scheme at Leyburn. (Originally this 53 Unit scheme was expected to complete in March 2016. This</p>

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	will be delayed to August 2016).
Monitor the sale of void properties following active asset management – we estimated a sale of 4 such properties.	We sold 5 void properties raising £680,000 additional cash for reinvestment in our development programme.

The group also review the VfM register that is used by staff to record the outcomes from their VfM effort. Details of the savings made by staff and what we have used them for are set out below.

VfM Savings Identified by staff over the last 3 years

Year	Savings identified	Used for	Outcomes delivered / expected
2015/16	£156,277	Apprenticeship scheme for 4 more apprentices – for the first time we recruited 2 trade apprentices for property services, plus one within catering and one in support services. We also successfully targeted our customers for these roles	This programme will enable us to start to “grow” our own pool of talent and minimise recruitment costs in the future. It adds greatly to our Social Value aspirations by providing employment opportunities, which have focussed on our residents where possible.
2014/15	£ 193,894	Funding the provision of a 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.
2013/14	£ 171,000	To fund our development programme.	Meets our customers concerns for lack of affordable housing.
		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.

The VfM group also monitor the targets set each year as part of their annual plan. The plan for 2016/17 is set out below together with the VfM objective from the strategy being met.

VfM activities during 2016/17	Outcome expected	VfM Strategy Objective
Monitor the unit cost of major	Unit costs will continue to be in line with current	4,5

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works components to ensure that VfM savings are continuing despite the lower programme numbers to be made by Broadacres Property Services (BPS). Monitor voids costs and turnaround time. Review our Asset Management Strategy.	specification and satisfaction remains at current levels.	
Bringing the painting service in – house – impact assessment	The business case expected that costs would be at similar levels but satisfaction and quality would improve.	4, 11
No pay award –monitor staff satisfaction – compare to 2015/16 from staff appraisals – also Investors in People (IIP) assessment.	Changes to staff terms and conditions are expected to save around £100,000. We will monitor staff satisfaction via appraisal feedback and Investors in People survey	1, 4
Legal services and savings from in- house provision.	The provision of in-house legal services by employing a legal executive will save £90,000	4
Review of the implementation of job evaluation scheme.	This is expected to save on HR resources - evaluating roles and appeals and save £20,000	1, 15
Deliver a pensions review and limit to future costs by moving to a Career average Earnings (CARE) scheme from a 1/60 th Final Salary (FS) scheme.	The implementation of this is expected to reduce future costs – the difference in the level of increases in the scheme costs was 2.1% for FS scheme compared to 0.5% for CARE scheme. This will be reviewed at next renewal.	4
Review of mental health – we aim to provide additional services to more customers for the same cost as part of the tender	Monitor the service and satisfaction of the new service. To achieve a saving of approximately £15k over three years.	4, 15
Review of Young Person's Pathway – we aim to generate additional income by reviewing the service charges and reviewing staffing in line with the revised specification	Expected cost savings of £25,000	4,15
Evaluate key BHA services to assess the social impact – eg provision of extra care units for	Improved Social value reporting of the 2016/17 VFMSA	2

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Health Service and GP's in Leyburn		
Review of Older Persons Support Service	A review of the structure of the service is expected to save £20,000	4
Review of Business Support	Improvements in delivery methods and response times are expected with an ongoing cost saving of £35,000 from 2017/18	1, 4
Review of Finance Services	This will be reviewed across the group with a view to bringing consultancy services in-house. Estimated saving £10,000	3
Evaluate the procurement of HR / Payroll systems.	Ensure that VfM outcomes are specified in the tender and systems will deliver efficiency saving	3

To provide regular feedback to staff and an annual report to the organisations senior management team:

Feedback has been provided by:

- Articles in the Big Listen
- Board summary
- Departmental / Team meetings
- Info graphic on Broadnet

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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 Human Resources (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 22 organisations with between 2,500 and 7,500 units, it is based on 2013/14 data in the first graph and 2014/15 data in the second graph which is the latest available (where only 19 organisations submitted data). It demonstrates we are performing relatively well and shows our costs compared to performance for each activity area.

**Housemark is a benchmarking service widely used in the housing sector and enables organisations to compare the costs and customer satisfaction with services.*



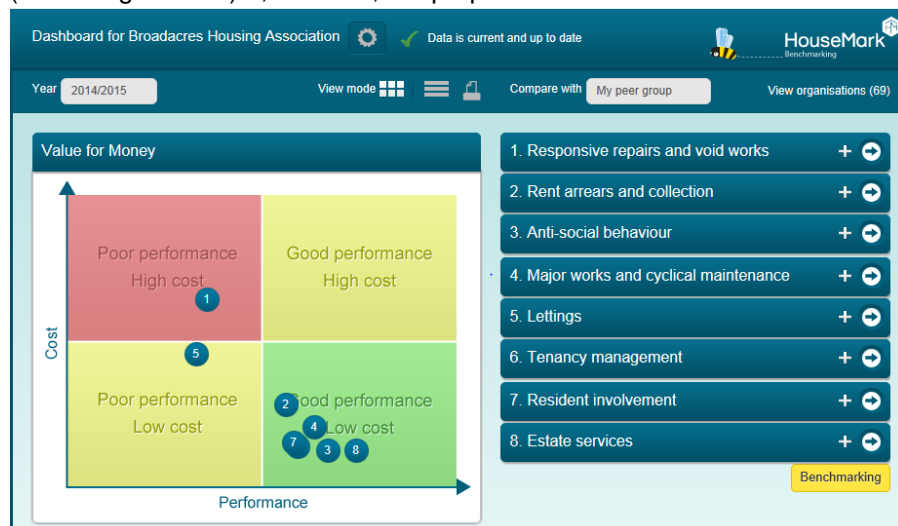
The peer group of 19 in 2014/15 are as follows:

Cestria	Greenvale homes	Peaks & Plains	Wulvern
City & South Manchester	Halton Housing Trust	SLH Group	Yorkshire Coast Homes
Cobalt	Housing Pendle	South Lakes	
Community Gateway	Hyndburn homes	Villages HA	
Derwentside Homes	New Progress	Weaver Vale	

We are conscious that we also need to compare our performance with a wider geographical group and more like for like organisations and as time has gone on using simply a local LSVT peer group is no longer as relevant.

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As a result this year we have also included the 2014/15 dashboard comparing ourselves to the English HA's (Excluding London) 2,500 – 10,000 properties club.



The peer group in 2014/15 includes the following 68 Organisations:-

Accord Group	Acis Group	Adactus Housing	Alliance Homes
Aragon Housing	Aspire Housing	Bernicia Homes	BPHA
Braknell Forest Homes	Bron Afon Community	Cartefi	Chevin
CHP	Cobalt	Community Gateway	Cross Keys homes
Derwentside Homes	East Thames Group	Eastlands Homes	Freebridge Community
Future Homescape	Golden Gates	Golding Homes	Greenfields Community
Halton Housing Trust	Havebury	Herefordshire	Irwell Valley
Liverpool	Livin	Longhurst & Havelock	Magna
Merlin	MHS	Newport City	North Herefordshire
Nottingham Community	Ongo	Paradigm	Paragon
Phoenix	Poplar HARCA	Raven	Regenda Group
Richmond	Saxon Weald	Selwood	Sentinel
Sevenside	Shoreline	Soha	South Staffordshire
Southway	Stafford & Rural	Stonewater	Swan
Tai Calon	Thames Valley	Town & Country	Trafford
Trent & Dove	Twin valley	Vale of Aylesbury	Wandle
Weaver Vale	West Kent	Wulvern	Yarlington

We have also included efficiency data comparing us with 38 housing associations using the Housemark benchmarking webdata in order to provide a more representative sample. We have taken account of the following factors

- Based in the North West, North East, in Yorkshire & Humberside and the South West. The rationale for this was to compare against local organisations in the North and also those who are likely to be facing high house prices such as in the South West.
- Organisations with between 2500-10,000 units plus additional local and other comparable organisations
- Both traditional and Large Scale Voluntary Transfer organisations are included.
- Although our performance remains relatively positive we intend to refine this group further during 2016/17 to enable more detailed comparisons to be made.

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The members of the group are as follows:-

Berwick	Cestria	Cheshire Peaks & Plains	Chevin
Coast & Country	Community Gateway	Derwentside	Golden Gates
Green Vale	Housing Pendle	Livin	Longhurst & Havelock
Magna	Magna West Somerset	Merlin	Muir
North Devon	North Lincs	Alliance (NSAH)	Ocean
Plymouth	Progress	Selwood	Shoreline
South Lakes	South Yorkshire	Spectrum	Teign
Three Rivers	Twin Valley	Two Castles	Two Rivers
West Country	Yarlington	Yorkshire Coast Homes	Yorkshire
Halton			

This shows our VfM Scorecard for 2014/15 against the 38 comparators

Glossary of terms

KPI – Key Performance Indicators

CPP – Cost per Property

GN- General Needs

HfO – Housing for Older People

Scorecard Year 2014-2015

Process

	Value	Previous	Trend	Median	KPI
Rent collected from current and former tenants as % rent due (excl. arrears b/f)	101.0%	98.8%	★	99.4%	★
Average re-let time (standard re-lets)	28.90	28.00	★	23.92	☹
Current tenant arrears net of unpaid HB as % rent due	2.11%	4.06%	★	1.75%	☹
Percentage of dwellings with a valid gas safety certificate	100.00%	99.90%	★	100.00%	★

People

	Value	Previous	Trend	Median	KPI
Staff turnover in the year %	10.3%	15.4%	★	12.2%	☹
Sickness absence average days/shifts lost per employee	9.3	8.7	★	9.1	☹
Staff satisfied with organisation as an employer %	78.8%	78.8%	★	82.0%	☹

Value

	Value	Previous	Trend	Median	KPI
Satisfaction with quality of new home %	91.0%	91.3%	★	96.7%	●
Satisfaction with service provided %	88.3%	88.3%	★	88.0%	☹
Satisfaction with repairs & maintenance %	81.6%	81.6%	★	83.2%	☹
Satisfaction rent provides value for money %	86.9%	86.9%	★	84.8%	★
Satisfaction with lettings service %	96.9%	NoData	●	95.8%	☹

Business & Financial

	Value	Previous	Trend	Median	KPI
Total CPP of Housing Management	£308.55	£322.75	↓	£424.92	↓
Total CPP of Responsive Repairs & Void Works	£857.11	£866.95	↓	£852.16	↗
Total CPP of Major Works & Cyclical Maintenance	£1,097.20	£1,119.59	↓	£1,468.27	↓
Total overhead costs as % adjusted turnover	10.6%	10.9%	↓	10.5%	↗
Current tenant arrears as % rent due (excluding voids)	3.50%	4.12%	★	2.92%	☹
Rent loss due to voids as % rent due	1.66%	1.43%	★	1.10%	☹
Gross arrears written off as % rent due	0.46%	0.50%	★	0.50%	☹
Operating margin	34.4%	33.2%	★	26.5%	★
Total overhead costs as % direct revenue costs	31.0%	32.0%	↓	27.3%	↗

Trend Indicators

This represents your improvement in comparison to your peer groups's improvement.

Performance Indicators

These represent your performance in comparison to your peer group's performance.

Trend

This represents your improvement in comparison to your peer groups's improvement.

KPI

This shows how your actual performance or cost compares with your peer group

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Efficiency Summary for Broadacres Housing Association – based on our 38 peers				
Business activity	Cost KPI	Cost KPI Quartile	Quality KPI	Quality KPI Quartile
		Broadacres Housing Association (2014/2015)		Broadacres Housing Association (2014/2015)
Overheads	Overhead costs as % adjusted turnover		Overhead costs as % direct revenue costs	
Major works & cyclical maintenance	Total CPP of Major Works & Cyclical Maintenance		Percentage of tenants satisfied with the overall quality of their home (GN & HfOP)	
			Percentage of dwellings that are non-decent	
Responsive repairs & void works	Total CPP of Responsive Repairs & Void Works		Percentage of tenants satisfied with repairs and maintenance (GN & HfOP)	
			Average number of calendar days taken to complete repairs	
			Average re-let time in days (standard re-lets)	
Housing management	Total CPP of Housing Management		Percentage of tenants satisfied with the service provided (GN & HfOP)	
			Percentage of anti-social behaviour cases resolved successfully	
			Current tenant rent arrears as % of rent due	
Estate services	Total CPP of Estate Services		Percentage of tenants satisfied with their neighbourhood as a place to live (GN & HfOP)	

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

The satisfaction levels for the quality of your new home is considerably lower than the average, however it should be noted that there were only 15 comparators who had provided information. This is currently a target for improvement in our Service Improvement Plan for 2016-17 and as a result we are currently reviewing our processes and procedures to ascertain the issues that need to be resolved in order to improve this indicator.

This across all benchmarks shows that we appear relatively expensive on day to day repairs and voids. This is not unexpected as we acknowledge that we have a relatively high void standard. We have further investigated this and requested an external report from cost consultants Vantage..

The following is an extract from the report.

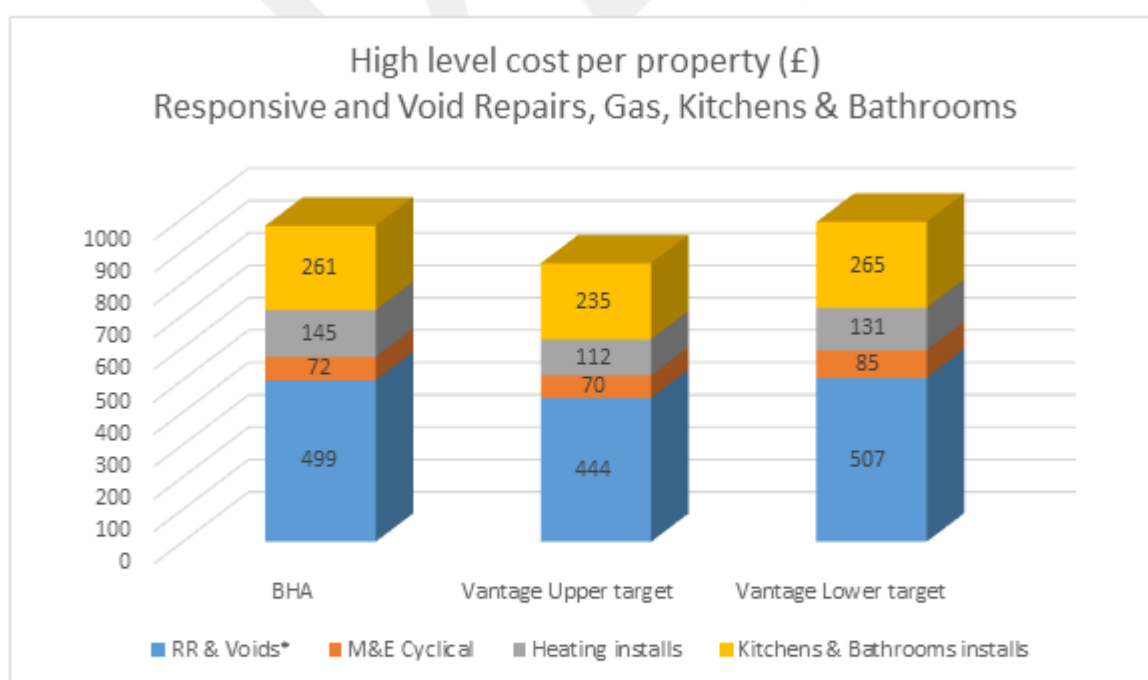
“The result of this assessment places Broadacres Housing in a potential savings category range of ‘less than 10%’ for the Repairs & Maintenance (R&M) unit costs reviewed. Based upon our broad range of R&M customers

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and sector intelligence this would place BHA in the top 15% of performers with 85% of Registered Providers identified as having greater than 10% savings opportunities.

When reviewing BHA performance against our upper targets consideration should be given to both BHA geographic dispersion and the stock size. Taking these factors into account it will likely prove challenging to reduce BHA costs in the areas assessed by as much as 10% across the board. However there are some relatively straight forward specification savings that could be made, which if required, would shift BHA closer to the upper range targets. “

Analysis of cost per property for major Repairs & Maintenance cost areas versus Vantage targets:



***Responsive repairs and voids costs include all Mechanical & Electrical routine maintenance**

Note: Gas, kitchens and bathrooms installations based on current rates provided annualised with typical lifecycles.

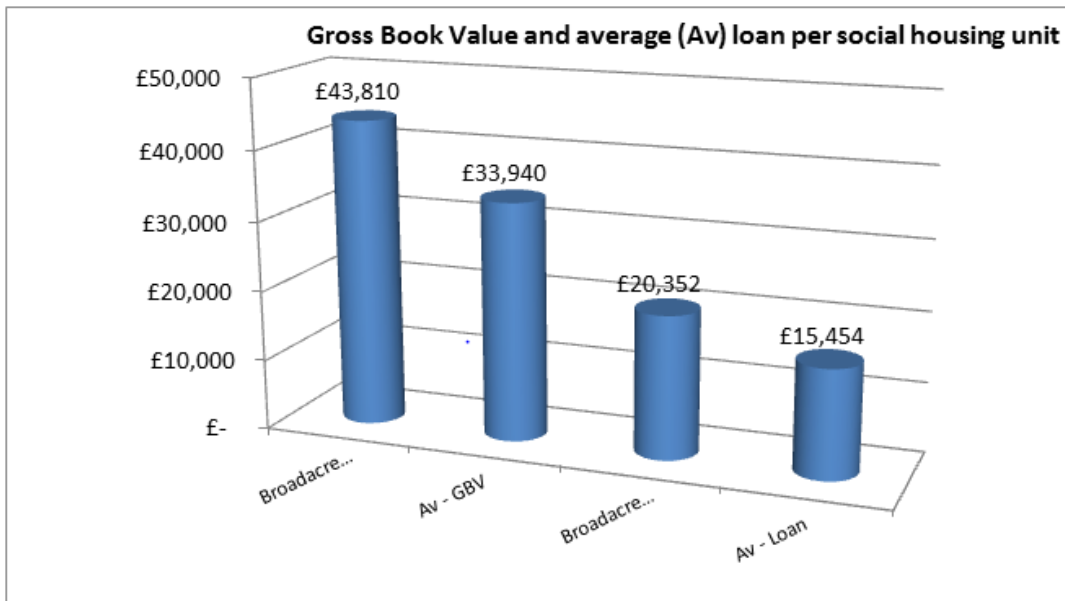
The overall responsive and void cost per unit at £499 is within our target range; 12% higher than our upper (best in sector) level target. This is primarily due to the existing voids cost per unit which is driven by enhanced BHA specification. There appears to be a willingness to provide properties to a high standard, including levels of decoration and flooring that are invariably expensive.

The Board acknowledge the extra costs of this specification but are keen to ensure we deliver a high quality product to our customers where current satisfaction levels are high at 9.4/10. Nevertheless this will be kept under review by the Board going forward.

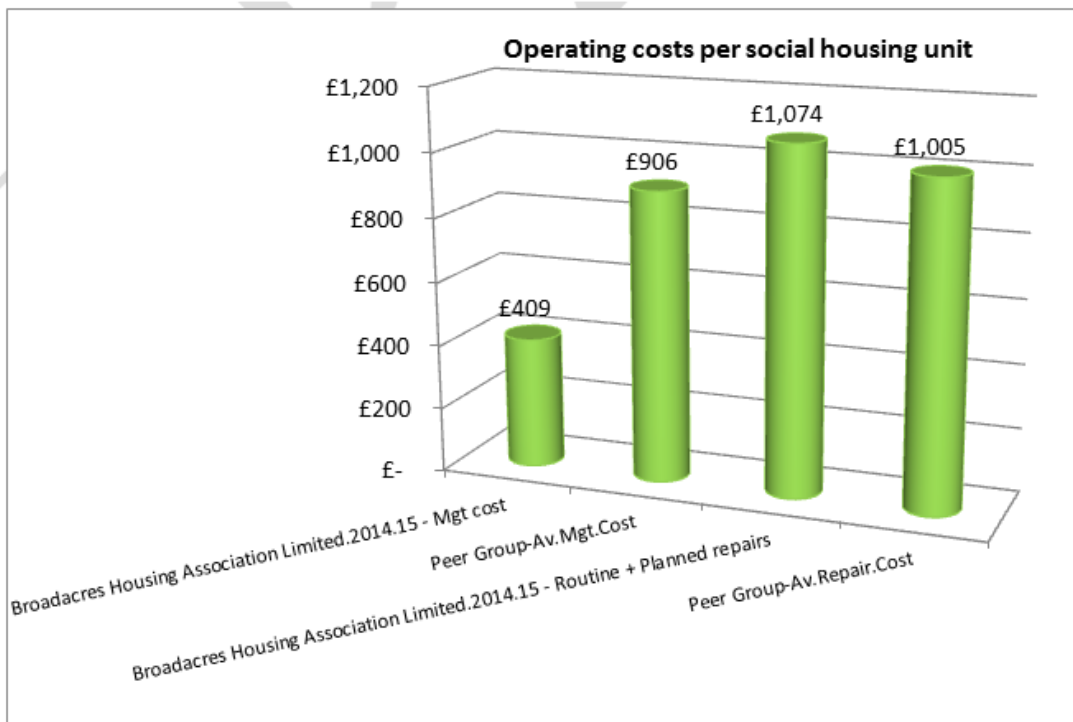
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The Association has also benchmarked data from the Homes & Communities Agency (HCA) global financial statements and the following graphs show how the Association compares to other organisations in our new peer group, again the comparison data relates to 2014/15.

Broadacres Housing Association Limited compared to New Peer Group -Number of peer organisations – 38

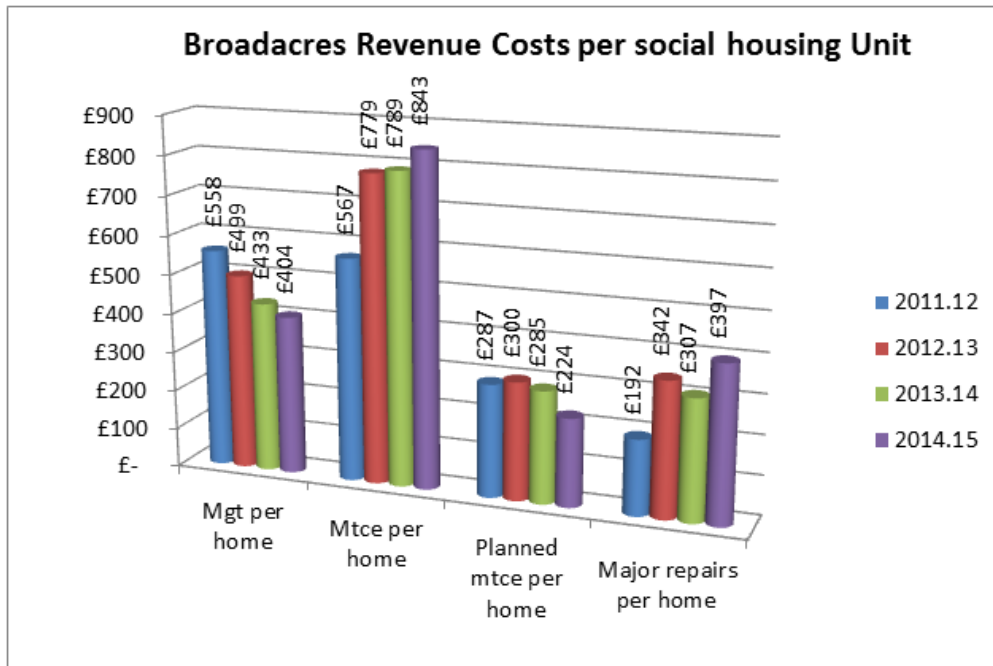


This graph shows that although our value per unit is higher than average this is matched by our higher debt profile.

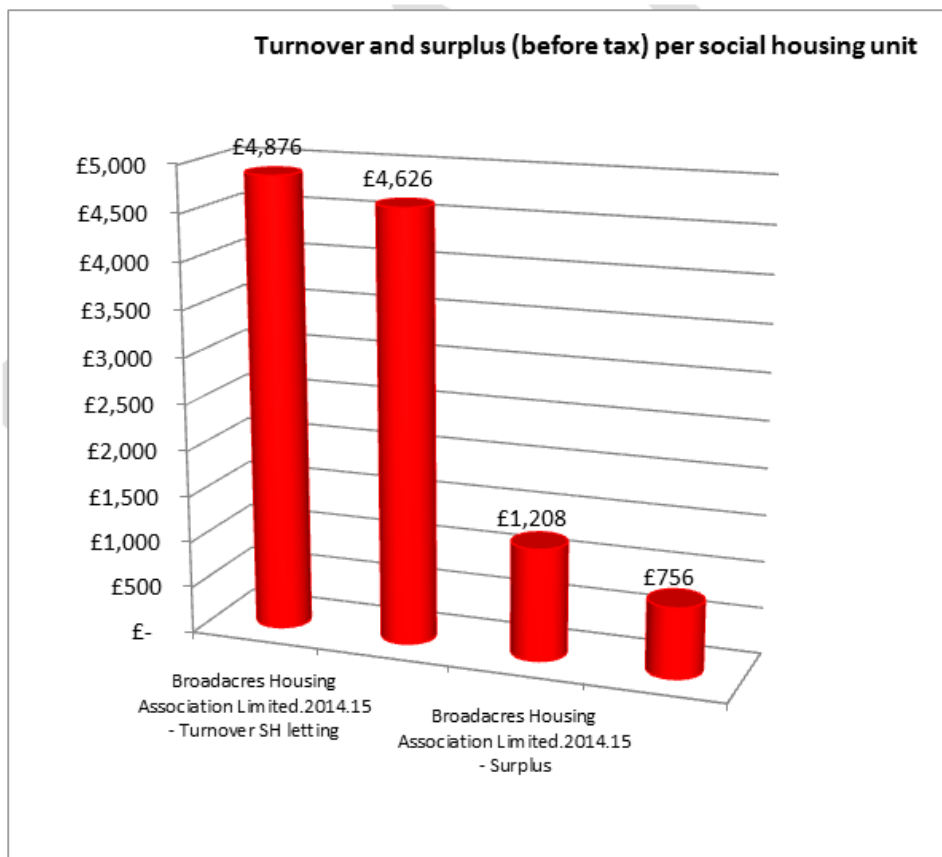


A positive performance on average housing management (Mgt) cost compared to the average but equally this will not take account of geographical factors and other social housing activities

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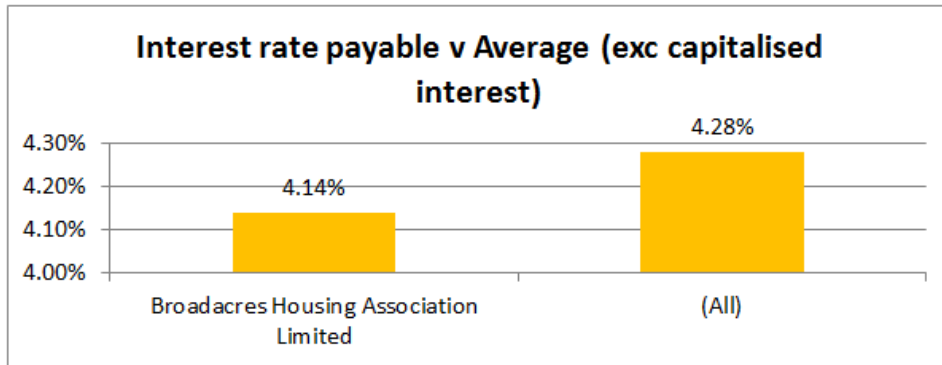


As the graph above demonstrates we continue to invest heavily in our properties whilst reducing our management costs (Mgt).

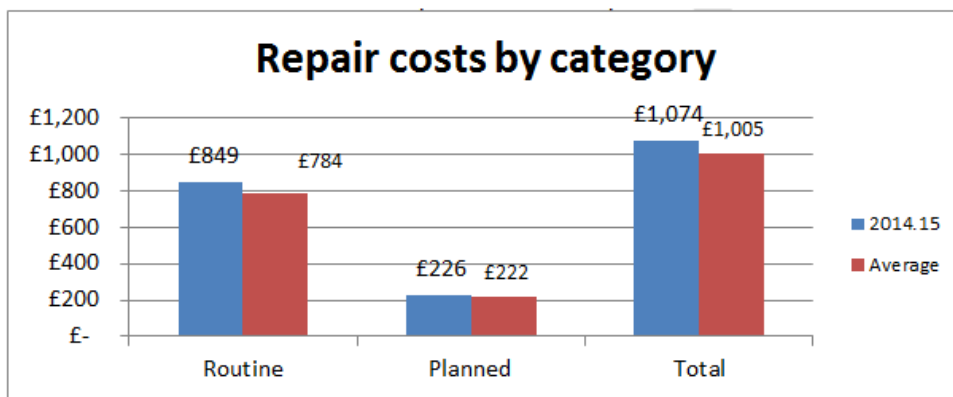


Our turnover and surplus is above average.

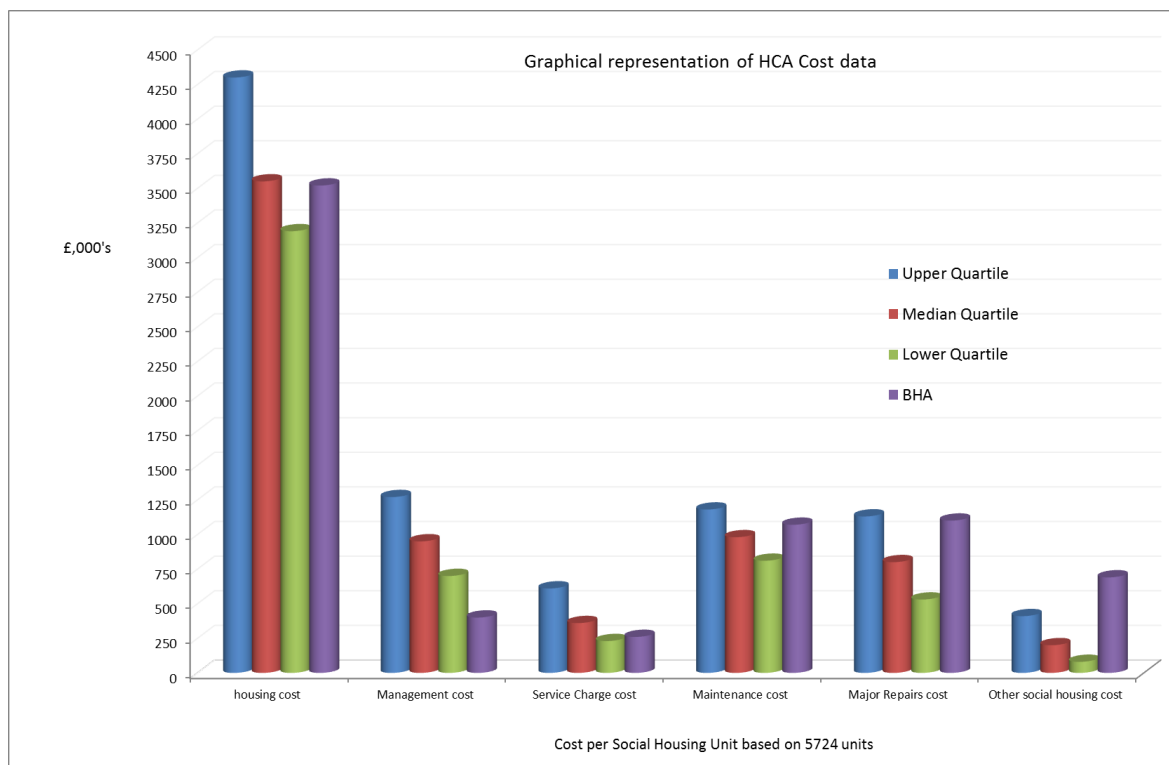
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Our average interest cost remains favourable compared to the comparators



In June 2016 the Homes and Communities Agency under took an analysis of comparative costs of all associations with in excess of 1,000 units. This work also used the global accounts data and is based on 2014/15 data. This shows that overall we are in the median quartile for overall costs.



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The following graphs are taken from the HCA Global accounts, based on our current business plan. These show historic data and trends for the various areas projected to 2019-2020 for Cost per Unit (CPU).



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Maintenance Costs

Our Maintenance costs still appear to be relatively high despite bringing the service in house. We have benchmarking data that demonstrates our materials costs are reasonable and that our operatives are efficient in terms of the number of jobs completed per day. The analysis of the underlying data comparing our cost base now to when we made the decision to bring the service in- house suggests that overall we have saved £2m since 2013/14. We will continue to benchmark this service. It is also our intention to review how costs are charged to this service to ensure a true and fair comparison with other similar organisations can be made.

Support Services

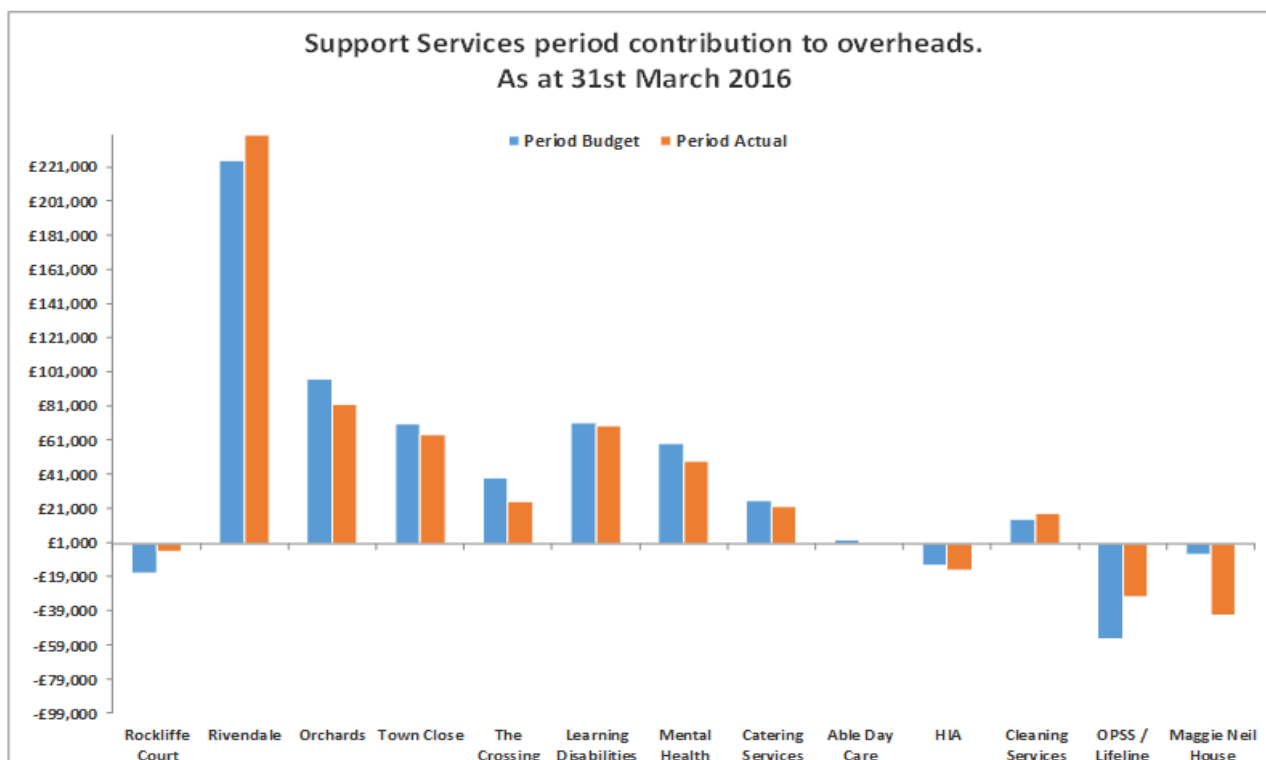
We also review in detail the costs of all our support services and monitor the contribution towards central overheads. We have taken action where these are being subsidised and during 2015/16 we reviewed the underlying performance of our scheme at Rockcliffe Court and the Older Persons Support Service/Lifeline Service. The impact of the improvements made are expected to come to fruition in 2016/17 but nevertheless, in these and other cases our Board believe that where the service is crucial in delivering our objectives and supporting vulnerable people that continuing to deliver the service is more important than the pure financial results.

Our woman's refuge at Maggie Neil House required unexpected repairs to the air conditioning and heating systems hence the additional costs this year.

Our mental health service was subject to tender in May 2016 and we were successful in retaining the contract for the next three years.

Our Home Improvement Agency is currently under review.

Our homelessness pathway provision at our scheme at "The Crossing" is subject to tender in 2016/17, and we intend to submit a partner bid along with Foundation, a support charity.



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Detailed Services Summary for 2015/16

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 business 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 Objectives

- Cost of Living – Rent Management Service, Money Advice Service
- Crime & Anti-Social Behaviour – Tenant Involvement, Estate Management, Anti-Social Behaviour
- Deliver Affordable Homes – Development services, Repairs services, Lettings (incl CBL),
- Support for the Vulnerable – Mental Health & Outreach, Women's Refuge, Homeless Service
- Other Services

Cost of Living	Cost of Service £'000	Human Resources involved whole time equivalent (w.t.e)
Rent Management Service – 15/16	784	12.78
Rent Management Service – 14/15	805	13.63

Inputs

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

Investment at the Right Level

Confirmed by:

- We currently have 6 full time Rent Account Managers and 2 part time Rent Account Managers supported by 1 Manager and 1 Former Tenant Debt Officer.
- We have employed 2 additional members of staff – Tenancy Support Officers (TSOs) - within the Housing Team to provide extra support to those customers affected by Welfare Reform

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 2016 stood at 3.78% (down from 3.85%). With housing benefit payments arrears at 31st March 2016 of 2.17% (down from 2.20% at March 31st 2015).
- Recovering monies owed by tenants, which as at 31 March 2016 was £339,568 (31 March 2015 £381,000). Over £105,000 has been recovered by our Debt Recovery Officer plus an additional £66,000 in housing benefit payments.
- A new way of monitoring was introduced to see how the rent charged equated to the cash collected. We charged a total of £29,463,754 and collected payments of £29,124,141 this is a collection rate of 98.85%. If you take into account expected housing benefit then this figure would rise to 101.27%
- In the months from August 2015 to December 2015 the TSO brought an additional £20,000 in revenue to the business. There were 174 Arrears Prevention referrals made and 125 pre tenancy referrals made.

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 2015/16 we began to look at the automation of the system and how this could benefit the business.

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- 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 – income management

A tenant who had arrears of over £3k due to constant employment and unemployment for the tenant's partner led to the arrears increasing at a rapid rate.

With the delays in Income Support and ESA delaying housing benefit claims the couple struggled with budgeting and facing day to day life.

The tenant suffered from acute anxiety which led to the inability to face day to day situations. Additional complications led to the daughter suffering from a lack of support and regular routine in her life.

After many attempts at gaining access to the property we were finally able to get a housing benefit claim made and in payment. We then referred her to Stonham Support Service. During this time the tenant had a lot of lapses. They struggled to get in control of their finances and maintain their own welfare.

Working alongside the support worker, the tenant slowly gained confidence and the ability to manage a limited budget.

We noticed additional health issues and assisted with a claim for ESA. We drove the tenant to the local council office to make sure the rent was taken care of.

We ensured that there was food in the cupboards by getting food vouchers and utility top ups so they had gas and electric.

We were present at the introductory meetings with Stoneham Support and our own Tenancy Support Services.

After many meetings and discussions and set-backs, the tenant is now paying the rent and continues to engage with the support workers that we put in place for them.

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Cost of Living	Cost of Service £'000	Human Resources involved (w.t.e)
Money Advice Service 15/16	138	3.00
Money Advice Service 14/15	144	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		
Confirmed by:		
<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		
Financial		
<ul style="list-style-type: none"> During the past year we have assisted 156 customers to obtain additional income of £874,723 from a range of grants and welfare benefits. (2014/15 140 customers and £653,000 additional income). 		
Social & Economic		
<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. 		
Environmental		
<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. 		
Service Quality		
<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 2016 saw a score of 10/10 (March 2015 9.9/10) 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. During 2015/16 we have introduced criteria to the job role that all advisors must complete the Institute of Money Advisors accreditation. One team member has now completed this and the remaining staff will complete this by September 2017. This service is also regulated by The Financial Conduct Authority and regular returns are required to ensure compliance. 		
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 		

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budgeting advice, increasing income and reducing/managing debts.

Case Study – money advice service

What Does a Blind Person Look Like?

A referral was received to assist a customer aged 40 with a claim for Personal Independence Payment (PIP). When the money adviser visited she asked about her circumstances and why she thought she would be entitled to claim PIP. The customer explained that she had visited the optician some months ago as she felt her eyesight had deteriorated and she thought that perhaps she needed glasses. She was shocked when the optician referred her straight to the Darlington Memorial Hospital where she was told that she had macular degeneration and she had lost most of the sight in one eye and 50% of the sight in her other eye. She was then referred to the Royal Victoria Infirmary in Newcastle for treatment. She had also suffered with depression and anxiety for many years and the recent loss of vision impacted badly on her symptoms.

As a result of this visit the advisor ensured that

- The customer was on 'auto bid' for a new property
- We implemented the password scheme so that the customer was confident that the staff visiting were from Broadacres
- Referred her to social services and a local charity to assist.
- Completed both PIP and Employment Support Allowance (ESA) forms and a claim for Discretionary Housing Payments (DHP).
- Arranged for any rent due to be paid by direct debit and
- Completed a home contents insurance form

The customer received the PIP decision. She had been awarded lower rate mobility only with no award for daily living. We requested reconsideration and the money advisor also contacted Action for Blind People who agreed to provide some supporting evidence for the reconsideration request. A mandatory reconsideration request was submitted together with evidence from the customer's doctor, her report from the RVI, her partially sighted certification and a statement from Action for Blind People. Despite the evidence PIP refused to alter their decision. The only option left was to apply to the courts and tribunal service (HMCTS) for an appeal hearing. Despite the stress of this the customer agreed that this is what she wanted to do.

The money advisor attended the tribunal with the customer. The panel, District Judge (DJ), Doctor and disability expert were initially quite blunt and frosty until the doctor asked 'Can you tell me when I have my glasses on and when I take them off?' The customer's response of 'sorry, I didn't realise you were wearing glasses' seemed to 'wake them up' to the fact that she was almost blind, despite having all of the paper evidence in front of them. The DJ then commented 'it's just that you don't look blind!' PIP was subsequently awarded and backdated.

All of her benefit entitlement is now in place and she has regular contact with her social worker. The customer's ESA now gives her a weekly income of £186.80 but, and probably more importantly, because we were able to get her into the support group, she no longer had to attend the job centre each week and look for work. On top of this she also receives £76.90 PIP and because we made a successful claim for DHP she now has no rent to pay. Without having to worry about money she can now focus her energies on adapting to her new life.

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Crime and Anti-social Behaviour	Cost of Service £'000	Human Resources involved (w.t.e)
Tenant Involvement 15/16	172	2.51
Tenant Involvement 14/15	177	2.60
Inputs		
<ul style="list-style-type: none"> Staff costs, provision of office accommodation, and access to vehicles and associated equipment. Customer volunteer costs: refunding reasonable out of pocket expenses, training, refreshments, equipment. Community Development Fund Grants and contracts with the voluntary sector. 		
Investment at the Right Level		
Confirmed by:		
<ul style="list-style-type: none"> Satisfaction levels on Survey of Tenants & Residents (STAR) survey. Annually assess the impact and value for money of key community involvement activities. In January 2016 we revised our approach to the annual impact assessment and created a more accessible short info graphic and flyer to illustrate achievements. It is now called an annual community involvement round up. A Customer Involvement Strategy and associated action plan explain and put into context our approach to customer involvement. In November 2015 we reviewed and updated our strategy and action plan with input from customers. 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		
<ul style="list-style-type: none"> To strive to make our involvement structures represent the diversity of our communities. Our Community Involvement Officer and Community Involvement Manager have been instrumental in effectively creating a journey map engaging customers who have experienced planned maintenance work in their homes, applied for housing with North Yorkshire Home Choice and who receive a care service at Rockliffe Court. We have assisted our Performance & Improvement Panel (PIP) to complete a review of Choice Based Lettings and are now working through their recommendations which include improvements to Broadacres website, North Yorkshire Home Choice website, publishing information on direct lets. If we were to pay an external consultant to undertake the work PIP undertake voluntarily it could have cost upwards of £30,000 in 2015/16 (based on a £500 daily rate) and would not have come from a customer perspective. Customers, whether they are actively involved customers or engage in less time consuming activities, like completing surveys, all give up their time freely to work with us on improving services. Nearly 400 customers have been actively involved in helping to shape our services and contributing to their communities: both formally and informally this amounts to over 2,500 volunteer hours. The following are some examples of the number of people who have attended the various events / sessions we held in the year: 		
<u>Activity</u>		<u>No of involved customers</u>
Performance and Improvement Panel:		6
Maintenance Focus Group		9
Environmental Working Group:		2
DDT		2
Local Monitors:		49
Tenants on the Board		2
Community Development Fund Group		3

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Focus Groups in supported housing	100
Journey Mapping over the last year	65
Mystery Shoppers:	12

<u>Activity</u>	<u>No of involved customers</u>
Customer Feedback Group:	10
Digi Panel	84
Community projects e.g., community action with the Youth Justice Service at Rivendale, Active Living Project. (customers, residents and staff).	100
Oswaldene Residents Association – Customers and Residents	33
Coombes Close Residents Association	15
Young people’s projects -Fun Factory, Fire Place, Thirsk Youth Club, Alverton and Stokesley Breakfast Clubs: young people, volunteers (customers, residents and staff).	180
Training course attendance	60

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 organisation.
- 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 transforming and area of Rivendale extra care scheme garden.
- Community Investment: Working in partnership with Greggs Foundation we have continued to provide funding for a successful free breakfast club at Alverton Primary School for a two year period. We have also set up a second breakfast club at Stokesley Primary School. These clubs have provided approximately 5,700 breakfasts to children in Stokesley and Northallerton during the year.
- 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 supported housing schemes across the area, to help increase their health and wellbeing, and prevent social isolation 48 sessions have taken place this year, this amounts to over 3,000 hours of health & wellbeing activities for older people.
- Community Investment: Through partnership working with The Clock, 126 sessions have taken place benefiting 122 young people, within youth clubs in Northallerton, Thirsk and Stokesley. These clubs help us invest in young people in our communities, build positive relationships and contribute to prevention work linked to anti-social behaviour. Nearly £8,000 in external grants and donations have been successfully obtained, for activities connected to our youth clubs.
- Community Investment: Community Development Awards Fund grants from Broadacres to local community projects amounted to £9,000 in 2015/16. 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

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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.

Service Quality

- As a result of the review PIP undertook on the ending of a tenancy in 2014/15, their recommendations for improvements to the service have been implemented in 2015/16.
- 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 reports

Case Study – Tenant Involvement

Community Development Fund

A rescue raft part-funded by Broadacres was used to rescue over 100 people trapped in buildings in York during the recent floods over the period December 2015 and January 2016.

“The rescue raft which Broadacres helped to fund was used successfully in the York floods to rescue well over one hundred people trapped in buildings.

“It was particularly useful at getting people out in wheelchairs and on motorised scooters.

“We were very grateful to Broadacres for the donation and I am sure the Community Development Panel will be pleased to hear that your support for the team has enabled us to help so many others in their time of need.” Mike Gallagher, Deputy Team Leader of the Cleveland Mountain Rescue Team

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Crime and Antisocial Behaviour	Cost of Service £'000	Human Resources involved (w.t.e)
Estate Management 15/16	623	10.90
Estate Management 14/15	591	9.70
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"> Constantly reviewing the 'patches' managed by our estate management staff, taking into account the distance to travel and the needs of our customers. Reviewed the role of the Tenancy Support Officer and re-structured the work load to improve effectiveness and efficiencies. 		
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. Currently working with a district council to review the refuse collection to reduce fly tipping and poor allocation of their resources. 		
Service Quality		
<ul style="list-style-type: none"> Regular surveys to all new tenants with an average of 9.4 out of 10 for overall satisfaction in 2015/16. 		
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. Work together with colleagues within our Property 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 		

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needs of all customers.

- Introduced mid-week tenancies to maximize income and reduce void loss.
- Worked with the voids team in respect of reducing the cost of decoration to properties and promote the use of decoration packs where appropriate.
- Looking at mobile working to improve efficiencies and reduce administration.

Case Study – Estate Management

We received a number of compliments during 2015/16 including:

Couldn't be happier - over the moon with the property. My housing officer was great and happy to be living in Northallerton. Thank you.

Tenant had a couple of initial teething problems with a new build house - leaking toilet and problem with her boiler, but these have now been resolved. Tenant very happy with service from everyone but said that Paula's help was especially good. Said she went out of her way to help.

Tenant said the support and information she had from tenancy support officer was really useful and helpful.

Mrs L is more than happy with the service she has been provided. Would give more than 10 if she could. Service she has had off everyone involved has been wonderful.

Crime and Antisocial Behaviour	Cost of Service £'000	Human Resources involved (w.t.e)
Anti-social Behaviour (ASB) 15/16	179	2.82
Anti-social Behaviour (ASB) 14/15	188	2.95

Inputs

- 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, Safer Local Delivery Teams

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

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Social & Economic

- We continue to support a range of diversionary activities such as Youth Clubs, Broadacres now runs 3 youth clubs in Hambleton, The Fire Place in Stokesley, The Fun Factory in Northallerton and Little Hands in Thirsk and healthy living projects. 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 Co-ordinator (TRCO) 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, which the TRCO is the Vice Chair. This ensures that our policies and procedures remain robust and up to date.
- Our ASB Strategy, Policies and Procedures have recently been revised, and the categorisation of complaints has been updated. This has enabled us to treat minor ASB cases quickly through the Call Centre and reduces the impact and the workload on the Housing Officer to deal with major ASB Cases.

Evaluation & Evidence

- Satisfaction surveys.

Performance Indicator	2015/16	2014/15
% of respondents very or fairly satisfied with the way their complaint was dealt with	100	95.20
% of respondents very or fairly satisfied with the outcome of their complaint	100	95.20

.0

Case Study – Anti Social Behaviour

This case involved a resident with a learning disability, living in a Broadacres property. He became friendly with a group of young people who he invited into his property as he thought they were his friends. However, they started taking advantage of him by stealing his wallet and credit cards and also damaging his belongings in his property. The Housing Officer for the area and the local Police Community Support Officer (PCSO) visited the resident numerous times and tried to encourage him to make a statement about the theft and damage, however he refused, as he stated they were his friends. Following the theft, Broadacres arranged an emergency multi-agency meeting to discuss the concerns, which was attended by Broadacres, Safer Hambleton Local Delivery Team, North Yorkshire Police, and North Yorkshire County Council Health and Adult Services. Following this meeting an action plan with the following interventions was immediately put in place.

- A home security assessment was undertaken by Broadacres Home Improvement Team,
- A member of Broadacres Support staff to visit the gentleman on a weekly basis.
- Letters were hand delivered by the TRCO and the local PSCO to the young people who were visiting the resident,
- NYCC Health and Adult Services undertook assessments and
- the local Police complete regular regular patrols of the property.

Since the emergency meeting was held, Broadacres and the Police have had no further calls from the

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resident and his neighbours, although we are still closely monitoring the situation, and are looking for more suitable accommodation for the gentleman.

By taking this preventative action valuable staff resources of both Broadacres and North Yorkshire Police have been saved and peace and harmony restored in the community.

Deliver Affordable Homes	Cost of Service £'000	Human Resources involved (w.t.e)
Development Services 15/16	870	12.46
Development Services 14/15	813	14.58

- 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.

Social & Economic

- Provision of 163 new homes in 2015/16.

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.

The results for the last year are as follows:-

	2015/16	2014/15
Quality of your home	8.1/10	9.1/10
Overall service received from BHA	9/10	-

Please note that the survey forms were changed this year and previous year's results were not available for the overall service question.

Evaluation & Evidence

- Satisfaction survey results from customers who have purchased new homes.
- Established a number of Frameworks following OJEU process for capital works, consultants and planned works
- 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

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Employers Agent Tender Report.

Case Study - Development

During the financial year 2015/16 work was undertaken to establish a number of frameworks using a competitive tender process following the Official Journal for European Union rules. (OJEU). This was completed in time for April 2016 and will deliver value for money across capital works, consultant services and planned works for the next 3 years. It is intended that savings against this framework will be monitored by the VfM working group.

Deliver Affordable Homes	Cost of Service £'000	Human Resources involved (w.t.e)
Repairs Services, Including Asset Management 15/16	5,312	116.25
Repairs Services, Including Asset Management 14/15	5,867	108.91

Inputs

Direct and indirect staff costs, provision of office accommodation, vehicle fleet and associated equipment, including Personal Digital Assistant (PDA). The increase in human resources is a result of additional staff to undertake more work in-house rather than by contractors.

Investment at the Right Level

Confirmed by:

- Continuous improvement plans and performance management are embedded within service areas. This sees performance management by sub-service areas being reviewed on a weekly basis.
- Service standards are reviewed regularly to assist in the streamlining of services for our customers and to ensure resource and support mechanisms are in place.
- Service questionnaires, customer feedback and customer contact trends are used to hone the delivery of repairs and improvement works for our customers.
- Stock viability and investment costs are reviewed regularly which included an active asset management appraisals process as part of our relet and void sale process.
- We have completed a 5 year rolling stock condition survey programme during the 2015/16, with information.

Outputs

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

Outcomes

Financial

- Bringing Property Services in-house has generated savings of an estimated £2m (£1.8m in 2014/15)

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- Component lifespans were reviewed and amended as a result of the government’s comprehensive spending review and the phased reduction of social housing rents. The adjustment of components is directly linked to Broadacres business plans and financial modelling. The associated 30 year business plan underwent stress testing before revised component replacement cycles were applied to ensure viability of the remodelling was achieved.
- We have continued to work with our tier one and two material supply partners to realise saving through revisiting specifications.

Social & Economic

- Work is undertaken to maintain Decent Homes Standards and identify failures / customer refusals and our customer liaison officers will assist vulnerable or reluctant customers who need the work undertaken.
- We use a Housing Health & Safety Rating System as part of our stock condition survey to enable us to identify issues and to target our resources to ensure Broadacres customers have quality homes to live in.

Environmental

- We have continued to install Air Source Heat Pumps throughout 2015/16 via our in house MCS (Micro Certification Scheme) team. These installations have been to assist in alleviating potential fuel poverty issues for customers living in properties that are off the gas network. These properties contribute £73,414 via FIT tariffs
- All of our homes have had cavity wall insulation installed (where the property construction permits) and all have full central heating. We have continued to revisit properties to top up cavity insulation following the settlement of previous insulation to ensure the thermal efficiency of our homes is maintained. – We intend to focus on properties with a SAP rating of less than 55 during 2016/17 and bring these scores up where possible.
- Waste disposal is managed in-line with ISO14001 and we are currently working towards adoption of the 2015 version of this environmental standard. – We have a target to reduce spend on waste by 5% by 2018.
- We have proactively sought out energy related support for our customers living in rural “off gas” locations, this has been in the form of free home efficiency surveys and advice.

• Service Quality

- Comprehensive service reviews have been undertaken across the technical support, void property and the planned maintenance teams to ensure the optimal amount of staffing resources are in place to deliver the level of quality services expected by our customers.
- 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 cards are left with customers, performance in this area for the 2015/16 financial year was as follows:-

How easy was it for you to report a repair	9.28/10
How satisfied were you that the appointment you were given was convenient	9.22/10
How satisfied were you that the operative was friendly and helpful	9.73/10
Overall, how satisfied were you with the service you received from Broadacres	9.33/10

Evaluation & Evidence

- A suite of KPI’s have been established that look across service areas such as compliance, operative/team performance, and customer satisfaction.

Broadacres Housing Association Limited Board Report

- Services are also reviewed with regards to “Value” and “Failure” feedback received by Broadacres Call Centre.
- Weekly live reports are discussed at team leader level and top level performance is reviewed at 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.
- Unit costs are monitored and discussed at the regular management meetings.

Case Study – repairs service

As a result of receiving below threshold customer satisfaction ratings for our external painting programme, we undertook a feasibility study around the self-delivery of this work stream. The study identified both cashable and none-cashable savings could be obtained. From June 2016 a new internal team will carry out the cyclical painting programme.

Deliver Affordable Homes	Cost of Service £'000	Human Resources involved (w.t.e)
Lettings (Incl CBL*) 15/16	280	4.96
Lettings (Incl CBL*) 14/15	294	4.88

Inputs

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

Investment at the Right Level

Confirmed by:

- We review the number of applications/telephone calls/messages received to ensure we make effective use of the current resources.

Outputs

- Provide a dedicated team to administer our Choice Based Lettings (CBL) service, dealing with applications, resulting enquiries and assisting customers.
- The team manages the shortlists for the allocation of properties and work with the housing officers to ensure properties are allocated in timely manner.
- The management of garages has been reviewed and the CBL teams as opposed to housing managers are now managing the applications and shortlists. This has streamlined the service.

Outcomes

Social & Economic

- 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

- 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

- The team are part of the North Yorkshire Home Choice partnership - the team leader attends the operational group meeting to discuss policy & procedures and any issues at operational level.
- The team leader monitors the system to ensure applications are dealt with in timescales.

Broadacres Housing Association Limited

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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. The Performance & Improvement panel have completed a review of the CBL process including the website and information provided to customers. 		
Case Studies - Lettings		
<p>A 53 year old gentleman who was living in a Broadacres (BHA) 3 bed property applied for housing via the internal support team. He had suffered a relationship breakdown some years ago and following on from this, his two children subsequently left the property. As a result he was in rent arrears due to bedroom tax and was also suffering from ill health. He worked with support services and managed to get a Discretionary Housing Payment and some money from SAFFA to pay his arrears. By BHA teams working together he has now moved into a 1 bed, ground floor property that is much more suitable for him.</p> <p>A couple in their 60's who have custody of their granddaughter approached us for re housing. They were living on a caravan park on the outskirts of Thirsk and the couple were experiencing health issues, including arthritis, spondylitis and fibromyalgia. We went out and visited the couple at their home and were able to award them some further priority to assist them to move quicker. They have now been re housed by BHA into a two bedroom bungalow, their granddaughter has thrived since moving into more appropriate accommodation and has had friends over to stay (which was an issue when they were living in the caravan).</p> <p>A 92 year old lady lived in an extremely dilapidated farm house within the national park, as the property was listed no adaptations could be made to the property. On top of this she had health issues including arthritis which was reducing her mobility significantly. Following receipt of her application, we asked the housing officer to visit the lady, we were able to award the lady Gold band status and she was able to move quite quickly. She is now settled in a bungalow in Stokesley.</p>		
Support for the Vulnerable	Cost of Service £'000	Human Resources involved (w.t.e)
Mental Health & Outreach Services 15/16	154	3.52
Mental Health & Outreach Services 14/15	144	3.52
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		
Confirmed by:		
<ul style="list-style-type: none"> Quality monitoring checks in place. Accommodation meets the requirements of commissioners of service. Tender process in place for delivering the service provision 		
Outputs		
<ul style="list-style-type: none"> Providing housing and care related support to specific client groups. 		
Outcomes		
Social & Economic		
<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. 		
Environmental		
<ul style="list-style-type: none"> Members of staff assist with identification of energy suppliers. 		

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- Recycling is discussed at tenant meetings and during support sessions. Tenants are prompted to put recycling out on appropriate days for collection.

Service Quality

- 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 –mental health service

When John first came to live in supported accommodation, in his own words said “I am 55 now and have lived in prison half of my life”. John has a diagnosis of schizophrenia. He never managed to maintain a tenancy for more than a few months at any one time. With support at Leyburn Lodge he maintained a tenancy for 3 years building social connections and support networks he has since moved to general needs accommodation in Bedale where we continue to provide outreach support. The forensic Community Psychiatric Nurse said the tenant had never stayed in one place for that length of time.

Support for the Vulnerable	Cost of Service £'000	Human Resources involved (w.t.e)
Women’s Refuge 15/16	208	5.32
Women’s Refuge 14/15	206	3.52

Inputs

- Staff costs, counseling service, provision of flats, communal areas including office accommodation. Provision of support to individuals in their own homes during a six week resettlement period.

Investment at the Right Level

Confirmed by:

- Quality monitoring checks in place.
- Accommodation meets the requirements of commissioners of service.
- Peer audits
- Completion of the Supporting People lead providers competency framework
- Refuge accommodation meetings

Outputs

- Providing housing and care related support to specific client groups.
- Counseling service
- Multi-Agency Risk Assessment Conference (MARACS)

Outcomes

Social & Economic

- Service allows vulnerable women and their children who are fleeing domestic abuse to stay in a safe and

Broadacres Housing Association Limited

Board Report

secure environment. Emotional and practical support is offered to empower individuals to move on from domestic abuse and live independently. Counselling service is provided for both adults and children

- Programme of support and 6 week resettlement ensure that tenancies can be sustained.

Environmental

- During 6 week resettlement members of staff assist with identification of energy suppliers
- Recycling facilities are in place on site.
- Use of pool cars

Service Quality

- Satisfaction surveys carried out
- Customer feedback completed quarterly
- Quality assessments carried out
- Joint work with lead provider ensuring consistency

Evaluation & Evidence

- Supporting people workbooks, showing the utilisation and throughput for the service are completed on a quarterly basis.
- Customer satisfaction surveys.
- Peer audits
- Steering group meetings
- Service Improvement Plan reviewed using a multi-agency approach

Case Study – woman's refuge

One lady presented to the service after being discharged from hospital after being subject to a violent attack. She presented with a multiple range of issues such as mental health (self-harm) drug and alcohol misuse.

Initially it proved hard work to get this lady to engage with support and at the early stage of entering the service the lady attempted suicide and was taken to hospital where she underwent a mental health assessment, where it was identified that the lady had depression and in the short term was subscribed medication. The medication had a positive effect on her health and after a month there was a vast improvement in her mood, physical health and self-esteem.

The lady and her key worker built up a good working relationship which was built on trust, transparency and respect, and through a programme of support and using a holistic and person centred approach the lady was able to address her alcohol and drug misuse and slowly reduce her intake of both.

Through support the lady also accessed counselling services where she completed an 8 week cognitive behavioural therapy course where she learnt to apply coping strategies and positive thinking when dealing with her mental health and in particular reducing her self-harming.

Although this took over a year the lady has now left the service and is in a healthy relationship and works locally.

Broadacres Housing Association Limited

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Support for the Vulnerable	Cost of Service £'000	Human Resources involved (w.t.e)
Homeless Service 15/16	122	2.54
Homeless Service 14/15	84	3.52
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 during a six week resettlement period. The costs increased significantly this year as a result of significant repairs required to the building. 		
Investment at the Right Level		
Confirmed by: <ul style="list-style-type: none"> Quality monitoring checks in place. Lead provider meetings. Peer audits Pathway meetings Contractual requirements 		
Outputs		
<ul style="list-style-type: none"> Providing housing and care related support to specific client groups. Provide tenancy management, support and advice in a supported setting. To work with our lead provider and a wide range of external agencies to ensure individuals are equipped to move on and live independently. To use a holistic person centered approach to meet an individual's needs 		
Outcomes		
Social & Economic <ul style="list-style-type: none"> The service gives vulnerable people who are homeless a home and tenancy related support to empower and provide the necessary skills to enable service users to move on into independent living and reach their full potential. Support is offered in areas such as training, employment and personal development, with the aim of breaking the 'no home', 'no job', 'no home' cycle. Programme of support and 6 week resettlement in an effort to ensure that tenancies are sustained. The use of Hambleton FoodShare has allowed tenants to pay their rent and stay in their flats. Environmental <ul style="list-style-type: none"> During 6 week resettlement members of staff assist with identification of energy suppliers Recycling facilities are in place on site. Use of pool cars Service Quality <ul style="list-style-type: none"> Satisfaction surveys carried out Customer feedback completed quarterly 		

Broadacres Housing Association Limited

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- Quality assessments carried out
- Joint work with lead provider ensuring consistency

Evaluation & Evidence

- Supporting people workbooks, showing the utilisation and throughput for the service are completed on a quarterly basis.
- Customer satisfaction surveys.
- Peer audits
- Practitioners and pathway meetings held monthly and quarterly
- Lead provider workbook completed
- Supporting People's Young person's pathway report completed measuring length of stay, move on, departures, throughput, and statutory status of young person.

Case Study – homeless service

A 16 year old boy presented at the Homeless service, he was a refugee from Eritrea he had been smuggled across to England. The young man was fleeing persecution from his home country and was known to Children Social Services, who funded his stay at The Crossing until his application to stay was approved by the home office.

The young man could speak very little English and support staff accessed 'language line' to identify his needs which included:

- Support with his home office application
- Basic bank account
- Education
- Religious needs
- Clothing
- Tenancy related support

This proved a learning curve for all involved due to the young man not having any recourse to public funds and even setting up a bank account was difficult. However using a multiagency holistic approach the young man's needs were met.

The young man was granted asylum and currently attends Middlesbrough college where he is studying Science, Maths, and English, staff supported him with his religious needs and he now attends mosque and has a social network of friends also in Middlesbrough. Staff also supported him to access his benefits and dietary requirements.

In the time the young man has been with the service and engaged with support his English has improved greatly and we feel that he will be ready to move on and live independently in the very near future.

Broadacres Housing Association Limited

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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 £163k savings to date
- Catering Services (From August 2014) With £77k savings to date

Other On-going Services - The following services continue to be provided and some case studies are included to show in a qualitative way the social value that is provided to residents and the community:-

Case Study Lifeline & Older Person Services

A gentleman, who was a former war veteran, was in really poor health. He was living in a three bedroom Broadacres property which because of his health issues was in an extremely poor state and he had accumulated rent arrears. He had no family or friends, was struggling with day-to-day life, could not afford to the heat the property and occasionally missed meals due to the lack of money.

Following a referral to our support team and working alongside other colleagues in money advice we ensured he was receiving the correct benefits. We helped him complete a housing application form so he could move into a flat or bungalow and we helped him clean and tidy up his current home to make him more comfortable.

Over time he received the correct benefits and a payment from the armed forces charity SSAFA cleared the debt on his account. He was offered a flat and has had a Lifeline unit installed so he can summon help if required. This gentleman is a completely different person from when we initially started to support him.

Case Study - Learning Disabilities

A resident, let's call her Janice, was being evicted from her home and presented herself as homeless to the district council. She was in debt to the tune of £1,200 which was being pursued by a debt collection agency. Janice has a learning disability and was receiving 10 hours of professional support a week. However she was not engaging with the support provided to help her maintain her home to an acceptable standard, leading to the landlord seeking possession of her home.

Janice was considered for a flat within Marshall House and moved in 18 months ago. The staff worked with her to set up a payment plan with the debt collector. Janice is now debt free and engages with support to encourage her to keep her flat in good condition. Support staff meet with Janice regularly to help her understand her responsibilities in relation to her tenancy and the consequences of debt and how this might affect her life. The aim of these sessions is to enable Janice to make informed decisions to avoid the same situations arising again in the future.

Broadacres Housing Association Limited Board Report

Case Study ABLE – Day care

Valuing the person is at the forefront of everything we do and this includes not only those who have contracts to attend the service but includes all visitors, work placements and our neighbours. Over a year ago we saw a gentleman with his dog walking aimlessly around our car park, he looked lost and so we went out to him and asked if he needed any help. The gentleman was confused and lost so we asked him to come in and have a cup of tea while we helped him to remember where he was going.

He was quite open about having dementia and that he had moved to a new house and didn't remember where it was. We knew where the houses were being built and took him there to see if he recognised any landmarks. Luckily he found his home and his wife was very relieved to see him.

From that day he has befriended us and visits us every day just to say hello and he is so happy to be welcomed. This seems such a small thing but just having the routine of calling in to see us has had such a positive effect on his daily living.

Case Study Domiciliary Care

We have a severely disabled lady living at Rockliffe Court who has lived here since January 2005. She moved into Rockliffe Court so she could live independently with carers on site as her needs were high. She has multiple sclerosis and over the years her mobility and independence has decreased to the point she needs everything doing for her now. She relies on staff to bathe, clothe and feed her. If we did not provide the care we deliver she would have had to move into a nursing home by now. Instead she receives the care she needs and she remains in her own home which is her wish.

Case Study – Home improvement Agency

An elderly client with disabilities who is resident in the private sector was referred into the service because he had a boiler in his loft which would shut off when the pressure got too low. The valve was also in his loft so he was unable to climb the ladder to get to the valve to reset his heating. This left him without heating until someone called to do it for him. He suffered with osteoarthritis and a trapped nerve in his spine which left him without the use of his left shoulder and arm and limited movement in his right hand which meant climbing a ladder was an impossible and highly dangerous task. Our caseworker was able to secure charitable funding so that the pipework and the valve could be relocated to a more suitable location allowing the client access to it whenever he needed.

Broadacres Housing Association Limited

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Social Value

This year we have also attributed a “Social Value” amount using the HACT* Community investment values from the Social Value Bank to a number of our services and we intend to refine and develop this approach further to cover more services.

Activity	Overall budget	Overall social impact	Analysis of benefit	
			Budget :	Net benefit
Money Advice Service	£ 146,000	£ 249,849	1 : 1.71	£ 103,849
Able to insure home contents	-	£ 86,044	-	£ 86,043
Staff regularly Volunteering	-	£ 31,761	-	£ 31,761
Apprentice scheme	£ 78,843	£ 115,205	1 : 1.46	£ 36,362
Community Involvement	£ 277,000	£ 1,001,240	1 : 3.61	£ 724,240
Procurement Register	-	£ 22,311	-	£ 22,311
TOTALS:	£ 501,843	£ 1,506,410	1 : 2.93	£ 1,004,566

*: Community investment values from the Social Value Bank

Authors: HACT and Daniel Fujiwara (www.hact.org.uk / www.simetrica.co.uk)

Source: www.socialvaluebank.org

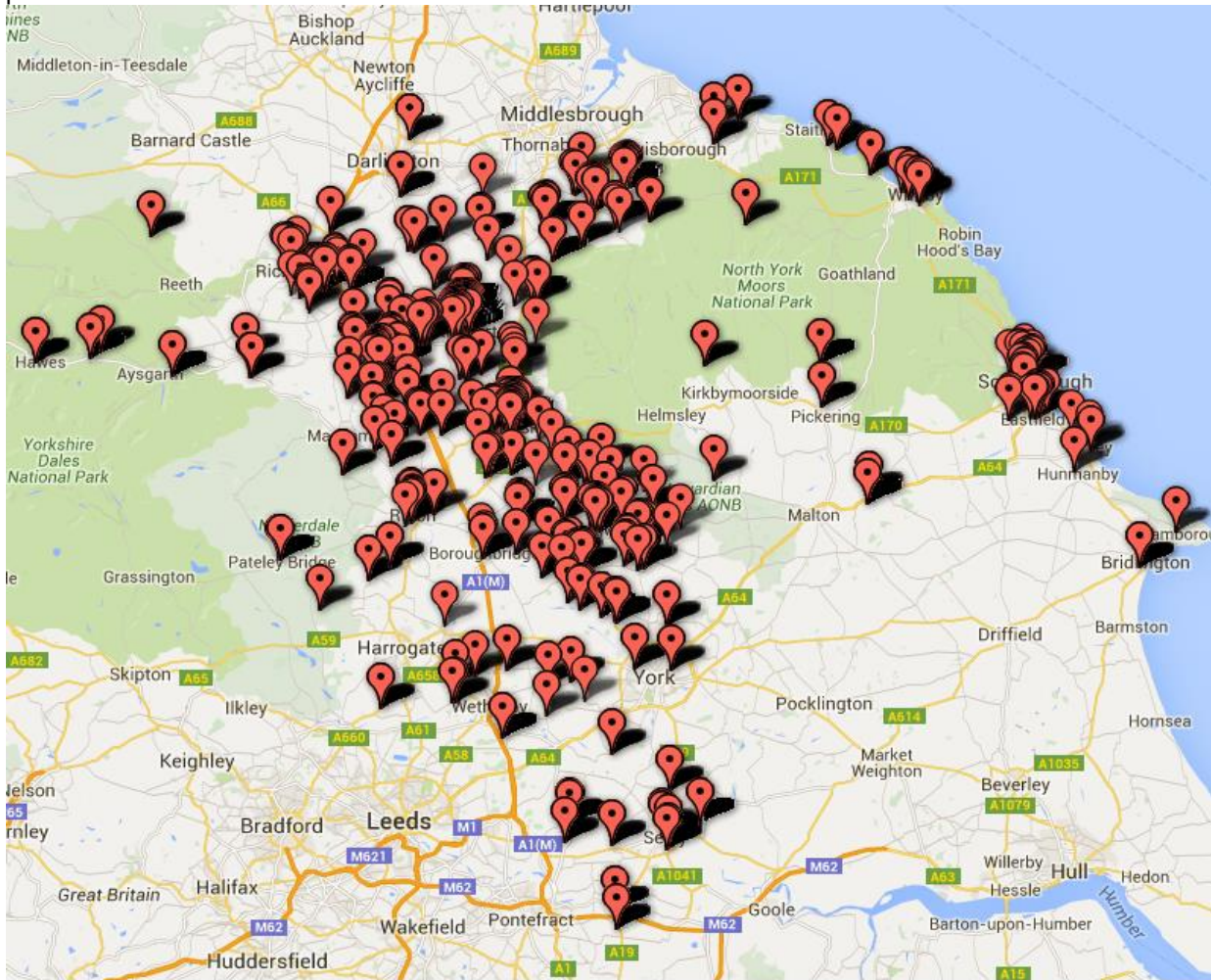
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Broadacres Housing Association Limited Board Report

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. During 2015/16 we have mapped all our properties and the map below shows where these are which gives a snapshot of our property portfolio.



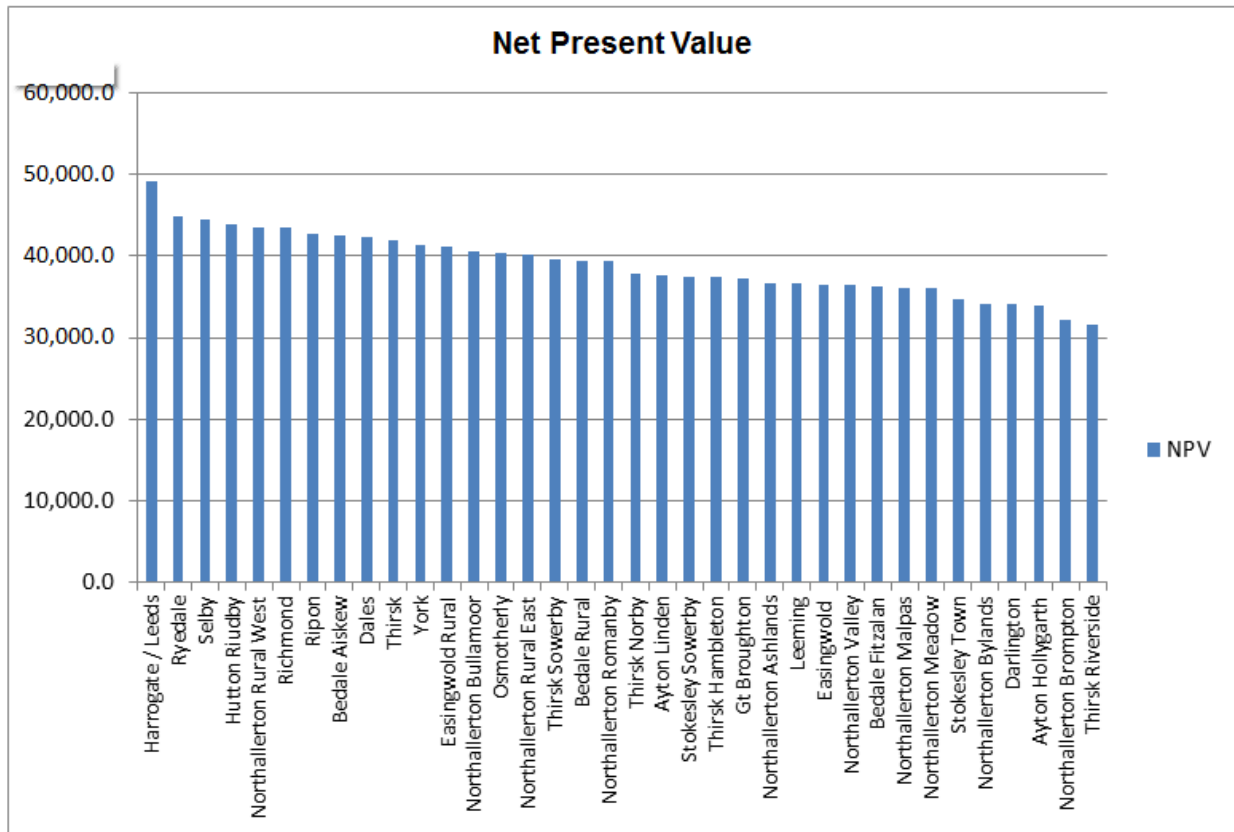
Under the Asset Management Strategy, we assess the relative performance of each asset in order to make an informed decision about future provision.

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.

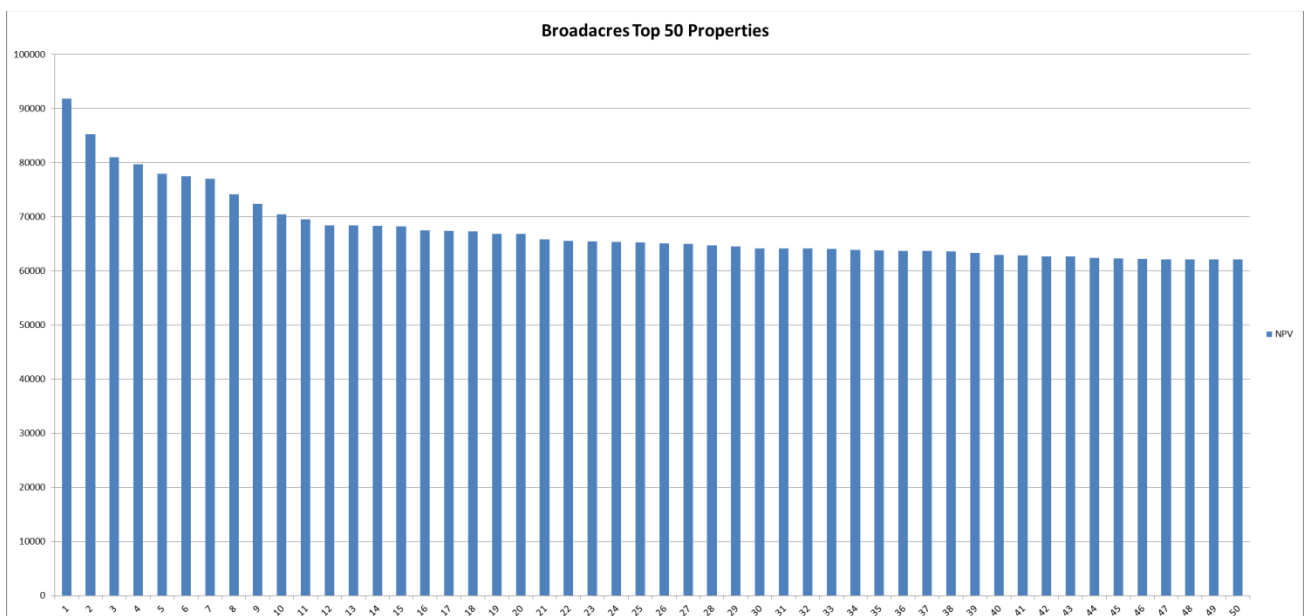
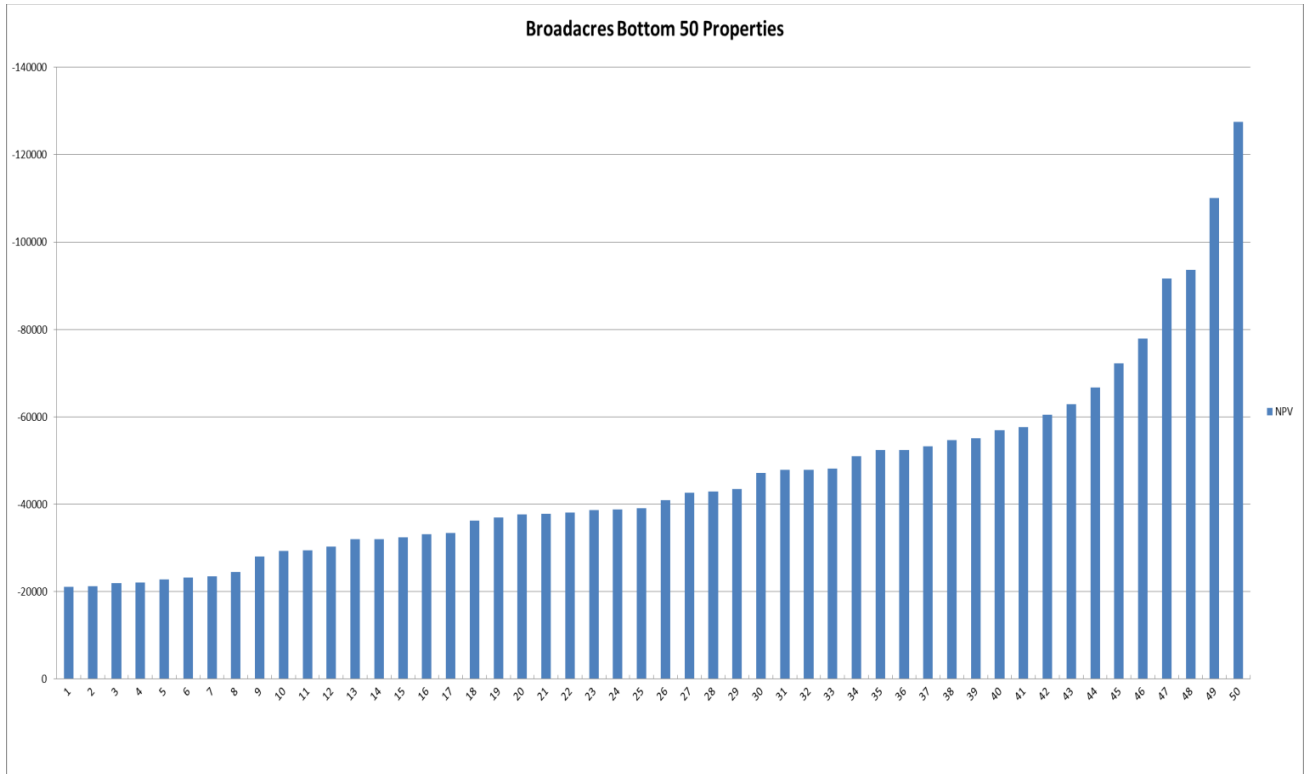
Broadacres Housing Association Limited Board Report

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



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We can also drill down to show the relative performance of properties – for example the graphs below show the 50 lowest and highest rated properties in terms of Net Present Value:



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

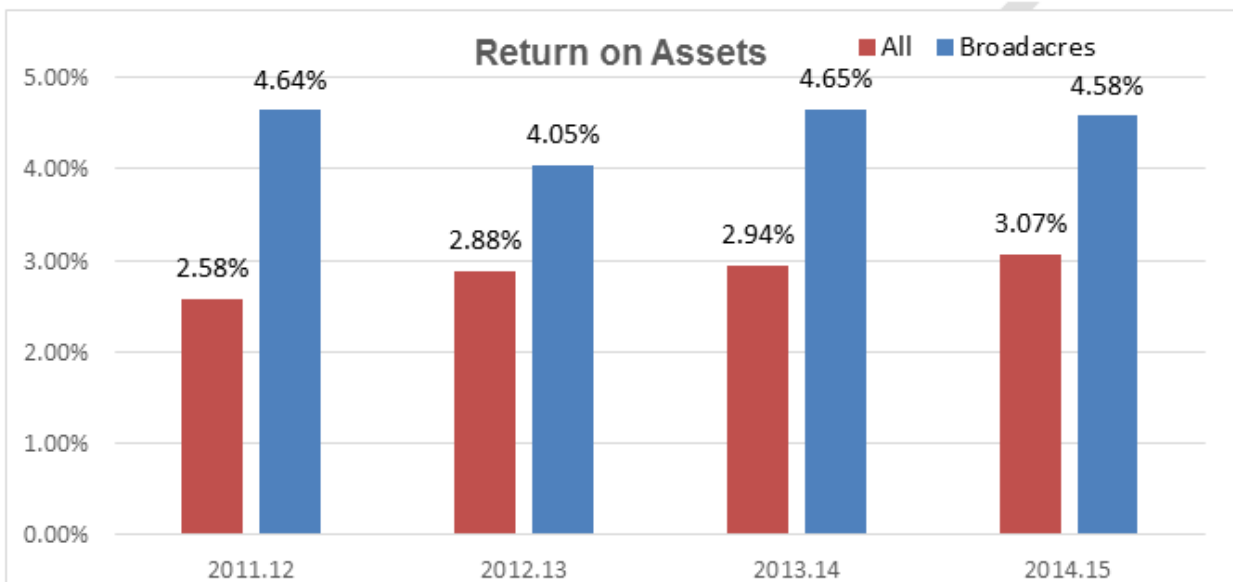
Broadacres Housing Association Limited Board Report

Thereafter they assign a “RAG” rating to properties.

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

As a result of using this tool a working group of Housing and Asset Management staff meet to review each void as it becomes available and consider whether to relet, refurbish or dispose. Following this exercise we sold 5 properties during 2015/16 and the business plan assumes that over the next 5 years up to 10 will be sold each year. The resources released will be used to provide homes that are more suitable for our customers needs.

When compared to others Broadacres has a relatively positive performance in terms of the financial return on assets as measured using the Global Accounts data and although it is recognised that this is simply a financial measure and doesn't reflect other geographical or property condition factors it is included for completeness.



Broadacres Housing Association Limited

Board Report

Independent auditors' report to the members of Broadacres Housing Association

Report on the financial statements

Our opinion

In our opinion, Broadacres Housing Association'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 2016 and of the group's and the registered provider's surplus and cash flows for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
 - have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
 - have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2015.
-

What we have audited

The financial statements comprise:

- the group and registered provider statements of financial position as at 31 March 2016;
- the group and registered provider statements of comprehensive income for the year then ended;
- the group and registered provider statements of changes in reserves for the year then ended;
- the group and registered provider cash flow statements 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 United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland, and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgments, 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 and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the registered provider, or returns adequate for our audit have not been received from branches not visited by us; or
- the registered provider financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Broadacres Housing Association Limited

Board Report

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of responsibilities of the Board of management set out on page 12, the directors are 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 Chapter 3 of Part 16 of the Companies Act 2006 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

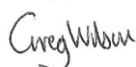
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from 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 directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgments against available evidence, forming our own judgments, 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 (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
12 September 2016

Broadacres Housing Association Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 March 2016

	Note	2016 £'000	2015 restated £'000
Turnover		42,663	36,591
Operating expenditure		(32,176)	(26,706)
Exceptional loss on activity in the year	17	<u>(3,760)</u>	<u>-</u>
Operating surplus		6,727	9,885
Gain / (loss) on disposal of property, plant and equipment	4	948	85
Finance income	6	23	42
Interest and financing costs	5	(6,300)	(4,982)
Impairment of investment	13	<u>(1,733)</u>	<u>-</u>
Surplus / (deficit) before tax		(335)	5,030
Taxation		-	(2)
Loss attributable to the minority	25	1,797	178
Surplus for the year		<u>1,462</u>	<u>5,206</u>

All activities derive from continuing operations.

The notes numbered 1 to 28 form part of these financial statements.

Broadacres Housing Association Limited
Association Statement of Comprehensive Income
For the year ended 31 March 2016

	Note	2016 £'000	2015 restated £'000
Turnover	3	33,942	31,723
Operating expenditure	3	(23,071)	(22,040)
Operating surplus		10,871	9,683
Gain / (loss) on disposal of property, plant and equipment	4	948	85
Finance Income	6	886	651
Interest and financing costs	5	(6,229)	(4,975)
Change in fair value of financial instruments Gain / (loss) on revaluation of investment in subsidiary	13	(1,300)	-
Surplus / (deficit) before tax		5,176	5,444
Taxation		-	-
Surplus for the year		5,176	5,444
Unrealised gain / (loss) on revaluation of housing properties			
Actuarial loss in respect of pension schemes		-	(1,688)
Change in fair value of hedged financial instruments			
Total comprehensive income for the year		5,176	3,756




All results derive from continuing operations.

The notes numbered 1 to 28 form part of these financial statements

Broadacres Housing Association Limited
Consolidated Statement of Financial Position
At 31 March 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Housing properties	11	285,347	272,332
Investment properties	13	2,400	555
Other property, plant and equipment	12	4,282	4,744
Investments	13	3,879	6,113
		295,908	283,189
Current assets			
Inventories	14	256	164
Housing properties for sale	16	16,672	18,712
Debtors	15	2,794	2,997
Cash	22	3,918	2,225
		23,639	24,098
Creditors: Amounts falling due within one year	17	(9,833)	(11,744)
Provision for the onerous contract	17	(3,760)	-
		13,593	12,354
Net current assets			
		13,593	12,354
Total assets less current liabilities			
		305,956	295,553
Creditors: Amounts falling due after more than one year	18	(132,299)	(121,939)
Defined benefit pension liability	19	(6,163)	(6,057)
		167,494	167,557
Net assets			
		167,494	167,557
Capital and reserves			
Called-up share capital		-	-
Revenue reserve		132,365	130,410
Revaluation reserve		42,501	42,616
Restricted reserve		(6,160)	(6,054)
Minority reserve		(1,212)	585
		167,494	167,557
Total reserves			
		167,494	167,557

The notes numbered 1 to 28 form part of these financial statements. The financial statements for Broadacres Housing Association Ltd (registered number 27656R); on pages 75-120 and their related notes were approved by the Board of Management on 25th July 2016 and were signed on its behalf by:




C Wilkie		Chairman
C Milbanke		Board Member
C Fawcett		Secretary

Broadacres Housing Association Limited

Association Statement of Financial Position At 31 March 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Housing properties	11	285,347	272,332
Investment properties	13	2,975	555
Other property, plant and equipment	12	4,272	4,734
Investments	13	2,540	4,354
		<u>295,134</u>	<u>281,975</u>
Current assets			
Inventories	14	256	164
Debtors	15	17,005	16,026
Housing properties for sale	16	510	614
Cash	24	3,494	1,213
		<u>21,265</u>	<u>18,017</u>
Creditors: Amounts falling due within one year	17	<u>(5,021)</u>	<u>(5,661)</u>
Net current assets		16,244	12,356
Total assets less current liabilities		<u>311,379</u>	<u>294,331</u>
Creditors: Amounts falling due after more than one year	18	(132,127)	(120,634)
Defined benefit pension liability		(6,163)	(6,057)
		<u>173,089</u>	<u>167,640</u>
Capital and reserves			
Share capital		-	-
Revenue reserve		136,748	131,078
Revaluation reserve		42,501	42,616
Restricted reserve		(6,160)	(6,054)
		<u>173,089</u>	<u>167,640</u>
Total reserves		173,089	167,640

The notes numbered 1 to 28 form part of these financial statements. The financial statements for Broadacres Housing Association Ltd (registered number 27656R), on pages 75-120, and their related notes were approved by the Board of Management on 25th July 2016 and were signed on its behalf by:

C Wilkie		Chairman
C Milbanke		Board Member
C Fawcett		Secretary

Broadacres Housing Association Limited
Consolidated Statement of Changes in Reserves
At 31 March 2016

	Income and expenditure reserve £'000	Revaluation reserve £'000	Restricted reserve £'000	Minority reserve £'000	Total £'000
Restated at 1 April 2015	130,410	42,616	(6,054)	585	167,557
Surplus for the year	1,462	-	-	-	1,462
Loss attributable to the minority	-	-	-	(1,797)	(1,797)
Transfer from pensions reserve	575	-	(106)	-	469
Transfer to creditors - service charges	(78)	-	-	-	(78)
Adjustment to carrying value of investment properties	-	(115)	-	-	(115)
At 31 March 2016	132,365	42,501	(6,160)	(1,212)	167,494

Broadacres Housing Association Limited
Association Statement of Changes to Reserves
For the year ended 31 March 2016

	Income and expenditure reserve £'000	Revaluation reserve £'000	Restricted reserve £'000	Total £'000
Restated at 1 April 2015	131,078	42,616	(6,054)	167,640
Surplus for the year	5,176	-	-	5,176
Transfer from pensions reserve	575	-	(106)	469
transfer to creditors service charges	(79)	-	-	(79)
Adjustment to carrying value of investment properties	-	(115)	-	(115)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2016	136,748	42,501	(6,160)	173,089
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Broadacres Housing Association Limited
Statement of Cash Flows
For the year ended 31 March 2016

Consolidated	Note	2016 £'000	2015 £'000
Net cash generated from operating activities	22	14,311	20,221
Cash flows from investing activities			
Purchase of property, plant and equipment		(14,541)	(30,165)
Purchase of Other Assets		(268)	(446)
Proceeds from sale of property, plant and equipment		948	590
Purchase of investment property		(2,004)	-
Grants received (SHG & other)		158	1,598
Interest received		23	(458)
Net cash flows from investing activities		(15,684)	(28,881)
Cash flows from financing activities			
Interest paid		(5,497)	(4,860)
Interest element of finance lease rental payments		-	-
New loans		12,672	13,522
Repayments of borrowings		(4,108)	(1,375)
Net cash flows from financing activities		3,068	7,287
Net increase/(decrease) in cash and cash equivalents		1,693	(1,374)
Cash and cash equivalents at beginning of year		2,225	3,598
Cash and cash equivalents at end of year		3,918	2,224

Broadacres Housing Association Limited
Statement of Cash Flows
For the year ended 31 March 2016

Association	Note	2016 £'000	2015 £'000
Net cash generated from operating activities	22	15,733	15,145
Cash flows from investing activities			
Purchase of property, plant and equipment		(18,614)	(23,961)
Purchase of other assets		(268)	(446)
Proceeds from sale of property, plant and equipment		948	83
Purchase of investment property		(2,305)	-
Grants received (SHG & other)		158	1,115
Interest received		929	151
Net cash flows from investing activities		(19,152)	(23,058)
Cash flows from financing activities			
Interest paid		(5,426)	(4,946)
Interest element of finance lease rental payments		-	-
New loans		12,500	13,308
Repayments of borrowings		(1,375)	(1,375)
Net cash flows from financing activities		5,669	6,978
Net increase/(decrease) in cash and cash equivalents		2,281	(926)
Cash and cash equivalents at beginning of year		1,213	2,139
Cash and cash equivalents at end of year		3,494	1,213

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

1. Accounting policies

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

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and used to restate the preceding year under FRS102.

General information and basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2014 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2015. Broadacres Housing Association Limited is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

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 10.

Statement of compliance

This is the first year the Group has prepared its financial statements in accordance with FRS 102, accordingly the financial information as at 1 April 2014 (being the date of transition) and for the year ended 31 March 2015 have been restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 34.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Association and its subsidiary undertakings drawn up to 31 March each year.

Details of the subsidiary undertakings are included on page 7 in the report of the board, and details of transactions between the group are given in note 26 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 2016 were less than £9,000. This subsidiary has not been consolidated as it is not material for the purposes of giving a true and fair view.

Property, plant and equipment - housing properties

Housing properties are stated at cost (and at deemed cost for assets held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs and borrowing costs directly attributable to the construction of new housing properties during the development. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

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.

Depreciation

Depreciation 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 useful economic lives. Freehold land is not depreciated.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

Major components

Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives at the following annual rates:

Structure	75-100 years
Roofs	50 years
Doors and windows	30 years
Kitchens	15 years
Bathrooms	20 years
Heating systems	30 years
Boilers	10 years

Improvements

Where there are improvements to housing properties that are expected to provide incremental future benefits, these are capitalised and added to the carrying amount of the property. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in surplus or deficit in the Statement of Comprehensive Income.

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.

Non-housing property, plant and equipment

Non-housing property, plant and equipment are stated at historic cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all non-housing property, plant and equipment, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold offices	50 years
Furniture, fixtures & fittings	5 years
Vehicles	4 years
Computer equipment	3-4 years

Investment properties

The classification of properties as investment property or property plant and equipment is based upon the intended use of the property. Properties held to earn commercial rentals or for capital appreciation or both are classified as investment properties. Properties that are used for administrative purposes or that are held for the provision of social housing are treated as property plant and equipment. Mixed use property is separated between investment property and property, plant and equipment.

Land is accounted for based on its intended use. Where land is acquired speculatively with the intention of generating a capital gain and/or a commercial rental return it is accounted for as investment property. Where land is acquired for use in the provision of social housing or for a social benefit it is accounted for as property, plant and equipment. Broadacres currently holds 2 sites in its land bank totalling £2.4m. These properties are included in investments.

Investment properties are measured at fair value annually with any change recognised in surplus or deficit in the Statement of Comprehensive Income.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

Impairment of social housing properties

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in surplus or deficit in the Statement of Comprehensive Income.

Social Housing Grant and other Government grants

Where grants are received from government agencies such as the Homes and Communities Agency, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Grants received from non-government sources are recognised as revenue using the performance model.

Donation or acquisition of land or other asset at below market value

Where a donation of land and/or other assets is received or land and/or other assets are acquired at below market value from a government source, this is accounted for as a non-monetary government grant. The difference between the fair value of the asset donated or acquired and the consideration paid for the asset is recognised as a government grant and included in the Statement of Financial Position as a liability.

Where a donation of land and/or other assets is received or acquisitions of land and/or other assets at below their market value from a third party that does not meet the definition of a government source the transaction is recognised as an asset in the Statement of Financial Position at fair value, taking account of any restrictions on the use of the asset and income equivalent to the difference between any amounts paid or payable for the asset and the fair value of the asset is recognised in surplus or deficit in the Statement of Comprehensive Income as a donation when future performance-related conditions are met.

Recycling of grants

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognise this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

For shared ownership stair casing sales, when full stair casing has not taken place, the recycling of the grant may be deferred if the net sales proceeds are insufficient to meet the grant obligation relating to the disposal and is not recognised as a provision. On subsequent stair casing sales, the requirement to recycle the grant becomes an obligation if sufficient sales proceeds are generated to meet the obligation and a provision is recognised at this point.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the Statement of Financial Position related to this asset is

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

derecognised as a liability and recognised as revenue in surplus or deficit in the Statement of Comprehensive Income.

Restricted reserves

Where reserves are subject to an external restriction they are separately recognised within reserves as a restricted reserve. Revenue and expenditure is included in surplus or deficit in the Statement of Comprehensive Income and a transfer is made from the general reserve to the restricted reserve.

Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

The Association does not currently hold any such leases.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases are charged to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Properties for outright sale

Properties developed for outright sale and land held for sale are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes materials, direct labour and an attributable proportion of overheads based on normal levels of activity.

Interest payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period

Taxation

The association has charitable rules 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 at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Statement of Financial Position date. Timing differences are differences between the Group's taxable surpluses and its results as 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.

Unrelieved tax losses and other deferred tax assets are 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 using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

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 - Service charge sinking funds and service costs

The association previously maintained one designated reserve which was 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 services reserve (which is specifically designated to reflect the association's duty to replace certain equipment in supported housing schemes) is now treated as a creditor.

Unutilised contributions to service charge sinking funds and over-recovery of service costs which are repayable to tenants or leaseholders or are intended to be reflected in reductions to future service charge contributions are recognised as a liability in the Statement of Financial Position.

Pensions

Multi-employer defined benefit pension scheme – Social Housing Pension Scheme

The Group participates in an industry wide multi-employer defined benefit pension scheme where the scheme assets and liabilities cannot be separately identified for each employer. This is accounted for as a defined contribution scheme as there is insufficient information available to account for the scheme as defined benefit. For this multi-employer scheme, there is a contractual agreement between the scheme and the Group that determines how the deficit will be funded and a liability is recognised in the Statement of Financial Position and the resulting expense in surplus or deficit in the Statement of Comprehensive Income for the present value of the contributions payable that arise from the agreement to the extent that they relate to the deficit.

Local Government Pension Scheme

The Group participates in a local government pension scheme which is a multi-employer scheme where it is possible for individual employers as admitted bodies to identify their share of the assets and liabilities of the pension scheme. For this scheme the amounts charged to operating surplus are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to revenue and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date.

Defined contribution scheme

The Group participates in a defined contribution scheme where the amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Turnover

Turnover comprises:

- Rental income from tenants and leaseholders receivable in the year is recognised as it becomes due and payable.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

- 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.

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 Associations Statement of Financial Position represent the investment of the Association in the subsidiary companies identified in note x and are carried at valuation. In the year, following a review of the value of land options held by MHYL, a decision was made to impair the value of the Associations investment. This resulted in a £1m charge through the Statement of Comprehensive Income.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

Onerous Contracts

Where a loss is deemed to be certain in a contract, the Association will recognise this loss as outlined in FRS102. This will lead to an exceptional item in the Statement of Comprehensive Income as well as a provision in the Statement of Financial Position relating to the estimated loss. This will then be unwound as the actual loss is realised.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

Financial liabilities carried at amortised cost – “basic loans”

These financial liabilities include trade and other payables and interest bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Financing transactions – rent arrears – arrangements to pay

For rent arrears where the arrangement constitutes, in effect, a financing transaction because of extended credit arrangements the arrears are derecognised as a financial asset and a new financial asset measured at the present value of the future payments discounted at an appropriate market rate of interest. The present value adjustment is recognised in surplus or deficit in the Statement of Comprehensive Income.

Public benefit entity concessionary loans

Loans between the group are made at market rates and therefore classified as “basic loans” above.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Gift aid payments

Gift aid payments are charged as distributions of reserves in accordance with the guidance included in the Institute of Chartered Accountants technical release ‘Guidance on donations by a company to its parent charity’.

2. Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

The following are management judgements in applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements.

Impairment of social housing properties

The Group have to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP.

From 1 April 2016, Broadacres Housing Association reduced social housing rents by one per cent per annum and will continue to do so in each year until 2019/20 in accordance with Welfare Reform and Work Act 2016. Despite cost efficiency savings and other changes to Broadacres Housing Association’s business, compliance with the new rent regime has resulted in a loss of net income for certain social housing property. This is a trigger for impairment.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

In accordance with paragraphs 14.43 to 14.45 of the Housing SORP 2014, Broadacres is required to make the following disclosure:

- a) Judgements made in defining the CGU
- b) Estimation technique and judgement used in measuring recoverable amount
- c) When VIU-SP is used to estimate the recoverable amount, the key assumptions used and details of the method used

Broadacres estimated the recoverable amount of its housing properties as follows:

- (a) Determined the level at which the recoverable amount is to be assessed (ie the individual asset level or at cash-generating unit (CGU) level. The CGU was determined to be at a scheme level
- (b) Estimated the recoverable amount of the CGU
- (c) Calculated the carrying amount of the CGU and
- (d) Compared the carrying amount to the recoverable amount to determine if an impairment loss had occurred.

Based on this assessment, Broadacres calculated the Depreciated Replacement Cost (DRC) of each social housing property scheme, using appropriate construction costs and land prices. Comparing this to the carrying amount of each scheme, there was no impairment of social housing properties.

Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Fair value measurement

Management uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management base the assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual process that would be achievable in an arm's length transaction at the reporting date.

Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Onerous Contract

The group has estimated a likely loss arising on schemes being completed by Mulberry Homes. This loss has arisen due to the liquidation of the contractor, Southdale Homes. In estimating the potential loss, the Association has relied on 3rd party estimates and agreed contract sums where available.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

3. Particulars of turnover, cost of sales, operating costs and operating surplus – Group and Association

Association

	2016		
	Turnover £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings	29,891	(18,163)	11,728
Other social housing activities			
Shared ownership and low cost home ownership sales	1,063	(815)	248
Learning Disabilities	151	(130)	21
Supporting people contract	421	(434)	(13)
Other supporting people services	422	(758)	(336)
Older persons services	609	(797)	(188)
Home improvement agency	607	(689)	(82)
Able day care	139	(167)	(28)
Cleaning services	131	(134)	(3)
Development services	143	(788)	(645)
Other	365	(195)	170
Turnover from social housing activities	33,942	(23,071)	10,871
Activities other than social housing activities	2,644	(8,338)	(5,694)
Total	36,586	(31,410)	5,176

	2015		
	Turnover £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings	27,961	(17,835)	10,126
Other social housing activities			
Shared ownership and low cost home ownership sales	657	(447)	210
Learning Disabilities	141	(131)	10
Supporting people contract	449	(441)	9
Other supporting people services	400	(543)	(142)
Older persons services	615	(761)	(146)
Home improvement agency	615	(663)	(48)
Able day care	140	(149)	(9)
Cleaning services	269	(252)	18
Development services	143	(653)	(510)
Other	331	(166)	165
Turnover from social housing activities	31,723	(22,039)	9,684
Activities other than social housing activities	1,165	(5,405)	(4,240)
Total	32,887	(27,446)	5,444

Broadacres Housing Association Limited
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For the year ended 31 March 2016

Particulars of Income and Expenditure from social housing lettings – Group and Association

The income from lettings in respect of shared ownership properties is included within General Needs. The association has 77 shared ownership properties (2015:72) generating £16k per annum in rent.

	General Needs (and Sheltered - Housing £'000	Supported Housing and housing for older people – <i>England</i>) £'000	2016 Total £'000	2015 Total £'000
Income				
Rents receivable	27,440	1,341	28,781	26,844
Service charge income	440	1,272	1,712	1,653
Amortised government grant				
Government grants taken to income	31	-	31	7
Other grants	-	-	-	-
Void losses	(544)	(90)	(634)	(544)
Turnover from social housing lettings	27,368	2,523	29,891	27,961
Expenditure				
Services	405	1,158	1,563	1,687
Management	2,257	152	2,409	2,341
Routine maintenance	4,009	185	4,194	4,859
Planned maintenance	828	44	872	1,291
Major repairs expenditure	2,868	483	3,351	2,300
Rent loss from bad debts	134	33	167	149
Depreciation of housing properties	4,699	246	4,944	5,208
Impairment of housing properties	662	-	662	-
Operating costs	15,862	2,300	18,163	17,835
Operating surplus social housing lettings	11,505	223	11,728	10,125

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

During the year the association made £8,909.63 (2015: £3,658.89) grants from the Community Development Fund, small donations of £5,808.12 (2015: £220.00) to local groups and raised £6,000 for Breathing Space (2015: £5,000 for The Stroke Association) through its annual charity golf day.

4. Surplus / (deficit) on disposal of property, plant and equipment

	2016	2015
	£'000	£'000
Right to buy sales	639	514
Cost of Sales	(448)	(429)
Sale of void properties	1,119	-
Costs of sale	(362)	-
	<u>948</u>	<u>85</u>

5 Interest and finance costs

	Group		Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	5,551	4,906	5,480	4,899
Finance lease charges				
Unwinding of discounts on provisions	195	97	195	97
Net interest on defined benefit liability	575	58	575	58
Overage costs	119	57	119	57
	<u>6,440</u>	<u>5,119</u>	<u>6,369</u>	<u>5,111</u>
Borrowing costs capitalised	(140)	(136)	(140)	(136)
	<u>6,299</u>	<u>4,983</u>	<u>6,229</u>	<u>4,975</u>

Borrowing costs have been capitalised based on a capitalisation rate of 1.82 per cent (2015 1.51 per cent) (which is the weighted average of rates applicable to the Group's general borrowings outstanding during the year).

6. Other finance income

	Group		Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Intercompany loan interest	-	-	877	644
Bank interest receivable	23	42	10	7
	<u>23</u>	<u>42</u>	<u>886</u>	<u>651</u>

Broadacres Housing Association Limited
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7. Surplus on ordinary activities before taxation

Surplus on ordinary activities before taxation is stated after charging/ (crediting):

	Group		Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Depreciation of property, plant and equipment	4,944	5,208	4,944	5,208
Impairment of property, plant and equipment	662	-	662	-
Reversal of past impairment losses on property, plant and equipment	-	-	-	-
Government grants	(7)	(31)	(7)	(31)
(Gain) / loss on disposal of fixed assets	969	249	969	249
Audit fees:				
- Statutory audit	45	29	34	19
- Audit-related assurance services	-	-	-	-
- Taxation compliance services	2	8	-	2
- Tax advisory services	-	-	-	-
Operating lease rentals	91	67	86	67
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8. Staff costs

	Group		Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Wages and salaries	8,311	7,455	8,075	7,512
Social security costs	611	591	589	580
Other pension costs (see note 29)	796	768	794	766
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>9,717</u>	<u>8,815</u>	<u>9,457</u>	<u>8,858</u>

Salary Band £'000

	2016	2015
	Number	Number
50,000 – 59,999	0	2
60,000 – 69,999	5	9
70,000 – 79,999	1	0
80,000 – 89,999	0	1
90,000 – 99,999	1	0
100,000 – 109,999	1	2
110,000 – 119,999	2	0
120,000 – 129,999	0	0
130,000 – 139,999	0	0
140,000 – 149,999	1	1

The average full time equivalent number of employees was:

2016	2015
Number	Number
<u>276</u>	<u>278</u>

The calculation of the full time equivalents was on an average basis throughout the year

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

9. Directors' remuneration and transactions

Key management personnel remuneration

	2016 £'000	2015 £'000
Directors who are executive staff members		
Wages and salaries	498	477
Social security costs	54	55
Other pension costs	73	72
Compensation for loss of office	-	-
Estimated money value of any other benefits otherwise than in cash	9	9

Board members

Wages and salaries	43	44
Social security costs	-	-
Other pension costs	-	-
Expenses	2	4
	<hr/>	<hr/>
	680	661
	<hr/>	<hr/>

Directors are defined as the members of the Board, the Chief Executive and any other person who is a member of the Executive Management team.

	2016 £'000	2015 £'000
Remuneration of the highest paid director, excluding pension contributions:	160	141
Pension contributions of the highest paid director	24	24
	<hr/>	<hr/>

The pension arrangements of the Chief Executive are consistent with those offered to the group's other employees. No enhanced or special terms apply.

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

10. Tax on surplus on ordinary activities

	2016 £'000	2015 £'000
The tax charge comprises:		
Current tax on surplus on ordinary activities		
UK corporation tax	-	2
Adjustments in respect of prior years	-	-
	<hr/>	<hr/>
Total current tax	-	2

The group has utilised the losses incurred by MHYL to offset the profit in BSL, resulting in no tax being payable. On consolidation, these entries net out resulting in no tax liability and no deferred tax being carried forward in the Statement of Financial Position.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

11. Tangible fixed assets – freehold housing properties

Group and Association	Housing properties held for letting £'000	Housing properties under construction £'000	Total £'000
Cost or valuation			
Restated as at 1 April 2015 (net of SHG)	263,845	12,877	276,722
Additions	-	16,566	16,566
Impairment	(662)	-	(662)
Components capitalised	3,525	-	3,525
Completed properties acquired	15,990	(15,990)	-
Works to existing properties	-	-	-
Disposals	(1,541)	-	(1,541)
At 31 March 2016	<u>281,157</u>	<u>13,453</u>	<u>294,610</u>
Depreciation			
At 1 April 2015	(4,390)	-	(4,390)
Charge for the year	(4,943)	-	(4,943)
Eliminated on disposal	71	-	71
At 31 March 2016	<u>(9,262)</u>	<u>-</u>	<u>(9,262)</u>
Net book value			
At 31 March 2016	<u>271,894</u>	<u>13,453</u>	<u>285,347</u>
At 31 March 2015	<u>259,455</u>	<u>12,877</u>	<u>272,332</u>

On transition to FRS102, Broadacres chose to hold properties at cost less accumulated depreciation. Properties were valued 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 £246m was as at 31 March 2014 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.

Under FRS102, following Broadacres adaption of the accrual method of accounting SHG is held as a creditor and released to the SOCI over the useful life of the asset to which it relates. Properties have therefore been restated at gross (or deemed cost) less depreciation.

Housing property additions include £140,343 (2015 - £136,425) interest on development costs, on the basis of 1.82% (2015 1.51%) interest rate. Included within housing properties for letting are 77 (2015- 72) Shared Ownership properties with a net cost of £4.6m. (2015 £4.1m)

Depreciation has been charged on major components on the basis of their useful economic lives, the replacement of major components totalling £3,525k (2015 £4,022k) were capitalised in the year.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

Expenditure on works to existing properties

	Group		Association	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Components capitalised	3,525	4,022	3,525	4,022
Amounts charged to the income and expenditure account:	2,507	1,905	2,507	1,905
	<u>6,032</u>	<u>5,927</u>	<u>6,032</u>	<u>5,927</u>

Social Housing Grant

	Group		Association	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Total accumulated social housing grant received or receivable as at 31 March:				
Capital grant	<u>5,156</u>	<u>4,754</u>	<u>5,156</u>	<u>4,754</u>

Finance Costs

	Group		Association	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Aggregate amount of finance costs included in the cost of housing properties:	<u>2,197</u>	<u>2,057</u>	<u>2,197</u>	<u>2,057</u>

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

12. Property, plant and equipment - other

Group	Investment properties £'000	Freehold offices £'000	Computer & office equipment £'000	Furniture fixtures & fittings £'000	Vehicles £'000	Group £'000	Total £'000
Cost or valuation							
At 1 April 2015	-	4,201	2,437	248	1,429	23	8,357
Additions	19	1	175	-	70	7	253
Disposals	-	-	(74)	(2)	-	-	(76)
At 31 March 2016	19	4,202	2,538	246	1,499	30	8,534
Depreciation							
At 1 April 2015	-	(610)	(1,905)	(206)	(860)	(13)	(3,594)
Charge for the year	-	(84)	(127)	(15)	(354)	(8)	(586)
Disposals	-	-	(71)	-	-	-	(73)
At 31 March 2016	-	(694)	(2,103)	(221)	(1,214)	(21)	(4,253)
Net book value							
At 31 March 2016	19	3,508	435	25	285	9	4,281
At 31 March 2015	-	3,591	532	42	569	10	4,744

The group figures include a vehicle for the furniture store with a net book value of £1,830 (2015 £5,490), computer software in Broadacres Services Ltd with a net book value of £1,370 (2015 £2,154) and computer software in Mulberry Homes Yorkshire Limited with a net book value of £6,508 (2015 £2,154). The net book value for the group for 2016 is £4,281,903 (2015 £4,744,200).

13. Fixed asset investments

	Group		Association	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Investment				
b/f	1,254	-	4,354	3,100
Additions	-	1,254	-	1,254
Unwinding of discount	(514)	-	(514)	-
Impairment	-	-	(1,300)	-
	740	1,254	2,540	4,354
Commercial Properties & Land Bank				
b/f	726	171	555	0
Additions	2,420	555	2,420	555
Disposals	(7)	-	-	-
Impairment	-	-	-	-
	3,139	726	2,975	555
Fair Value Land Options				
b/f	4,133	4,133	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Impairment	(1,733)	-	-	-
	2,400	4,133	-	-
Total Investments	6,280	6,113	5,516	4,909

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

Broadacres Housing Association Limited

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For the year ended 31 March 2016

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.

Principal Group investments

The parent Association and the Group have investments in the following subsidiary undertakings, associates and other investments which principally affected the surpluses or net assets of the Group.

As at 31 March 2016, 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. None of these subsidiaries are registered with the regulator of the Association.

The Association's investment of £5.8m 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 £1.9m 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 £1.3m impairment in year relates to the writing down of the value of the investment following professional assessment of the value of land options held by MHYL.

The £2.4m additions in year relate to a land bank purchase of a site at Old Malton, and the transfer of Melsonby site from work in progress to Land bank.

The consolidated investment for the group (£6.1m) 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.

Subsidiary Name	Country of registration	Nature of Business	Registered Provider	Shares held by BHA	Basis of Control
Broadacres Services Limited	England	Development of building projects	No	£1	100% share ownership
Richmond and Hambleton Furniture Store	England	Retail	No	-	100% control of the board of trustees
Mulberry Homes Yorkshire Limited	England	Development of building projects	No	£75	75% share ownership
Marketgate Management Company	England	Renting and operating of Housing Association real estate	No	£0	86% ownership of properties in the scheme

Broadacres Housing Association Limited
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For the year ended 31 March 2016

14. Stocks

	Group		Association	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Materials for repairs and adaptations	252	160	252	160
Catering services food stock	4	4	4	4
	<u>256</u>	<u>164</u>	<u>256</u>	<u>164</u>

15. Debtors

	Group		Association	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Amounts falling due within one year:				
Rent arrears	1,601	1,415	1601	1,415
Net present value adjustment	20	-	20	-
Provision for bad and doubtful debts	(500)	(549)	(500)	(549)
Amounts owed by Group undertakings	-	-	2	1
Amounts owed by associates	-	-	-	-
VAT	-	-	-	-
Other debtors	813	1,130	91	293
Prepayments and accrued income	859	1,001	340	864
	<u>2,792</u>	<u>2,997</u>	<u>1,553</u>	<u>2,024</u>
Amounts falling due after more than one year:				
Amounts owed by Group undertakings	-	-	15,451	14,002
Amounts owed by associates	-	-	-	-
VAT Shelter agreement	-	-	-	-
Other debtors	2	10	-	-
Prepayments and accrued income	-	-	-	-
	<u>2</u>	<u>10</u>	<u>15,451</u>	<u>14,002</u>
	<u>2,794</u>	<u>3,007</u>	<u>17,004</u>	<u>16,026</u>

16. Housing Properties for Sale

	Group		Association	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Properties intended for resale				
Completed properties	510	614	510	614
Properties under construction	16,162	18,098	-	-
	<u>16,672</u>	<u>18,712</u>	<u>510</u>	<u>614</u>

Broadacres Housing Association Limited
Notes to the Financial Statements
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17. Creditors – amounts falling due within one year

	Group		Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 18)	3,506	5,533	1,250	1,375
Rents, service & support charges received in advance	304	302	304	302
Amounts owed to Group undertakings	-	-	968	1,098
Other taxation and social security	328	361	328	361
Other creditors	949	199	328	156
Government grants	52	31	52	31
Accruals and deferred income	4,694	5,317	1,791	2,339
	<u>9,833</u>	<u>11,743</u>	<u>5,021</u>	<u>5,661</u>

Due to difficult trading conditions arising from the liquidation of Southdale Construction, Mulberry homes are projecting a significant loss on ongoing schemes. As a result of this projection Mulberry has recognised a loss under onerous contract of £3.8m This loss is recognised as an exceptional item in the statement of comprehensive income and as a provision in the statement of financial position as set out under FRS102.

18. Creditors – amounts falling due after more than one year

	Group		Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Other creditors				
Loans	124,988	114,340	124,816	113,568
Trade creditors	-	534	-	-
Government grants (RCGF)	302	201	302	201
Deferred consideration (See note)	1,032	1,351	1,032	1,351
Government Grants	5,105	4,723	5,105	4,723
Service charge sinking fund	871	791	871	791
	<u>132,299</u>	<u>121,940</u>	<u>132,127</u>	<u>120,634</u>

Bank, Building Society, Hambleton District Council 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. Hambleton District Council loans are repayable in periods of up to 25 years.

In November 2011 the association increased its loan facility with RBS to £50m. Of this facility £4m 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.

The total accumulated amount of capital grant received or receivable at the balance sheet date is £5.1m

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

	Group	
	2016	2015
	£'000	£'000
Deferred income - Government grants		
At 1 April 2015	(4,753)	(1,548)
Grants receivable	(433)	(3,212)
Amortisation to Statement of Comprehensive Income	30	7
At 31 March 2016	<u>(5,156)</u>	<u>4,753</u>
Due within one year	<u>51</u>	<u>30</u>
Due after one year	<u>5,105</u>	<u>4,723</u>

	Group	
	2016	2015
	£'000	£'000
Recycled Capital Grant Fund		
At 1 April 2015	201	318
Inputs to RCGF	-	14
Recycling of grant	101	(131)
At 31 March 2016	<u>302</u>	<u>201</u>

Borrowings are repayable as follows:

	Group		Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank loans				
Between one and two years	1,422	1,898	1,250	1,250
Between two and five years	4,750	3,750	4,750	3,750
After five years	<u>118,816</u>	<u>108,566</u>	<u>118,816</u>	<u>108,566</u>
On demand or within one year	<u>3,506</u>	<u>5,533</u>	<u>1,250</u>	<u>1,375</u>
	<u>128,494</u>	<u>119,747</u>	<u>126,066</u>	<u>114,941</u>

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

19. Retirement benefit schemes

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

Defined benefit retirement schemes.

The group participates in two defined benefit retirement 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 schemes 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 contribution, the contributions payable by the group are reduced by the amount of the forfeited contributions. The total cost charged to the Statement of Comprehensive Income in the period ended 31 March 2016 was £0.6m (2015 £0.8m).

The London Pension Fund Authority Pension Fund (LPFA).

The latest actuarial valuations of scheme assets and the present value of the defined benefit obligation was carried out as at 31 March 2013 by Barnett Waddingham, an independent provider of actuarial services. The scheme is administered in accordance with the Local Government Pension Scheme Regulations 2013, is contracted out of the State Second Pension and currently provides benefits based on career average revalued salary and length of service on retirement. In order to assess the actuarial value of the fund as at 31 March 2016 the valuation was rolled forward, allowing for investment returns, contributions paid into, and estimated benefits paid from, the Fund by and in respect of Broadacres and its employees.

The actuaries state that they are satisfied that the approach of rolling forward the previous valuation data to 31 March 2016 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.

Participating in a defined benefit pension scheme means exposure to the following risks:

- Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way.
- Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the LPFA, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may be a benefit e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

Broadacres Housing Association Limited
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	Valuation at	
	2016	2015
Key assumptions used:		
Discount rate	3.5%	3.2%
Future pension increases	2.3%	2.3%
Salary increases	4.1%	4.1%
CPI increases	2.3%	2.3%

These assumptions are set with reference to market conditions at 31 March 2016.

The estimate of the duration of the Employers liabilities is 17 years.

The discount rate is the annualise 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 FRS102 and with consideration of the duration of the Employer's liabilities. This is consistent with the approach used at the last accounting date.

As future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI, the assumption is that CPI will be 0.9% p.a. below RPI (Retail Prices Index). This is a slightly higher differential than last year and is a reasonable estimate for the future differences in the indices based on the different calculation methods and recent independent forecasts.

Salaries are assumed to increase at 1.8% above CPI in addition to a promotional scale.

Mortality assumptions:

The post retirement mortality tables have been constructed based on Club Vita analysis. These base tables are then projected using the CMI 2012 Model, allowing for a long-term rate of improvement of 1.5% p.a. The assumed life expectations on retirement at age 65 are:

	Valuation at	
	2016 years	2015 years
Retiring today:		
Males	23.4	23.3
Females	25.0	24.9
Retiring in 20 years:		
Males	25.7	25.6
Females	27.3	27.2

Other assumptions made are:

- Members will exchange half of their commutable pension for cash at retirement.
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age.
- No members will take up the option under the new LGPS to pay 50% of contributions for 50% of benefits.

Amounts recognised in the Statement of Comprehensive Income in respect of these defined benefit schemes are as follows:

	2016 £'000	2015 £'000
Current service cost	229	238
Net interest cost	149	140
Administration expenses	14	13
	<u>392</u>	<u>391</u>

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Notes to the Financial Statements

For the year ended 31 March 2016

The amount included in the Statement of Financial Position arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	2016 £'000	2015 £'000
Present value of defined benefit obligations	13,807	14,097
Fair value of scheme assets (bid value)	9,422	9,495
Deficit / (Surplus)	4,385	4,603
Present value of unfunded obligation	189	189
Net liability recognised in the Statement of Financial Position	<u>4,574</u>	<u>4,801</u>

Movements in the present value of defined benefit obligations were as follows:

	2016 £'000	2015 £'000
At 1 January	14,296	11,941
Service cost	229	238
Interest cost	453	528
Change in financial assumptions	(696)	1,702
Experience loss / (gain) on defined benefit obligation	1	2
Estimated benefits paid net of transfers in	(329)	(171)
Contributions from scheme participants		
Benefits paid	54	68
Unfunded pension payments	(12)	(12)
At 31 March	<u>13,996</u>	<u>14,296</u>

Movements in the fair value of scheme assets were as follows:

	2016 £'000	2015 £'000
At 1 January	9,495	8,704
Interest on assets	304	388
Actuarial gains and losses	-	-
Return on plan assets (excluding amounts included in net interest cost)	(378)	204
Administration expenses	(14)	(13)
Contributions from the employer	302	327
Contributions from scheme participants	54	68
Benefits paid	(341)	(183)
At 31 March	<u>9,422</u>	<u>9,495</u>

The analysis of the scheme assets at the Statement of Financial Position date was as follows:

	Fair value of assets	
	2016 £'000	2015 £'000
Equity instruments	4,378	4,120
LDI / Cashflow matching	955	713
Target return portfolio	2,004	2,745
Infrastructure	516	470
Commodities	42	88
Property	336	269
Cash	1,191	1,090
	<u>9,422</u>	<u>9,495</u>

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

The Pensions Trust – Social Housing Pension Scheme

The Group participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Group to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK. The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This actuarial valuation showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme as follows:

Deficit contributions

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% each year on 1st April)

From 1 April 2016 to 30 September 2023:

A cash amount equivalent to 3.1% of members' earnings per annum (payable monthly and increasing by 4.7% each year on 1st April)

From 1 April 2016 to 30 September 2026:

£30.64m per annum (payable monthly and increasing by 3.0% each year on 1st April)

The contributions are expressed in nominal pound terms (for each employer) increasing each year at 4.7%. The contributions of 3.1% are calculated by proportioning the nominal pound payment at the time of the change. Earnings at 30 September 2008 (for each employer) are used as a reference point for calculating these contributions.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the Group has agreed to a deficit funding arrangement the Group recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2016

Present values of provision

	2016 £'000	2015 £'000
Present value of provision	1,589	1,256

Reconciliation of opening and closing provisions

	2016 £'000	2015 £'000
Provision at start of period	1,256	1,309
Unwinding of the discount factor (interest expense)	23	37
Deficit contribution paid	(152)	(146)
Remeasurements - impact of any change in assumptions	(9)	56
Remeasurements - amendments to the contribution schedule	471	-
Provision at end of period	1,589	1,256

Income and expenditure impact

	2016 £'000	2015 £'000
Interest expense	23	37
Remeasurements - impact of any change in assumptions	191	56
Remeasurements - amendments to the contribution schedule	471	-
Costs recognised in income and expenditure account	685	93

Assumptions

	2016 % per annum	2015 % per annum
Rate of discount	2.06	1.92

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The overall pension provision is as follows:

	2016 £'000	2015 £'000
LPFA	4,574	4,801
SHPS	1,589	1,256
	6,163	6,057

20. Financial instruments

The carrying values of the Group and Association's financial assets and liabilities are summarised by category below:

	Group		Association	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Financial assets				
Measured at fair value through Statement of Comprehensive Income				
• Current asset listed investments	-	-	-	-
Measured at fair value and designated in an effective hedging relationship				
• Derivative financial assets	-	-	-	-
Measured at discounted amount receivable				
• Rent arrears financing transactions (see note 15)	20	-	20	-
Measured at undiscounted amount receivable				
• Rent arrears and other debtors (see note 15)	2,772	2,997	1,532	2,023
• Amounts due from related undertakings (see note 15)	-	-	15,453	14,003
	2,792	2,997	17,005	16,026
Financial liabilities				
	-	-	-	-
Measured at fair value and designated in an effective hedging relationship				
• Derivative financial liabilities	128,494	119,873	126,066	114,943
Measured at amortised cost				
• Loans payable (see note 17 & 18)	-	-	-	-
• Obligations under finance leases	-	-	-	-
Measured at undiscounted amount payable				
• Bank overdraft	13,637	13,810	10,113	10,254
• Trade and other creditors (see note 17 & 18)	-	-	968	1,098
• Amounts owed to related undertakings (see note 17)	-	-	-	-
	142,131	133,683	137,148	126,295

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group		Association	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Interest income and expense				
Total interest income for financial assets (note 6)	23	42	886	651
Total interest expense for financial liabilities (note 5)	5,551	4,906	5,480	4,899
	<u>5,574</u>	<u>4,948</u>	<u>6,366</u>	<u>5,550</u>

21. Share capital

	2016	2015
At beginning of year	72	74
Issued during the year	4	4
Cancelled during the year	(5)	(6)
	<u>71</u>	<u>72</u>

The shares provide members with the right to vote at general meetings but do not have a right to any dividend or distribution in a winding-up, and are not redeemable.

22. Statement of Cash Flows

Consolidated	2016 £'000	2015 £'000
Cash flow from operating activities		
Surplus for the year	1,462	5,206
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	4,943	5,208
Depreciation of other fixed assets	724	741
Decrease / (increase) in inventories	(92)	5
Decrease / (increase) in debtors	705	539
Increase / (decrease) in creditors	1,139	4,420
Pension costs less contributions payable	423	(177)
Carrying amount of property, plant & equipment disposals	810	430
Impairment loss on property, plant and equipment	662	-
Loss attributable to minority	(1,797)	(178)
(Increase)/decrease in fair value of investment property	1,733	-
Adjustments for investing or financing activities:	9,250	10,808
Proceeds from the sale of property, plant and equipment	(1,758)	(541)
Government grants utilised in the year	(31)	(7)
Interest payable	5,411	4,770
Interest received	(23)	(42)
	<u>3,599</u>	<u>4,207</u>
Cash generated by operations	<u>14,311</u>	<u>20,221</u>
Cash and cash equivalents		
Cash at bank and in hand	3,918	2,224
Cash equivalents included in current asset investments	-	-
	<u>3,918</u>	<u>2,224</u>

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2016

Association	2016	2015
	£'000	£'000
Cash flow from operating activities		
Surplus for the year	5,176	5,443
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	4,943	5,208
Depreciation of other fixed assets	724	741
Decrease / (increase) in inventories	(392)	5
Decrease / (increase) in debtors	(530)	(3,819)
Increase / (decrease) in creditors	(49)	3,631
Increase / (decrease) in provisions	-	-
Receipt of donated land	-	-
Pension costs less contributions payable	423	(177)
Carrying amount of property, plant & equipment disposals	810	430
Impairment loss on property, plant and equipment	662	-
(Increase)/decrease in fair value of investment property	1,300	-
	<hr/>	<hr/>
Adjustments for investing or financing activities:	7,892	6,018
Proceeds from the sale of property, plant and equipment	(1,758)	(514)
Government grants utilised in the year	(31)	(7)
Interest payable	5,340	4,856
Interest received	(886)	(651)
	<hr/>	<hr/>
Cash generated by operations	15,733	15,145
	<hr/> <hr/>	<hr/> <hr/>
 Cash and cash equivalents		
Cash at bank and in hand	3,494	1,213
Cash equivalents included in current asset investments	-	-
	<hr/>	<hr/>
Cash and cash equivalents	3,494	1,213
	<hr/> <hr/>	<hr/> <hr/>

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2016

23. Financial commitments

Capital commitments are as follows:

	Group		Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Contracted for but not provided for	31,620	33,847	15,956	17,940
Approved by the Board and management but not contracted for	16,825	20,252	16,825	3,766
	<u>48,445</u>	<u>54,099</u>	<u>32,781</u>	<u>21,706</u>

	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
The capital commitments above are expected to be funded as follows:				
Grants	1,790	1,142	1,790	1,142
Sales	14,026	28,110	510	613
Borrowings	32,630	24,847	30,481	19,951
	<u>48,445</u>	<u>54,099</u>	<u>32,781</u>	<u>21,706</u>

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Payments due:-				
- within one year	60	44	60	44
- Within two to five years	31	12	26	23
	<u>91</u>	<u>67</u>	<u>86</u>	<u>67</u>

24. Housing Stock

	2016	2015
General Needs & Sheltered Housing	5,488	5,361
Housing for Older People	218	218
Supported Housing	73	73
Shared Ownership	77	72
TOTAL	5,856	5,724

In February 2008 a management agreement was agreed with Yorkshire Coast Homes (YCH) to manage our east coast properties. This agreement ended in 2015/16 and no properties are currently managed by YCH (2015 181).

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

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

25. Minority interest

	2016 £'000	2015 £'000
Brought forward	585	763
Loss	<u>(1,797)</u>	<u>(178)</u>
	<u>(1,212)</u>	<u>585</u>

A share of 25% of MHYL is retained by a minority shareholder.

26. Related party transactions

Details of Broadacres subsidiaries and the group structure are provided on page 12 of these accounts.

The Key financial transactions between the group members are summarised below:

Intercompany Loans

As at 31st March 2016, BHA has loaned £10,000k to MHYL and £5,000k to BSL, in addition BSL has loaned £4,316k to MHYL. These loans are excluded from the accounts on consolidation.

Intercompany Payments

In the year 31st March, BHA purchased affordable homes from MHYL for £1,639k. On consolidation, the cost of the properties is retained in BHA statement of financial position.

BHA paid a recharge to BSL of £100k for development services and recharge salary costs of £99k.

BHA recharged MHYL £73k for salary costs in the year.

27. Controlling party

The parent and the ultimate controlling party of the group is Broadacres Housing Association.

28. Explanation of transition to FRS 102

This is the first year that the Group has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 was therefore 1 April 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed, and the revised policies are included at Note 1.

The major changes to accounting treatment and subsequent amended figures are set out in the following tables, but briefly summarised as follows:

- Under transition (section 35 of FRS102), Broadacres adopted the accrual methods of accounting for Government grants. This resulted in grants held in 2014 being released to revenue. Future grants will be released over the life of the assets.
- Also under section 35, Broadacres revalued housing stock as at 31 March 2014, and will use this as deemed cost. Properties acquired after this date will be held at cost.
- The SHPS defined benefit pension scheme is now included in the accounts as a liability. This has resulted in additional movements through the revenue reserve.
- Cashflows reconcile to cash and cash equivalents rather than cash.
- Holiday accrual is now included in the accounts rather than being paid once due.

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2016

Group

Restatement of statement of Financial Position (previously Balance Sheet) as at April 2014

	UK GAAP as previously reported	Effect of transition into FRS 102									FRS 102
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets											
Property, plant and equipment											
Freehold Housing Properties	234,964	(88,669)	27,720	19,011	45,263	14,109	-	-	-	1,548	253,946
Other fixed assets	5,033										5,033
Investments	4,016	-	-	-	-	-	-	-	-	-	4,016
	244,013	(88,669)	27,720	19,011	45,263	14,109	-	-	-	1,548	262,995
Current assets											
Inventories	13,456	-	-	-	-	-	-	-	-	-	13,456
Trade and other receivables	3,369	-	-	-	-	-	-	-	-	-	3,369
Creditors due < 1 year	(7,261)	-	-	-	-	-	-	-	-	(7)	(7,268)
Cash	3,598	-	-	-	-	-	-	-	-	-	3,598
Net current assets	13,162	-	-	-	-	-	-	-	-	1,541	13,155
Total assets	257,175	(88,669)	27,720	19,011	45,263	14,109	-	-	-	1,541	276,150
Current liabilities											
Creditors falling due > 1 year	(106,427)	-	-	-	-	-	(665)	-	-	(1,541)	(108,633)
Provision for liabilities pension provision	(3,237)	-	-	-	-	-	-	-	(1,309)	-	(4,546)
Net assets	147,511	(88,669)	27,720	19,011	45,263	14,109	(665)	-	(1,309)	-	162,971
Reserves											
Income and expenditure reserve	60,648	-	(14,342)	19,011	45,263	14,109	-	-	-	-	124,689
Designated reserve	665	-	-	-	-	-	(665)	-	-	-	-
Pension reserve	(3,237)	-	-	-	-	-	-	3,237	-	-	-
Revaluation reserve	88,669	(88,669)	42,061	-	-	-	-	-	-	-	42,061
Minority reserve	763	-	-	-	-	-	-	-	-	-	763
Restricted reserve	3	-	-	-	-	-	-	(3,237)	(1,309)	-	(4,543)
Total	147,511	(88,669)	27,720	19,011	45,263	14,109	(665)	-	(1,309)	-	162,971

1). Removal of revaluation asset on movement to deemed cost

2). Revaluation as at 31 March 2014

3). Write off of depreciation on previous valuation (through I&E reserve)

4). Social housing grant relating to structure released to I&E under transition

5). Social housing grant relating to land released to I&E under transition

6). Designated reserve now transferred to creditors

7). Pension reserve now treated as restricted reserve

8). SHPS pension liability

9). Transfer of government grants to creditors – P.P.E held at gross cost

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2016

Association

Restatement of statement of Financial Position (previously Balance Sheet) as at April 2014

	UK GAAP as previously reported £'000	Effect of transition into FRS 102									FRS 102 £'000
		(1) £'000	(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000	(9) £'000	
Fixed assets											
Property, plant and equipment											
Freehold Housing Properties	234,964	(88,669)	27,720	19,011	45,263	14,109	-	-	-	1,548	253,946
Other fixed assets	5,024	-	-	-	-	-	-	-	-	-	5,024
Investments	3,100	-	-	-	-	-	-	-	-	-	3,100
	243,088	(88,669)	27,720	19,011	45,263	14,109	-	-	-	1,548	262,070
Debtors >1 year	9,306	-	-	-	-	-	-	-	-	-	9,306
Current assets											
Inventories	784	-	-	-	-	-	-	-	-	-	784
Trade and other receivables	2,241	-	-	-	-	-	-	-	-	-	2,241
Creditors due < 1 year											
Cash	2,139	-	-	-	-	-	-	-	-	-	2,139
Less Creditors due <1 year	5,045)	-	-	-	-	-	-	-	-	(7)	(5,052)
Net current assets	119	-	-	-	-	-	-	-	-	1,541	112
Total assets	252,513	(88,669)	27,720	19,011	45,263	14,109	-	-	-	1,541	271,488
Current liabilities											
Creditors falling due > 1 year	(102,078)	-	-	-	-	-	(665)	-	-	(1,541)	(104,284)
Provision for liabilities pension provision	(3,237)	-	-	-	-	-	-	-	(1,309)	-	(4,546)
Net assets	147,198	(88,669)	27,720	19,011	45,263	14,109	(665)	-	(1,309)	-	162,658
Reserves											
Income and expenditure reserve	61,098	-	(14,342)	19,011	45,263	14,109	-	-	-	-	125,139
Designated reserve	665	-	-	-	-	-	(665)	-	-	-	-
Pension reserve	(3,237)	-	-	-	-	-	-	3,237	-	-	-
Revaluation reserve	88,669	(88,669)	42,061	-	-	-	-	-	-	-	42,061
Restricted reserve	3	-	-	-	-	-	-	(3,237)	(1,309)	-	(4,543)
Total	147,198	(88,669)	27,720	19,011	45,263	14,109	(665)	-	(1,309)	-	162,658

1). Removal of revaluation asset on movement to deemed cost

2). Revaluation as at 31 March 2014

3). Write off of depreciation on previous valuation (through I&E reserve)

4). Social housing grant relating to structure released to I&E under transition

5). Social housing grant relating to land released to I&E under transition

6). Designated reserve now transferred to creditors

7). Pension reserve now treated as restricted reserve

8). SHPS pension liability

9) Transfer of government grants to creditors – P.P.E held at gross cost

Broadacres Housing Association Limited
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Group

Restatement of statement of financial position as at 1 April 2015

	UK GAAP as previously reported	Effect of transition into FRS 102										FRS 102
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets												
Property, plant and equipment	250,770	18,982	(207)	(1,072)	653	-	-	-	-	-	3,206	272,322
Freehold Housing Properties												
Other fixed assets	4,744											4,744
Investments	5,558	-	-	-	-	-	-	-	-	-	-	5,558
Investment Properties	-	-	-	-	-	-	-	555	-	-	-	555
	261,072	18,982	(207)	(1,072)	653	-	-	555	-	-	-	283,189
Debtors >1 year	10	-	-	-	-	-	-	-	-	-	-	10
Current assets												
Inventories	18,876	-	-	-	-	-	-	-	-	-	-	18,876
Trade and other receivables	2,997	-	-	-	-	-	-	-	-	-	-	2,997
Creditors due < 1 year	(11,616)	(7)	-	-	-	-	-	-	-	(97)	(24)	(11,744)
Cash	2,225	-	-	-	-	-	-	-	-	-	-	2,225
Net current assets	12,482	(7)	-	-	-	-	-	-	-	(97)	3,182	12,354
Total assets	273,564	18,975	(207)	(1,072)	653	-	-	555	-	(97)	3,182	295,553
Current liabilities												
Creditors falling due > 1 year	(116,425)	(2,206)	-	-	-	-	-	-	(126)	-	(3,182)	(121,939)
Provision for liabilities pension provision	(4,801)	(1,309)	-	-	-	-	53	-	-	-	-	(6,057)
Net assets	152,338	15,460	(207)	(1,072)	653	-	53	555	(126)	(97)	-	167,557
Reserves												
Income and expenditure reserve	67,744	64,041	(207)	(1,072)	-	-	-	-	-	(97)	-	130,410
Designated reserve	791	(665)	-	-	-	-	-	-	(126)	-	-	-
Pension reserve	(4,801)	3,237	-	-	-	1,564	-	-	-	-	-	-
Revaluation reserve	88,016	(46,608)	-	-	653	-	-	555	-	-	-	42,616
Minority reserve	385	-	-	-	-	-	-	-	-	-	-	585
Restricted reserve	3	(4,546)	-	-	-	(1,564)	53	-	-	-	-	(6,054)
Total	152,338	15,460	(207)	(1,072)	653	-	53	555	(126)	(97)	-	167,557

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

Restatement of 2013/14 Closing Balances

- (1) Movements from 2013/14 as per previous note

Movements in 2014/15

- (2) Adjustment for disposals based on deemed cost
- (3) Adjustment for depreciation (grant no longer written off)
- (4) Adjustment to depreciation through revaluation reserve
- (5) Pension Reserve now treated as restricted reserve
SHPS Liability movement in year (includes 93k transfer to revenue for interest / admin cost and 93k transfer from revenue to pension fund)
- (6) Commercial Properties recognised as Investment Assets
- (7) Designated reserve now transferred to creditors (Service Charge Sinking Fund - income in advance)
- (8) Holiday Pay Accrual
- (9) Transfer of government grants to creditors - P,P E at gross cost

Broadacres Housing Association Limited
Notes to the Financial Statements
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Association

Restatement of statement of financial position as at 1 April 2015

	UK GAAP as previously reported £'000	Effect of transition into FRS 102										FRS 102 £'000
		(1) £'000	(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000	(9) £'000	(10) £'000	
ASSETS												
Fixed assets												
Property, plant and equipment Freehold Housing Properties	250,770	18,982	(207)	(1,072)	653	-	-	-	-	-	3,206	272,332
Other fixed assets	4,734	-	-	-	-	-	-	-	-	-	-	4,734
Investments	4,354	-	-	-	-	-	-	-	-	-	-	4,354
Investment Properties	-	-	-	-	-	-	-	555	-	-	-	555
	259,858	18,982	(207)	(1,072)	653	-	-	555	-	-	3,206	281,975
Debtors												
Current assets												
Inventories	778	-	-	-	-	-	-	-	-	-	-	778
Trade and other receivables	2,024	-	-	-	-	-	-	-	-	-	-	2,024
Creditors due < 1 year	(5,533)	(7)	-	-	-	-	-	-	-	(97)	(24)	(5,661)
Cash	1,213	-	-	-	-	-	-	-	-	-	-	1,213
Net current assets	(1,518)	(7)	-	-	-	-	-	-	-	(97)	(24)	(1,646)
Total assets	272,342	18,975	(207)	(1,072)	653	-	-	555	-	(97)	3,182	294,331
LIABILITIES												
Current liabilities												
Creditors falling due > 1 year	(115,120)	(2,206)	-	-	-	-	-	-	(126)	-	(3,182)	(120,634)
Provision for liabilities pension provision	(4,801)	(1,309)	-	-	-	-	53	-	-	-	-	(6,057)
Net assets	152,421	15,460	(207)	(1,072)	653	-	53	555	(126)	(97)	-	167,640
Reserves												
Income and expenditure reserve	68,412	64,041	(207)	(1,072)	-	-	-	-	-	(97)	-	131,078
Designated reserve	791	(665)	-	-	-	-	-	-	(126)	-	-	-
Pension reserve	(4,801)	3,237	-	-	-	1,564	-	-	-	-	-	-
Revaluation reserve	88,016	(46,608)	-	-	653	-	-	555	-	-	-	42,616
Restricted reserve	3	(4,546)	-	-	-	(1,564)	53	-	-	-	-	(6,054)
Total	152,421	15,460	(207)	(1,072)	653	-	53	555	(126)	(97)	-	167,640

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2016

Restatement of 2013/14 Closing Balances

- (1) Movements from 2013/14 as per previous note

Movements in 2014/15

- (2) Adjustment for disposals based on deemed cost
- (3) Adjustment for depreciation (grant no longer written off)
- (4) Adjustment to depreciation through revaluation reserve
- (5) Pension Reserve now treated as restricted reserve
- (6) SHPS Liability movement in year (includes 93k transfer to revenue for interest / admin cost and 93k transfer from revenue to pension fund)
- (7) Commercial Properties recognised as Investment Assets
- (8) Designated reserve now transferred to creditors (Service Charge Sinking Fund - income in advance)
- (9) Holiday Pay Accrual
- (10) Transfer of government grants to creditors - P,P E at gross cost

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2016

Group

Restatement of statement of comprehensive Income (previously called the 'Income & Expenditure Account') for the year ended 31 March 2015

	UK GAAP as previously reported	Effect of transition into FRS 102					FRS 102
		(1)	(2)	(3)	(4)	(5)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	36,591	-	-	-	-	7	36,591
Operating expenditure	(25,480)	(50)	(1,072)	-	(97)	(7)	(26,706)
Operating surplus	11,111	(50)	(1,072)	-	(97)	0	9,885
Gain / (loss) on disposal of property, plant and equipment	242	(157)	-	-	-	-	85
Interest receivable	42	-	-	-	-	-	42
Interest Payable	(4,770)	-	-	-	-	-	(4,770)
Other finance costs	(119)	-	-	(93)	-	-	(212)
Equity Minority Interests	178	-	-	-	-	-	178
Tax on surplus on ordinary activities	(2)	-	-	-	-	-	(2)
Surplus for the year	6,682	(207)	(1,072)	(93)	(97)	0	5,206

- 1) Adjusted for disposals at revalued amount 2) Additional depreciation arising from grants released 3) Pension cost adjustment 4) Holiday pay accrual
5) Release of government grants as income in year, transfer depreciation

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2016

Association

Restatement of statement of comprehensive Income (previously called the 'Income & Expenditure Account') for the year ended 31 March 2015

	UK GAAP as previously reported	Effect of transition into FRS 102					FRS 102
		(1)	(2)	(3)	(4)	(5)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	31,716	-	-	-	-	7	31,723
Operating expenditure	(20,814)	(50)	(1,072)	-	(97)	(7)	(22,040)
Operating surplus	10,902	(5)	(1,072)	-	(97)	-	9,683
Gain / (loss) on disposal of property, plant and equipment	242	(157)	-	-	-	-	85
Interest receivable	651	-	-	-	-	-	651
Interest Payable	(4,763)	-	-	(93)	-	-	(4,856)
Other finance costs	(119)	-	-	-	-	-	(119)
Surplus for the year	6,913	(207)	(1,072)	(93)	(97)	0	5,444

- 1) Adjusted for disposals at re-valued amount 2) Additional depreciation arising from grants released 3) Pension cost adjustment 4) Holiday pay accrual
5) Release of government grants as income in year, transfer depreciation

