

Broadland Housing Association Limited

**Group Financial Statements
for the year ended 31 March 2014**

Industrial and Provident Society
Registered with the Homes and Communities Agency

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Association information

Industrial and Provident

Society number: 16274R

Homes and Communities

Agency registration number: L0026

VAT registration number: 927 5127 17

Registered office: NCFC, Jarrold Stand, Carrow Road, Norwich, NR1 1HU

Group Chief Executive: Michael Newey BSc FRICS FCIH MAHI

Group Secretary: Anna Simpson MA (Cantab) FCA

Executive Directors: Louise Archer BSc FRICS (Executive Property Director)
Ivan Johnson FCIH (Executive Frontline Director)
Andrew Savage MSc MRICS (Executive Partnerships Director)
Anna Simpson MA (Cantab) FCA (Deputy Group Chief Executive)

Bankers: NatWest Bank, 45 London Street, Norwich, NR1 4LX

Solicitors: Bates Wells & Braithwaite London LLP, Scandinavian House, 2-6 Cannon Street, London EC4M 6YH

Birketts LLP, 24-26 Museum Street, Ipswich, Suffolk, IP1 1HZ

Spire Solicitors LLP (formerly Greenland Houchen Pomeroy Solicitors), 36-40 Prince of Wales Road, Norwich, NR1 1HZ

Auditors: BDO LLP, Cedar House, 105 Carrow Road, Norwich, NR1 1HP

Association information

Board and committee membership

Non-executive directors	Group Board	Broadland Meridian Board	Group Audit Committee	Remuneration & Membership Committee	Maintenance & Asset Management Panel	Frontline Panel	Funding Panel
The Rt Hon. Baroness Hollis of Heigham DL MA (Cantab) D. Phil (Oxon) F.R.Hist.S	✓ Chair			✓ Chair			
Jonathan Barber BSc (Hons) MSc MBA MCIEH FCMI CIHM	✓		✓ Chair	✓			✓
Martin Clark MRICS MCIOB (resigned 28 April 2014)	✓		✓		✓ Chair		
Richard Hawthorn (tenant)	✓		✓		✓	✓	
Kate Slack BA	✓				✓		✓ Chair
Jenny Manser (Ex officio)	✓ Vice Chair	✓ Chair		✓		✓	
John Newstead	✓				✓	✓	
Eric Sharpe BA CIHCM	✓				✓	✓ Chair	
Louise Wiseman (tenant)	✓				✓	✓	
Julia Roche (from 13 September 2013)	✓					✓	✓
Former non-executive directors in service during the financial year							
Richard Croft (tenant) (to 21 February 2014)	✓				✓	✓	
Other members							
Michael Newey BSc FRICS FCIH MAHI	✓		✓				✓
Helen Skoyles BA(Hons) CIHCM (from 18 July 2013)		✓	✓				
Eden Kidane tenant lay member (from 18 July 2013)						✓	
Susan Guest independent lay member (from 18 July 2013)			✓				

Chair's statement

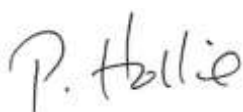
Against a backdrop of significant ongoing challenges, I am pleased to report that the Association has responded effectively and responsibly to the invidious effects of austerity measures including Welfare Reform, and continued the proud history of providing quality homes, both existing and new, and important supporting services to the communities of Norfolk and surrounding areas.

I am particularly pleased to report that the Association has been re-awarded, for the third consecutive year, the top rated grading for both its governance and financial viability (G1, V1) by the regulatory arm of our regulator, the Homes and Communities Agency. This is a reflection of the significant programme of activity undertaken strategically and operationally, and is a tribute to the highly experienced board, and enthusiastic staff team, across the whole organisation. Delivery of the three year Corporate Strategy launched in 2012 nears its completion and we look forward to setting a new strategic plan for the future.

The Board has benefited from strong stability during the year with a full complement of continuing independent board members. Two of these valued board members retire from the Board at the AGM this year, following the completion of their agreed terms of service: Martin Clark and John Newstead. I would like to thank them both for their perceptive insight, wise counsel and dedicated service. We look forward to welcoming two new board members, who will be candidates at the AGM in September 2014, and we are seeking both commercial acumen and strong partnership working skills to steer the organisation forward. Effective succession planning and regular recruitment to the Group's Boards and Committees ensures the relevant skills to review and respond to the ever-changing issues facing the organisation.

Our Group Chief Executive, Michael Newey, completed his one year term of office as Global President of the Royal Institution of Chartered Surveyors (RICS) on 30 June 2014. Michael has used his time in office to significantly raise the profile of Social Housing specifically within the UK, and has worked tirelessly to champion and lobby for a coherent, functional, and effective housing market across all tenures – affordable, private rented and owner occupied both here and abroad.

2015 will bring a change in government with inevitable changes to policy, regulation and financial support. While it is encouraging that there are positive signs for the economy, we remain committed to ensuring the Group remains well placed to deliver exceptional homes and services for the communities we serve. I look forward to leading the association through the next exciting stage in its evolution. I am hugely grateful to my fellow Board and Committee members for their commitment and support, and to the whole staff team for their continuing enthusiasm and hard work.



The Rt Hon. Baroness Hollis of Heigham DL MA (Cantab) D. Phil (Oxon) F.R.Hist.S - Group Chair

Chief Executive's statement

As with the 2012/13 financial year, our primary focus over the last 12 months has been on preparing for the potential impact of welfare reform and continuing to drive efficiencies within the Group, with a particular focus on the delivery of maintenance services and the information technology environment supporting maintenance.

The decision to fully separate income collection and tenancy support, including financial exclusion activities, has paid dividends. At a time of financial stress for many families who live in our properties, the Association has both maintained a good position on our rent arrears performance and also limited the amount of hardship experienced by our tenants. We now provide tenancy support through Broadland Meridian, and income collection through Broadland Housing Association. We have therefore given clarity on the separation of roles, whilst also increasing our tenants' access to not only benefit advice and financial budgeting assistance, but also to training programmes.

The true test of these changes to the operational structure of the Group will only come when Universal Credit is finally fully rolled out in our geographical area. The Group cannot afford to be complacent, as future changes will affect our tenants and also may potentially threaten the Group's income. The Board and Executive Management Team continue to focus on both the operational implications of welfare reform and also horizon scanning on potential changes that might be introduced.

The decision to integrate our maintenance services into the operational structure of the Group, as opposed to continuing to outsource to an external contractor, is proving very beneficial both to customer satisfaction rates and our financial health. As can be seen from the Value for Money self-assessment within these accounts, we have continued to drive down the cost of providing both responsive and planned maintenance. Over the past year we have had to adapt our IT system (RSL Manager) to manage maintenance scheduling and financial management of the procurement of materials. This has been a major project, which I am pleased to report was delivered on schedule.

Over the next year the Group will review our corporate strategy. Obviously there is a General Election in May 2015 and this could have significant implications for our operating environment. We will therefore not finalise our refreshed strategy until we have clarity on the election result and understand the incoming Government's plans for welfare, capital funding and how they mean to tackle the significant undersupply of housing of all tenures in the UK currently. Over the next six months we will monitor statements from all political parties and seek to understand the implications of all the manifesto commitments promised by the main political parties, so that we can finalise our new strategy, taking account of different policy intentions, shortly after the election.

As Patricia Hollis referenced in her report, I have now completed my term of office as Global President of the Royal Institution of Chartered Surveyors. I am grateful to the Board and my staff colleagues for their support and to the RICS for the significant financial contribution they made to the Group in recognition of my time away from the office.

Finally can I thank the whole staff team for their hard work over the last year and their commitment to the delivery of our mission and vision.



Michael Newey BSc FRICS FCIH MAHI

Group Chief Executive

Operating and financial review

Principal activities

The Group's principal activities are the development and management of affordable housing, supported housing and housing for older people, primarily in Norfolk and North Suffolk as well as providing effective support services that improve the life opportunities of our tenants and vulnerable people in our communities. There is also some provision of low-cost home ownership, primarily through shared ownership. Specialist support services are provided by the Association's charitable subsidiary, Broadland Meridian, which has proved invaluable in combating the impacts of welfare reform.

The Association is a non-profit-making housing association registered with the Financial Conduct Authority as an Industrial and Provident Society with charitable status. The Association was founded in 1963 and registered by the Housing Corporation in 1963. The Association is the only Registered Provider within the Group and as such is the only entity to be registered with the Homes and Communities Agency. The Association is regarded by the Group Board as the ultimate parent of the Group and is required by statute to prepare group accounts.

Details of other Group entities are as follows:

Broadland St Benedicts Limited – a private limited company established to undertake activities to support the charitable objects of the Group which cannot be undertaken by the Association.

Broadland Meridian – a registered charity, limited by guarantee, which provides training and employment services to disadvantaged individuals.

Charlie's Social Enterprise CIC – a community interest company. Activities in the social enterprise have now ceased.

Meridian East Property Services Limited – a private company, limited by guarantee. Activities in this company have now ceased.

Objectives and strategies

The Group's vision is to improve life opportunities for people in Norfolk and North Suffolk through housing and support provision. This will be achieved by:

- Managing our homes and tenancies to the highest standard we can reasonably achieve;
- Delivering as many new homes for rent and low cost home ownership in our local communities as possible in partnership with others; and
- Providing effective support services, in partnership, that improve the life opportunities of our tenants and vulnerable people in our communities.

Operating and financial review

Operating review

The Group increased the number of new homes for rent by 69, and the number of new homes for shared ownership by 6, and has also rescued 3 from repossession by mortgage providers with grant input from the government. £7.2m was invested in improving and maintaining the housing stock, through routine and planned maintenance. As predicted, a surplus of £754k was achieved during 2013/14, a complete turnaround from the deficit of £438k in 2012/13. This deficit was incurred after component accounting was introduced, which accelerated how quickly investment in homes was recognised through the accounts. The surplus will be used to bolster reserves for the planned introduction of new and diverse activities and services in the future.

The Group is actively preparing for future development activities across Norfolk with various partners to ensure continued provision of new homes, even where grant remains unavailable or unviable for our business model. In particular, the Group continues to make preparations for the development of 250 apartments on its land bank site along the river at Carrow Quay in Norwich.

The phased programme to in-source the provision of repairs services from external contractors, which has progressed over a number of years, has resulted in the delivery of significant efficiency savings both in terms of cost and quality, through the creation of Broadland Repairs Service (BRS). This has contributed to the containment of operating costs, which have been held broadly in line with prior years; this evidences the significant impact the 5% savings strategy has had on Group performance.

The Group's specialist support provider, Broadland Meridian, has increasingly focussed on in-house provision of training and employment services to tenants. This has been delivered through Information, Advice and Guidance sessions, and targeted tenancy support services, to protect against changes in welfare provision which reduce incomes. Referral mechanisms through the Group have been strengthened during the year to ensure help is provided where it is most needed.

Group financial and performance highlights: five-year summary

For the year ended 31 March	2014	2013	2012	*Not restated for component accounting	
				2011	*2010
Income and Expenditure account	£'000	£'000	£'000	£'000	£'000
Total turnover	25,659	24,872	23,463	22,450	21,921
Operating surplus	7,284	6,329	6,323	5,655	6,263
Net interest charge	6,734	6,767	6,105	5,927	5,641
Surplus/(deficit)	754	(438)	218	(299)	608
Balance sheet					
Housing properties, gross cost less depreciation	280,169	278,525	278,397	266,613	255,964
Social housing grant and other grants	(134,401)	(134,134)	(135,567)	(130,522)	(124,647)
Housing properties owned at year end:	No.	No.	No.	No.	No.
Rented accommodation	4,841	4,772	4,748	4,646	4,526
Shared ownership accommodation	116	110	96	87	89
	4,957	4,882	4,844	4,733	4,615

Operating and financial review

Key Performance Indicators

	2014	2013	2012	*Not restated for component accounting 2011	*2010
Operating surplus as % turnover	28.4%	25.4%	26.9%	25.2%	28.6%
Rent losses (<i>voids and bad debts as % of rent and service charges receivable</i>)	1.9%	1.8%	2.2%	1.9%	2.6%
Rent arrears (<i>gross arrears as % of rent and service charges receivable</i>)	4.5%	4.6%	5.7%	6.7%	8.7%
Liquidity (<i>current assets divided by current liabilities</i>)	2.4	1.7	1.3	1.0	0.6
Gearing (<i>total finance raised divided by total properties at historic cost, excluding depreciation</i>)	47.4%	47.6%	46.6%	46.2%	43.7%

Operating and financial review

Corporate strategy 2012-15

The Group has agreed nine headline strategies in the following key areas. Each strategy is defined by: what we want to achieve, why and how we are going to deliver it, and how we are going to measure its achievement. Annual improvement projects are identified and monitored while routine business is monitored in monthly performance reports. A series of key performance indicators (KPIs) has been developed to monitor against the targets.

- Customer strategy
- Neighbourhood strategy
- Environmental strategy
- Partnership strategy
- Diversification strategy
- People strategy
- Operations strategy
- Value for Money strategy
- Governance strategy



Operating and financial review

Objectives and strategy

Corporate strategy objective	Corporate strategy target	Performance
Customer strategy	<ul style="list-style-type: none"> • to provide services that are easily accessible to our customers • to ensure the services we provide are those required by our customers • to ensure our frontline services are fit for purpose and delivered in an effective and efficient manner 	<ul style="list-style-type: none"> • new revamped website to be rolled out shortly improving accessibility for customers • successful roll out of 'Tenants Online' - a new access point for customers allowing them amongst other things the option to pay their rent online. This includes providing customers with automatic enrolment onto 'Tenants Online' at sign up • new customer service feature rolled out that allows us to use text messaging to confirm appointments with customers • we continue to seek feedback from customers and particularly through regular surveys leading to changes in service delivery and standards such as voids • regular review of complaints and lessons learnt and this has improved the service provided for instance with out of hours service now being provided in-house • rent arrears for the Association are currently at their lowest level for 5 years • 100% gas servicing completed • Information, Advice and Guidance sessions target again exceeded • 95% of customer telephone calls answered within target times • improvements made to the way in which Anti-Social Behaviour cases are dealt with and undertaken staff training to do this. This has resulted in the number of Anti-Social Behaviour cases reducing and increased effectiveness of the service provided • loss of rental income during void periods reduced
Neighbourhood strategy	<ul style="list-style-type: none"> • to ensure our services meet local needs and aspirations • to ensure the development of new homes to meet the demand for affordable homes in our neighbourhoods 	<ul style="list-style-type: none"> • all categories of properties let on average within 15 days • housing management delivered from four local area offices to maximise services within local communities in which the Association operates

Operating and financial review

Objectives and strategy (continued)

Corporate strategy objective	Corporate strategy target	Performance
<p>Environmental strategy</p>	<ul style="list-style-type: none"> • to invest wisely in our housing stock and thereby reduce the running costs of our homes to our tenants • to operate as a business in an environmentally responsible manner 	<ul style="list-style-type: none"> • completed external wall insulation project for 20 properties at Market Gates, Great Yarmouth. The external insulation improvements assist tenants with saving on energy costs of up to £200 per year while reducing carbon emissions. The Association received 50% worth of grant funding from Energy Companies • Obligation ECO (a government initiative) towards the costs of this £140k project. The improvements also ensured that each property where improvements were undertaken moved into EPC band C • cavity and loft insulation was undertaken at The Lathes, Norwich for 42 properties, which was 100% grant funded under ECO • this year also saw completion of approximately 50 new flats at Brennan Bank (NR1) which had the benefit of photo voltaic panels fitted to the roof area. These provide free electricity to the communal areas of the block during the day thus reducing service charges for our tenants • completion of 4 Passivhaus properties at Fulmodeston, Norfolk, which are sustainable, energy efficient homes, assisting tenants in reducing running costs. This project has recently won the Housing Excellence Award Best New Affordable Housing Scheme • continuous incorporation of Sustainable Homes Index for Tomorrow (SHIFT) principles into day to day work. These principles have been adopted by our Environmental Champions who have increased sustainable and environmental knowledge within the Association • our surveyors have been trained in completing Energy Performance Certificates (EPCs) which is now completed in-house. This has resulted in a significant financial saving and has also saved time compared with outsourcing and waiting for an EPC to be completed

Operating and financial review

Objectives and strategy (continued)

Corporate strategy objective	Corporate strategy target	Performance
Partnership strategy	<ul style="list-style-type: none"> to optimise the benefits of our existing partnerships and to develop new partnerships in order to support our tenants and clients to ensure our partnerships help us achieve more with our limited resources 	<ul style="list-style-type: none"> concluded the tender of Legal services, Architects and Quantity Surveying frameworks. This process enabled the Association to focus on increasing the value gained from more medium term relationships The Association is working with North Norfolk District Council (NNDC) to deliver a local financing solution for affordable housing delivery in NNDC rural communities following the completion of the Quantity Surveying framework we are working with Aecom to design and deliver new Passivhaus dwellings that are more energy efficient for our new developments. A key focus of this is to ensure our partnership with Aecom helps us achieve more positive outcomes within the agreed framework
Diversification strategy	<ul style="list-style-type: none"> to continue to develop new and innovative products and services that help deliver our mission and vision 	<ul style="list-style-type: none"> The Association is working, via its subsidiary Broadland St Benedicts Limited, to deliver a mixed housing tenure solution for new developments. This will include the provision of open market housing to cross subsidise the new affordable housing activities of the Association
People strategy	<ul style="list-style-type: none"> to ensure we have the right people working for us – with the right attitude, knowledge and skills to ensure investment in our staff team to help them gain better qualifications and career prospects to ensure poor performance and under achievement is not tolerated 	<ul style="list-style-type: none"> delivered training to significant staff numbers throughout the year, including through the use of e-learning, which offers all staff both mandatory core and optional developmental units conducted skills audit across whole business to identify learning needs and ensure training effectively targeted achieved top 100 status in Sunday Times Top 100 Best Companies to Work For (not for profit sector) continued partnership with CIH to enhance staff qualifications undertaken manager briefings on Performance Management delivering Management Development Course to ensure all managers are equipped with the tools to manage effectively

Operating and financial review

Objectives and strategy (continued)

Corporate strategy objective	Corporate strategy target	Performance
Operations strategy	<ul style="list-style-type: none"> • to ensure all our activities are relevant to our mission and values • to ensure achievement of our value for money strategy 	<ul style="list-style-type: none"> • additional investment in the staff team working with tenants to prepare them for changes experienced as a result of Welfare Reform. This included increasing staff numbers and providing additional training • minimised the impact of changes following the 'spare room subsidy', through work carried out in preparation for Welfare Reform changes such that increase in arrears was only circa £8.5k
Value for money	Please refer to Value for Money self-assessment (pages 17-26)	
Governance strategy	<ul style="list-style-type: none"> • to ensure that our Boards, Committees and Panels have appropriate skills and experience within their membership • to ensure that our Governance model is fit for purpose and regularly reviewed • to ensure that Governance adds value to our delivery of services 	<ul style="list-style-type: none"> • began a detailed review of Board skills and experience which was informed by the Group's risk profile • robust induction and bespoke training programme offered to Board members to enhance their combined skill set • review of performance and scope of committees and panels undertaken, to ensure that these are aligned with Group strategy and objectives • received rating of 'full assurance' from internal auditors (Baker Tilly) for the year ended 31 March 2014

Operating and financial review

Risks and uncertainties

Risks that may prevent the Group achieving its objectives are considered and reviewed on a monthly basis by the Group directors, quarterly by Group Audit Committee and annually by Group Board. The risks are recorded and assessed in terms of their impact and probability. Major risks, presenting the greatest threats to the Group, are reported together with action taken to manage the risks, including assessments of key controls, and the outcome of the action. A summary of the key risks as at 31 March 2014 and related actions is given below:

Key risk	Action being taken
<p>Loan covenants not met, leading to breach of loan agreements, resulting in:</p> <ul style="list-style-type: none"> • Reduced short term liquidity • Impairment of value of fixed assets • Increase in loan interest charges. • Possibility of loan being 'called in' 	<ul style="list-style-type: none"> • Business plan modelling in progress, with new treasury advisers • Loan covenants and compliance with agreements reviewed quarterly and renegotiated where appropriate • Adequate surpluses maintained • Management by Asset Management and Maintenance Panel, and monitoring by Funding Panel • Ensuring that unencumbered stock can be provided as loan security on a timely basis and that there are sufficient funds to repay a loan if needed in case of a loan covenant breach • Hedging of loan portfolio to limit exposure • Regular review of management accounts, budgets and cashflows presented to Group Directors
<p>Ineffective co-regulation resulting in regulatory intervention, potential loss of funding and reputational damage</p>	<ul style="list-style-type: none"> • Regular liaison with the Homes and Communities Agency (HCA) • Revision of Terms of Reference undertaken for all panels which have tenant involvement • Current progress report in operation with active recommendations being pursued to develop offer
<p>Further unexpected changes to government policy relating to welfare / benefit changes resulting in 'unviability' of the Group</p>	<ul style="list-style-type: none"> • Horizon scanning • Cross-directorate projects to identify possibility of risk occurring in specific areas
<p>Failure to adapt our services to meet the Government's digital requirements, leading to customers being excluded, resulting in financial hardship for customers</p>	<ul style="list-style-type: none"> • Customer insight project to assess the scale of the problem • Quarterly review by Executive Directors

Operating and financial review

Risks and uncertainties (continued)

Key risk	Action being taken
<p>Introduction of Direct Payments resulting in increased arrears, breach of covenants and difficulty in delivering corporate strategy</p>	<ul style="list-style-type: none"> • Working with Money Advice, Credit Unions and others to identify individual financial issues with tenants and signposting as needed • Planned review of the Government pilot when completed to understand implications • Using a more targeted approach to manage and monitor customers who are in rent arrears, including additional training • Monitoring arrears and write-offs closely to identify issues early, within revised team structure • Maximising support provided in-house to customers to improve customers' employment opportunities • Lobbying and close liaison with local and national frameworks • Publicising changes and help available to affected customers through various means of communication to reach the maximum number possible
<p>Lack of financial solutions to deliver Carrow Quay and other new developments, leading to failure in delivery of new homes / strategic ambition</p>	<ul style="list-style-type: none"> • Options Appraisal with new funding advisors; identification and review of new sources of finance and investment structures as appropriate • Deliver a financially viable scheme (Riverside development), raise funding and work up financial models • Hold structured debate with Board on possible scenarios for Carrow Quay to determine decision on products offered and funding required • Ensuring sufficient time allocated to draw down funds for use as needed • Using policies and procedures to ensure that adequate surpluses are available at all times and that unencumbered stock can be used as loan security • Monitoring cash flow projections and managing the balances between current / savings accounts • Discussions with Local Authority partners and HCA

Operating and financial review

Financing, cash flow and treasury policy

The Group borrows, principally from banks, at both fixed and floating rates of interest. Interest rate swaps are used to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations. The Group's policy is to keep a balanced portfolio of maturity dates and rates. At 31 March 2014, 84% of the Group's borrowings were at fixed rates (2013: 89%). Further detail on the profile of borrowings can be found in note 15. The fixed rates of interest range from 0.71% to 10.54%, with the average interest rate for the year being 4.65% (2013: 5.02%).

The Group's lending agreements require compliance with a number of financial and non-financial covenants. The Group's position is monitored and reported to the Board regularly. The Group was in compliance with its loan covenants at the balance sheet date and the Board expects to remain compliant in the foreseeable future.

The Group has cash balances of £13.5m at 31 March 2014 (2013: £8.2m). The Group monitors cash flow forecasts closely to ensure that sufficient funds are available to meet liabilities when they fall due, whilst not incurring unnecessary finance costs. The Group has achieved a net increase in cash during the period, largely a result of additional draw down from existing facilities and the operating performance of the Group.

The Group Treasury Policy sets out the controls and parameters for treasury activities across the Group and is reviewed on a three yearly basis by the Group's Funding Panel.

Housing property valuation

Housing properties were professionally valued by Jones Lang Lasalle, external property consultants. The valuation as at 31 March 2014 on the Existing Use Valuation – Social Housing (EUV-SH) basis totalled £249m (2013: £225m).

Value for Money self-assessment

The Group Board's Value for Money self-assessment: Introduction

The importance of Value for Money (VfM) to the Group is demonstrated by its inclusion in the 2012-15 Corporate Strategy as one of the 9 main strands. Each year, the overall strategic approach is embedded into a raft of improvement projects which covers the whole of the Group. This assessment looks at 3 main areas of VfM: Return on Assets, Performance and Cost of Services, and Achievements in Current Year and Future Plans.

Further supporting detail is available at:

http://www.broadlandhousing.org/about_us/value_for_money.php

External validation

We, the Board, take our responsibility to demonstrate VfM to our stakeholders seriously. This year, in addition to its self assessed evidence, we have commissioned a number of independent reviews by professionally qualified advisers, relating to the approach taken by the organisation in key areas.

These included two complementary reviews by the Group's internal auditors, Baker Tilly. The conclusions of these audits were very positive and introduced 3 recommendations for further improvement. Both audits are available for review on our website. The third review was commissioned from global business advisers PricewaterhouseCoopers (PwC), specifically to assess whether the Group's primary IT system represented value for money, as this is an area of relatively high spend. The report concluded that the system was 'fit for purpose for both the current and future state of the organisation'¹.

On the basis of both the self-assessment and of these external perspectives, therefore, we are confident that the strategy we are adopting, and the implementation of that strategy, are the right approaches to develop the organisation to a position of increasing strength in the area of VfM.

Board review

We review and challenge performance data against targets quarterly, thereby ensuring that the Executive team is held to account for performance and actions delivered to ensure delivery of the strategic plan, both operationally and financially.

A review of the year's achievements, and ongoing projects, against the Corporate Strategy was discussed in detail at a Board meeting on 1 March 2014. This discussion looked at current and proposed activities and targets. All areas of the Strategy, including VfM, were covered. This approach will now be repeated every 6 months, to give more content to the statistics and to assess progress on VfM. A structured approach to measuring Social Value will also be introduced in the coming year.

¹ BH[G] ERP Assessment: Architectural Review Report, PwC, 2013

Value for Money self-assessment

Section 1: Return on assets

We measure the Association's return on assets in both financial, and social and environmental, terms. We recognise that the starting point for a focussed asset strategy is to have a detailed understanding of the rental yields on all existing properties owned and managed by the Association. In reviewing this, we have made use of the considerable professional property expertise available within the business, as well as complementary input from valuation advisers.

Financial return

Our analysis shows that broadly, the range of gross yields is between the ranges shown below. A review has begun of the lowest financially performing 50 properties to ensure they are being appropriately deployed by the Association.

We have reviewed all properties in 2012/13 and 2013/14, and reviewed the fluctuations between the two valuations. At present, we are reviewing any properties with a gross yield of less than 2½% Market Value - Vacant Possession (MV-VP), whether they are currently void or occupied, to enable us to have a prepared analysis in place for all our properties. This will provide a measured approach to asset management of our entire portfolio, so that in the event of properties becoming void, we will have a consistent response to support decision making on retention or disposal.

In addition to the yield and the Energy Performance Certificate (EPC) analysis, for the year ended 31 March 2014, shown below, various other factors of a property are taken into account; these would include the history (cost and frequency) of repairs, whether significant repairs spend is anticipated, and whether the property has been, or is expected to be, hard to let. This allows us to reach a realistic and pragmatic decision, taking all existing knowledge into account.

2014 EUV-SH YIELD	<i>Existing Use Value – Social Housing</i>				
Yield <	7%	8%	9%	10%	11%
No. general needs properties	30	45	213	3344	157
2014 EUV-SH YIELD					
Yield <	8%	9%	10%	11%	12%
No. supported properties	41	277	175	195	1
2014 MV-T YIELD	<i>Market Value – Subject to Tenancies</i>				
Yield <	4%	5%	6%	7%	8%
No. general needs properties	28	2	208	3326	144
2014 MV-T YIELD					
Yield <	7%	8%	9%	10%	11%
No. supported properties	41	318	127	143	31
2014 MV-VP YIELD	<i>Market Value – Vacant Possession</i>				
Yield <	2.5%	3.0%	3.5%	4.0%	5.0%
No. general needs properties	48	241	1386	982	929
2014 MV-VP YIELD					

Yield <	3%	4%	5%	6%	7%
No. supported properties	42	228	269	90	59

Value for Money self-assessment

Environmental return

A full environmental review of our properties has been undertaken to assess their environmental standard. The Association has been working with SHIFT², to map and interrogate this environmental information: this analysis has concluded that Broadland is in a strong position to build on its environmental strategy.

We have also actively engaged in the CROHM (Carbon Reduction Options for Housing Managers) survey this year³. This gives us a clear picture of the status of our properties, as well as providing helpful guidance on objectives for further development.

EPC rating	A	B	C	D	E	F	Total
General Needs	0	474	1,083	306	25	3	1,891
Supported	0	46	11	8	0	0	65
Other	0	103	163	13	0	0	279
Total	0	623	1,257	327	25	3	2,235
% of properties surveyed:	0%	28%	56%	15%	1%	0%	100%

The properties surveyed so far represent just over 45% of our total stock. Further properties are being assessed on a continual basis as soon as they become void. All properties falling below a rating of C are reviewed when void as a matter of course.

Social return

A main new focus of this strand in 2013/14 has been fuel poverty. Property data has been mapped against the tenant profile data collected from our census project, including data on arrears. We have interrogated this data to identify those tenants most likely to be at risk of fuel poverty and who therefore may benefit from an offer of additional support services, training and education. We estimate that around 30% of our tenants are at risk of experiencing fuel poverty. During the last two years, we have actively engaged with 78% of our tenants on energy usage, and have contacted all tenants to provide several documents to support people's energy saving.

We are also working intensively with customers identified as being at risk in this area, through a specialist team, which has worked with 274 people over the year. This work includes analysing utility bills to assess affordability, tariff appropriateness, and level of debt; assisting with payment negotiations and repayments; and applications for financial support.

² Sustainable Homes Index for Tomorrow

³ *Broadland: CROHM Assessment v.1.1*, Parity Projects / Sustainable Homes, 15th November 2013

Value for Money self-assessment

Asset management decisions

The Association believes strongly that improving tenants' lives is the heart of our business; our vision is 'Improving life opportunities for the people of Norfolk and North Suffolk through housing and support provision'. Tenants' wishes, aspirations and plans will therefore always be taken into account when considering options for properties. In practice, alternative use plans will be most likely to be deployed when properties become vacant, and flags on the system to maximise these opportunities are vital to delivering this plan. In reviewing, even where financial performance is good, enhancements are nevertheless considered which will add to the quality of experience of tenants or to improved environmental standards.

Acquisitions

When considering adding to our stock, the Association operates a robust and clear decision making process, which is constantly refined in light of changing priorities. Financial criteria for acquisition have been set by the Board as financial payback of invested sums within 30 years. This is typically achieved on sub-market rents through grant, mixed tenure, Section 106 deals and, where achievable in the business plan, re-investment of operating surpluses, and stress tested against a range of scenarios. Strict environmental criteria are also worked to. During 2013/14, 71 properties were acquired in this way to add to the provision of affordable homes in our region.

Disposals

A similar process is followed for proposed disposals, with the initial key drivers prompting review being void properties below EPC rating C. The options appraisal will consider surplus likely to be generated on sale compared with the planned costs to upgrade together with an assessment of housing need in that area and prospects for letting and management. This ensures that the optimum balance of social, environmental and financial value is achieved. During 2013/14, of the 656 void properties reviewed, 8 were identified for disposal, of which 2 were completed this year.

Section 2: Performance and cost of services

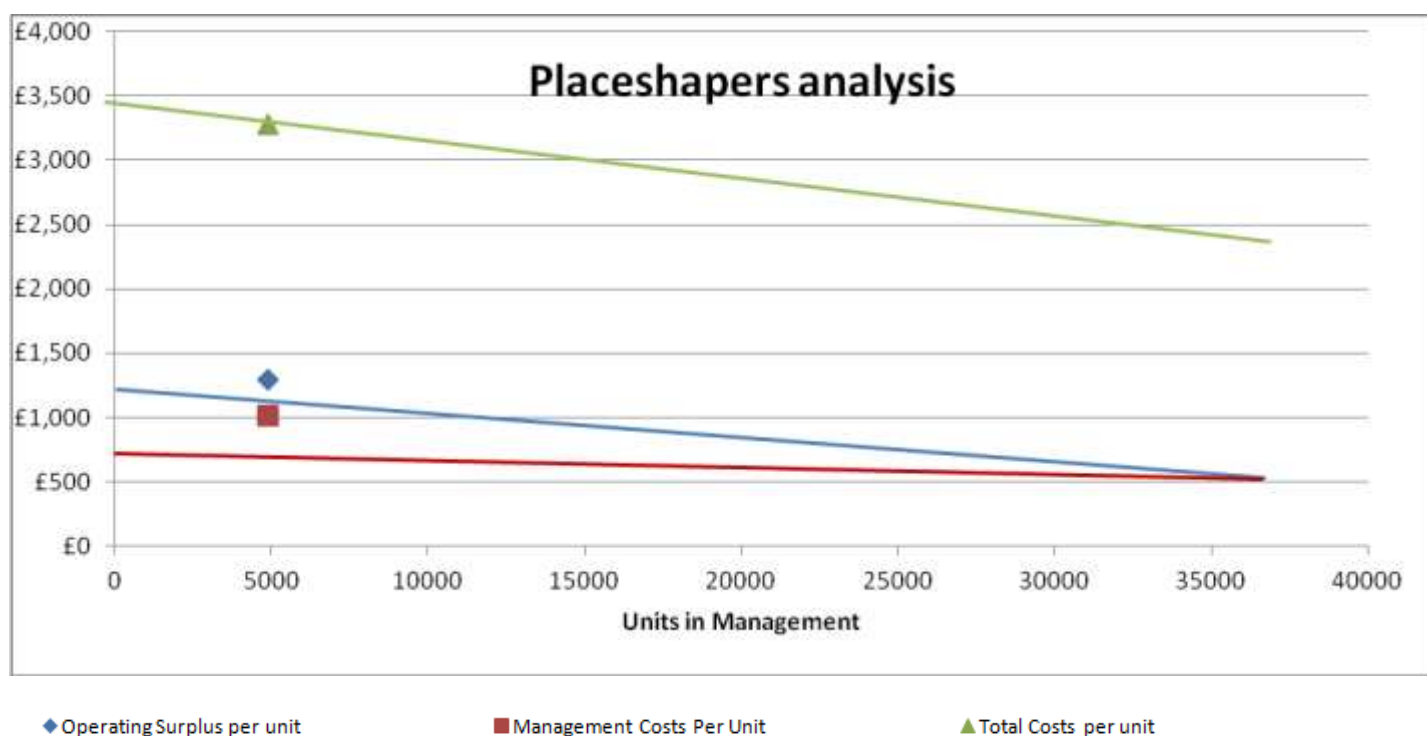
We consider the Association's key services to be management (i.e. rent collection and letting), repairs, and support. In 2008, the Association made a decision to invest heavily in the provision of training and support services in recognition of the fact that having a warm, safe home to live was only the first step toward improving life opportunities for many of our tenants.

The Group has this year invested £352k of its own resources together with externally generated funds of £337k to provide a range of additional services through Broadland Meridian, a registered charity, to a significant proportion of tenants and other clients. Rent arrears have reduced by an estimated £57k overall for those tenants who received support from the service.

Value for Money self-assessment

Benchmarking

The Association is a member of Placeshapers, a collaboration of over 100 community focussed housing providers, who are all interested in making a real difference in the neighbourhoods they serve. The group co-operates to identify three categories – management costs per unit, operating surplus per unit and total social lettings costs per unit. For the year ended 2013, in all three cases the Association was marginally below the line of best fit (see graph below). This indicates that on both a cost and a surplus basis, the Association is close to the average expectation when analysed alongside relevant comparators.



The following summary analysis has also been undertaken in respect of key indicators, and compared with the national averages published within the HCA's Global Accounts 2013.

Further details and analysis can be found on our website:
www.broadlandhousing.org/about_us/value_for_money.php

Value for Money self-assessment

	BHA 2014 £	BHA 2013 £	National average £ (HCA Global Accounts 2013)	BHA source
Management cost per home	1,009	848	952	Note 3 within the financial statements
Maintenance (planned) and cyclical repair costs per home	867	1,028	992	Note 3 within the financial statements
Major repairs costs per home	331	273	989	Note 3 within the financial statements
Total repairs costs per home	1,198	1,301	1,981	
Operating cost per home	3,282	3,297	4,078	
Arrears %	4.5%	4.6%	4.8%	
Average void cost	966	1,658		All completed jobs, apportioning labour, materials, contractors and overheads, and divided by number of jobs.
Average routine repair cost	86	125		
Average kitchen cost	2,731	4,330		
Average bathroom cost	2,283	1,970		

Section 3: Achievements in current year and future plans

The major achievements in VfM this year include those described below: this will continue into the year 2014/15, with many more initiatives planned. Further details can be found on our website:

www.broadlandhousing.org/about_us/value_for_money.php .

Major strategic initiatives	
Decision to transfer Broadland Repairs Services in-house	<p>Significant savings have been delivered following the direct re-procurement of goods or services and the conclusion of third party management.</p> <ul style="list-style-type: none"> • Vehicle fleet savings totalling £96k • Labour savings of £150k and contract fees of £121k • Joining Procurement for Housing - saving of £75k • Savings on VAT through self-delivery of works

Value for Money self-assessment

Major strategic initiatives (continued)																																																																		
<p>Review of consultant services offered, to insource where possible</p>	<p>Bringing in-house of services including legal searches, town planning pre-application statutory enquiries, utility enquiries, preparing land registry plans, Housing Quality Indicator assessments, Party Wall Surveyor and future climate impacts to advise asset management business continuity planning. Financial and other gains achieved through this strategy include:</p> <ul style="list-style-type: none"> • Utilisation of staff time during a fall in development activity rather than the costs of reducing, and increasing, the staff team; • Generation of approximately £24k surplus against what would have been spent on consultant fees; • Raised the capacity of the Association staff to deliver wider services in the future, both in-house and to third parties. <p>A research contract with the Technology Strategy Board into future climate impacts has also been undertaken, as has acting as an intermediary for shared ownership re-sales. Overall, these activities have generated nearly £45k additional income.</p>																																																																	
Redesign of direct tenant and customer provision																																																																		
<p>Arrears recovery linked to tenancy support</p>	<p>Redesign of staff teams and has meant that despite the introduction of the bedroom tax, benefit capping, and annual rent increases, we have been able to reduce overall arrears by circa £23k (to 2.98%). After taking into account the Housing Benefit due from Local Authorities, the net figure is 1.01%.</p> <div data-bbox="459 1208 1189 1684" style="text-align: center;"> <p>Arrears as a % of gross rent debit Month on Month</p> <table border="1"> <caption>Estimated data for Arrears as a % of gross rent debit</caption> <thead> <tr> <th>Month</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>Target 2014-15</th> </tr> </thead> <tbody> <tr><td>April</td><td>3.4%</td><td>3.3%</td><td>3.2%</td><td>3.2%</td></tr> <tr><td>May</td><td>3.7%</td><td>3.5%</td><td>3.4%</td><td>3.2%</td></tr> <tr><td>June</td><td>3.5%</td><td>3.8%</td><td>3.3%</td><td>3.2%</td></tr> <tr><td>July</td><td>2.9%</td><td>2.6%</td><td>2.8%</td><td>3.2%</td></tr> <tr><td>Aug</td><td>3.2%</td><td>2.8%</td><td>2.9%</td><td>3.2%</td></tr> <tr><td>Sept</td><td>3.2%</td><td>2.5%</td><td>2.7%</td><td>3.2%</td></tr> <tr><td>Oct</td><td>2.8%</td><td>2.7%</td><td>2.9%</td><td>3.2%</td></tr> <tr><td>Nov</td><td>3.1%</td><td>3.0%</td><td>3.2%</td><td>3.2%</td></tr> <tr><td>Dec</td><td>3.6%</td><td>3.5%</td><td>3.7%</td><td>3.2%</td></tr> <tr><td>Jan</td><td>3.7%</td><td>3.6%</td><td>3.8%</td><td>3.2%</td></tr> <tr><td>Feb</td><td>3.9%</td><td>4.1%</td><td>3.9%</td><td>3.2%</td></tr> <tr><td>March</td><td>3.3%</td><td>3.0%</td><td>3.2%</td><td>3.2%</td></tr> </tbody> </table> </div>	Month	2012/13	2013/14	2014/15	Target 2014-15	April	3.4%	3.3%	3.2%	3.2%	May	3.7%	3.5%	3.4%	3.2%	June	3.5%	3.8%	3.3%	3.2%	July	2.9%	2.6%	2.8%	3.2%	Aug	3.2%	2.8%	2.9%	3.2%	Sept	3.2%	2.5%	2.7%	3.2%	Oct	2.8%	2.7%	2.9%	3.2%	Nov	3.1%	3.0%	3.2%	3.2%	Dec	3.6%	3.5%	3.7%	3.2%	Jan	3.7%	3.6%	3.8%	3.2%	Feb	3.9%	4.1%	3.9%	3.2%	March	3.3%	3.0%	3.2%	3.2%
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Value for Money self-assessment

Redesign of direct tenant and customer provision (continued)	
<p>Customer services and repairs service</p>	<p>Investment in the repairs module of our IT system has enabled the Association to answer over 96% of calls received, and to provide a smoother service for repairs. As a result performance and satisfaction levels have improved and remain high. The following graph is an example of the information produced in our monthly Performance Report:</p>
<p>Void turnaround times</p>	<p>Following a review of our processes for re-letting properties, we have managed to reduce the time taken to relet a property from an average in excess of 20 days per property to circa 15 days. This has resulted in a substantial reduction in rental loss of approximately £58k.</p>
<p>Reducing fuel poverty</p>	<p>Completion of external wall insulation has been undertaken for 20 properties. This means each solid wall property is better insulated, resulting in a saving on energy costs for the tenants of approximately £150-£200 per year, as well as increasing the comfort level within their homes, whilst also reducing carbon emissions. The improvements also ensured each property moved into an EPC band rating of C.</p> <p>Further funding obtained will move even more properties to Band C.</p>

Value for Money self-assessment

Retendering / renegotiation of existing services	
Negotiated a fixed cap for legal services	Legal Services were retendered in the year, using selection criteria of quality as well as price to ensure best value for money. We have negotiated to cap housing management costs to a maximum £48k per year, in effect holding costs to 2013/14 levels.
Retender of funding advisors	The Association ran a tender exercise in 2013, appointing Centrus, who will enable access to new and innovative funding solutions and improved loan portfolio management. This appointment is crucial to the preparation of viable financial plans for new schemes, and we expect to be raising appropriate funds from the private market during 2014.
Tighter control of sub contractors	This initiative has led to both upskilling and cost savings as below: <ul style="list-style-type: none"> • Reduction in numbers of staff with authorisation to approve use of external contractors: circa £25k • Laying of floor coverings and disabled adaptations: £10k • Drainage and Locksmith works: £9k
Reduced audit fees, both internal and external	Internal Audit: A more strategic and collaborative approach to internal audit following the retender has added greater strategic value including to VfM, and provided enhanced training and awareness, including workshops on Anti-Bribery, Social Value, and Anti-Fraud training. External Audit: Reduction in fee of £10k has been achieved following retender and a refreshed approach to audit has improved operations.
Asset management	
Land Portfolio – planning consent / sales	Continual review of portfolio, both in the land bank to ensure planning consent has been maximised, and in areas within the operational portfolio such as redundant car parks and excess garden areas. Planning consent was obtained on two identified sites within the portfolio: <ul style="list-style-type: none"> • Piece of car park, sales price £50,000 book value £nil, fees £5,625, surplus £44,375 (disposed of to open market) • Garden: valuation £90,000, book value £nil, fees £6,000, additional value £84,000 (to land bank).

Value for Money self-assessment

Environmental improvements	
SHIFT: 12-13 milestones	Continuous embedment of SHIFT principles is continuing within the Association's day to day work. These principles have been adopted by the Association's Environmental Champions, which has increased its sustainable and environmental knowledge.
Research into mitigating the running costs of new housing	<p>Completion of our first Passivhaus scheme, and planning consent to deliver 250 Passivhaus apartments. Benefits of this include:</p> <ul style="list-style-type: none"> • Correlation between energy efficiency and below average rent arrears, as tenants have more disposable income to pay their rent, whilst also being warm in their homes; • Monitoring tenants' energy consumption – one tenant reports a 50% reduction in energy bills from previous home; • Cost benefit analysis of Passivhaus proposals for Design for Future Climate report – estimates savings in operational covers approximately 78% of the additional costs of achieving Passivhaus. Cost of developing Passivhaus is predicted to fall to a sufficient level for savings in operational costs to cover 100% of additional capital costs. <p>The monitoring of the Passivhaus scheme has given a value to the social impact of building highly insulated buildings, with an interesting correlation between reduced rent arrears and enhanced thermal performance. The Association will continue to research how a higher capital build cost has a long term impact on rent arrears, void costs, and lifetime costs of future maintenance and replacement cycles.</p>

Report of the Group Board

Details of the Group's principal activities, Board members, performance during the year, future strategy and risks are contained within the Operating and Financial Review, which precedes this report.

Executive directors

The Executive directors of the Group are set out on page 2. They act within the authority delegated by the Board. Group insurance policies indemnify Board members and officers against liability when acting for the Group. Executive directors are employed on individual contracts, which are reviewed and benchmarked by external advisers annually and agreed by the Group Remuneration and Membership Committee. Their terms include pension arrangements and other benefits which are set out in note 4 to the Financial Statements.

Employees

We recognise that the success of our business depends on the quality of our managers and staff. It is the policy of the Association that training, career development and promotion opportunities should be available to all employees. We are committed to equal opportunities and in particular we support the employment of people with disabilities, both in recruitment and in retention of employees who become disabled whilst employed by the Group. We have accreditations from Investors in People, Best Companies, Mindful Employer, Stonewall, and Positive about Disabled People.

The Board is aware of its responsibilities on all matters relating to health and safety. The Group has prepared detailed health and safety policies and provides staff training and education on health and safety matters.

NHF Excellence in Governance Code

The Group Board has reviewed its practices against the National Housing Federation's Excellence in Governance Code (2010 edition) and complies in all material respects with the principal recommendations of the Code with the exception of the following:

- B5: "*Organisations in a group structure must acknowledge and accept the control of the main group board in the governance of the group*" – the Group has decided not to adopt this part of the Code as it would diminish the independence of its subsidiary boards by potentially diluting the limited liability available to subsidiaries.

NHF Code of Conduct 2012

In November 2013, the Group Board formally adopted the most recent National Housing Federation's Code of Conduct 2012. In doing so, they took the opportunity to review compliance with this most recent version of the code, and confirmed full compliance in all material aspects, with the following areas of partial compliance:

- Formal arrangements for conflicts of interest have not yet been adopted by all involved residents as the varying levels of involvement may not justify unnecessary onerous formality (Area B1).
- The Chair of Broadland Meridian is an ex officio member of the Group Board for whom, in theory, it may not necessarily be possible to act in the best interests of the Association. In practice, conflicts of this nature are rare and safeguards would be operated should they arise (Area B2).
- The presumption against employment of connected persons to staff, Board members and tenants may not always be appropriate for the locality in which the Association operates and safeguards will be put in place if potential conflicts arise (Area D2).

Report of the Group Board

Internal controls assurance

The Board acknowledges its overall responsibility, applicable to all organisations within the Group, for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing and has been in place throughout the period up to the date of approval of the report and financial statements.

Key elements of the control framework include:

- Board approved terms of reference and delegated authorities for all panels and committees;
- clearly defined management responsibilities for the identification, evaluation and control of significant risks;
- robust strategic and business planning processes, with detailed financial budgets and forecasts;
- formal recruitment, retention, training and development policies for all staff;
- established authorisation and appraisal procedures for significant new initiatives and commitments;
- a sophisticated approach to treasury management which is subject to expert review;
- regular reporting to the appropriate committees on key business objectives, targets and outcomes;
- Board approved fraud policies, covering prevention, detection and reporting, together with recoverability of assets; and
- regular monitoring of loan covenants and requirements for new loan facilities.

A fraud register is maintained and is reviewed by the Group audit committee on a quarterly basis. No frauds were reported during the year. This will be reflected in the Association's Fraud Report submitted to the Homes and Communities Agency for the period.

In line with recommended practice, the Group Audit Committee reviewed the service contract in place with its internal audit provider (RSM Tenon) in November 2012. As a result of the competitive tender process carried out, a new internal audit provider, Baker Tilly, was appointed to provide internal audit services for this and a further 2 years (with potential extension). Baker Tilly were selected because of their understanding of sector specific themes of interest which the Group currently faces, their internal audit experience, professional standing and expertise in the field, and the value for money which their service represented.

As the provider of internal audit service to the Group for the period, Baker Tilly is required to provide to the Group Board an opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. Baker Tilly states that:

'Based upon the areas reviewed, overall we have gained FULL ASSURANCE that the key risks to the achievement of Broadland Housing Group's objectives are being adequately managed by the risk management, control and governance processes in place.'

Report of the Group Board

Internal controls assurance (continued)

The Board cannot delegate ultimate responsibility for the system of internal control, but it has delegated the authority for regularly reviewing the effectiveness of the system of internal control to the Group Audit Committee. The Group Chair receives a copy of all Group Audit Committee reports and minutes and is updated on committee activity at regular Chairs' meetings. All Group Audit Committee reports and minutes are made available electronically to Group Board members. The Group Board receives a résumé at each of its meetings outlining decisions made by the Committee. The Group Board has received the annual review of the effectiveness of the system of internal control for the Group, and the annual report of the internal auditor.

Going concern

The Group's business activities, its current financial position and risks likely to affect its future development are set out within the Operating and Financial Review. The Group has in place long-term debt facilities which provide adequate resources to finance both the reinvestment and development programmes to which it has committed, and the Group's day to day operations. The Group also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

On this basis, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis of preparation in the financial statements.

Statement of the responsibilities of the Board for the report and financial statements

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations. Industrial and Provident Society legislation requires the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under the Industrial and Provident Society 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 and surplus or deficit of the Association and Group for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers Update 2010 and the Accounting Direction for Private Registered Providers of Social Housing 2012, have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and Group and enable it to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Group Board

Statement of the responsibilities of the Board for the report and financial statements (continued)

Insofar as each of the Board members is aware:

- there is no relevant audit information of which the Association's auditors are unaware; and
- the Board has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Board is 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.

External auditors

Broadland Housing Association ran a competitive tender process for external auditors in June 2013 which was overseen by members of the Group Audit Committee. The Association received a number of high calibre submissions from well respected audit firms. The preferred provider selected was BDO LLP, which was appointed by shareholders at the Annual General Meeting in September 2013. Members also took the opportunity to thank Grant Thornton, the retiring providers, for the services that they had provided to the Association. A resolution to re-appoint BDO LLP as external auditors will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The annual general meeting will be held on 26 September 2014 at Broadland Housing Association's registered office.

The report of the board was approved by the board on 17 July 2014 and signed on its behalf by:

The Rt Hon. Baroness Hollis of Heigham DL MA (Cantab) D. Phil (Oxon) F.R.Hist.S - Group Chair

Independent auditor's report to the members of Broadland Housing Association Limited

We have audited the financial statements of Broadland Housing Association Limited for the year ended 31 March 2014 which comprise the Consolidated and Association Income and Expenditure Accounts, the Consolidated Statement of Total Recognised Surpluses and Deficits, the Consolidated Reconciliation of Movements in Group funds, the Consolidated and Association Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the housing association's members, as a body, in accordance with regulations made under the Housing and Regeneration Act 2008 and Section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the housing association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the housing association and the housing association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and the auditor

As explained more fully in the Statement of Board's Responsibilities set out on pages 29 and 30, the Board is responsible for the preparation of 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Councils (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Parent Association's affairs as at 31 March 2014 and of the Group and Association surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom generally accepted accounting practice; and
- have been properly prepared in accordance with the Industrial and Provident Societies Acts, 1965 to 2002, the Industrial and Provident Societies (Group Accounts) regulations 1969, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2012.

Independent auditor's report to the members of Broadland Housing Association Limited

Matters on which we are required to report by exception

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

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

Nicholas Buxton (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Norwich
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Consolidated and Association income and expenditure accounts

	Notes	Association		Group	
		2014 £'000	2013 £'000	2014 £'000	2013 £'000
Turnover	2a/2	25,324	23,995	25,659	24,872
Operating costs	2a/2	(18,042)	(17,661)	(18,375)	(18,543)
Operating surplus	2a/2	7,282	6,334	7,284	6,329
Interest receivable and similar income	6	133	58	136	60
Interest payable and similar charges	7	(6,870)	(6,827)	(6,870)	(6,827)
Gains on disposal of fixed assets		204	-	204	-
Surplus/(deficit) before taxation		749	(435)	754	(438)
Taxation	9	-	-	-	-
Surplus/(deficit) for the year	8	749	(435)	754	(438)

All amounts relate to continuing activities.

The above surpluses and deficits are the historical cost surpluses and deficits.

The accompanying notes form part of these financial statements.

Consolidated statement of total recognised surpluses and deficits

	Notes	Group	
		2014 £'000	2013 £'000
Surplus/(deficit) for the year		754	(438)
Unrealised gains on revaluation of fixed asset investments	17	11	15
Total recognised surpluses and deficits relating to the year		<u>765</u>	<u>(423)</u>

The accompanying notes form part of these financial statements.

Consolidated reconciliation of movements in Group's funds

	Group	
	2014 £'000	2013 £'000
Opening total funds	11,443	11,866
Total recognised surpluses and deficits relating to the year	<u>765</u>	<u>(423)</u>
Closing total funds	<u>12,208</u>	<u>11,443</u>

Consolidated balance sheet

	Notes	2014	2013
		£'000	£'000
Fixed assets			
Housing properties:			
Gross cost less depreciation	10	280,169	278,525
Less: Social Housing Grants	10b	(114,532)	(114,601)
Other grants	10b	(19,869)	(19,533)
		<u>145,768</u>	<u>144,391</u>
Other tangible fixed assets	11	3,726	3,351
		<u>149,494</u>	<u>147,742</u>
Investments	12	134	120
		<u>149,628</u>	<u>147,862</u>
Current assets			
Properties held for sale		34	303
Debtors and prepayments	13	2,127	3,512
Cash at bank and in hand		13,484	8,217
		<u>15,645</u>	<u>12,032</u>
Creditors: Amounts falling due within one year	14	(6,593)	(7,218)
Net current assets		<u>9,052</u>	<u>4,814</u>
Total assets less current liabilities		<u>158,680</u>	<u>152,676</u>
Creditors: Amounts falling due after more than one year	15	146,472	141,233
Capital and reserves			
Revenue reserve	16a	12,070	11,316
Restricted reserves	16b	95	95
Investment revaluation reserve	17	43	32
		<u>12,208</u>	<u>11,443</u>
		<u>158,680</u>	<u>152,676</u>

The accompanying notes form part of these financial statements.

Consolidated balance sheet

The financial statements were approved by the Board of Management and authorised for issue on 17 July 2014 and are signed on its behalf by:

Chair – The Rt. Hon. Baroness Hollis of Heigham DL
MA(Cantab) D.Phil(Oxon) F.R.Hist.S

Board Member

Secretary – Anna Simpson MA(Cantab) FCA

The accompanying notes form part of these financial statements.

Association balance sheet

	Notes	2014	2013
		£'000	£'000
Fixed assets			
Housing properties:			
Gross cost less depreciation	10a	280,434	278,790
Less: Social Housing Grants	10b	(114,532)	(114,601)
Other grants	10b	(19,869)	(134,134)
		<u>146,033</u>	<u>144,656</u>
Other tangible fixed assets	11a	3,725	3,349
		<u>149,758</u>	<u>148,005</u>
Investments	12	134	120
		<u>149,892</u>	<u>148,125</u>
Current assets			
Properties held for sale		34	303
Debtors and prepayments	13	2,254	3,638
Cash at bank and in hand		13,023	7,588
		<u>15,311</u>	<u>11,529</u>
Creditors: Amounts falling due within one year	14	(6,764)	(7,214)
		<u>8,547</u>	<u>4,315</u>
Net current assets			
		<u>158,439</u>	<u>152,440</u>
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year	15	146,472	141,233
		<u>11,967</u>	<u>11,207</u>
Capital and reserves			
Revenue reserve	16a	11,829	11,080
Restricted reserves	16b	95	95
Investment revaluation reserve	17	43	32
		<u>11,967</u>	<u>11,207</u>
		<u>158,439</u>	<u>152,440</u>

The accompanying notes form part of these financial statements.

Association balance sheet

The financial statements were approved by the Board of Management and authorised for issue on 17 July 2014 and are signed on its behalf by:

Chair – The Rt. Hon. Baroness Hollis of Heigham DL
MA(Cantab) D.Phil(Oxon) F.R.Hist.S

Board Member

Secretary – Anna Simpson MA(Cantab) FCA

The accompanying notes form part of these financial statements.

Consolidated cash flow statement

	2014	2013
	£'000	£'000
Net cash inflow from operating activities (note a)	11,960	9,548
Returns on investments and servicing of finance		
Interest received	136	60
Interest paid	(6,997)	(6,953)
	<u> </u>	<u> </u>
Net cash outflow from returns on investments and servicing of finance	(6,861)	(6,893)
Capital expenditure		
Acquisition and construction of housing properties	(5,511)	(7,749)
Social Housing Grants and other grants received	438	2,041
Sales of housing	797	1,021
Purchase of other tangible fixed assets	(969)	(429)
Sales of other tangible fixed assets	370	-
Purchase of fixed asset investments	(3)	(2)
	<u> </u>	<u> </u>
	(4,878)	(5,118)
Net cash inflow/(outflow) before use of liquid resources and financing	221	(2,463)
Financing		
Loan issue costs	-	(21)
Housing loans received	6,750	5,250
Housing loans repaid	(1,704)	(1,407)
	<u> </u>	<u> </u>
Net cash inflow from financing	5,046	3,822
Increase in cash (note b)	<u>5,267</u>	<u>1,359</u>

The accompanying notes form part of these financial statements.

Notes to the cash flow statement

	2014	2013
	£'000	£'000
(a) Reconciliation of operating surplus to net cash inflow from operating activities		
Operating surplus	7,284	6,329
Depreciation	3,348	3,829
Amortisation of leasehold properties	125	115
Increase in fixed asset investments	11	15
Decrease/(increase) in debtors	1,074	(201)
Increase/(decrease) in creditors	118	(539)
	<hr/>	<hr/>
Net cash inflow from operating activities	11,960	9,548
	<hr/>	<hr/>
	2014	2013
	£'000	£'000
(b) Reconciliation of net cash flow to movement in net debt		
Increase in cash in year	5,267	1,359
Loans received	(6,750)	(5,250)
Loans repaid	1,704	1,407
Loan issue costs	-	21
	<hr/>	<hr/>
Change in net debt resulting from cash flows	221	(2,463)
Loan issue costs amortised	(55)	(50)
	<hr/>	<hr/>
Movement in net debt in the year	166	(2,513)
Net debt at 1 April 2013	(134,321)	(131,808)
	<hr/>	<hr/>
Net debt at 31 March 2014	(134,155)	(134,321)
	<hr/>	<hr/>

Notes to the cash flow statement

(c) Analysis of changes in net debt

	At 1 April 2013	Cash Flows	Loan Issue Costs Amortised	At 31 March 2014
	£'000	£'000	£'000	£'000
Cash at bank and in hand	8,217	5,267	-	13,484
Debt due within one year	(1,677)	(42)	-	(1,719)
Debt due after one year	(140,861)	(5,004)	(55)	(145,920)
Total	<u>(134,321)</u>	<u>221</u>	<u>(55)</u>	<u>(134,155)</u>

The accompanying notes form part of these financial statements.

Notes to the financial statements

The Association is incorporated under the Industrial and Provident Societies Act, 1965 to 2002 and registered with the Homes and Communities Agency as a Registered Social Landlord as defined by the Housing Act 1996.

1 Principal accounting policies

Basis of accounting

The Financial Statements have been prepared in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice (SORP): Accounting by Registered Social Housing Providers Update 2010 and the Accounting Direction for Private Registered Providers of Social Housing 2012.

The Financial Statements are prepared under the historical cost convention, as modified by the revaluation of fixed asset investments.

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Operating and Financial Review. The Group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

Basis of consolidation

These financial statements are Group statements and have been prepared by consolidating the results of Broadland Housing Association Limited, together with results of its subsidiary undertakings from 1 April 2013 to 31 March 2014. Information on group subsidiaries is given in note 23.

Turnover and revenue recognition

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties build for sale and other services included at the invoiced value (excluding VAT) of goods and services supplied in the year and revenue grants receivable in the year.

Value added tax

The Group charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The Financial Statements include VAT to the extent that it is suffered by the Group and not recovered from HM Revenue and Customs. The balance of VAT payable or recoverable at the year end is included as a current asset or liability.

Broadland Housing Association Limited, Broadland Meridian, Charlie's Social Enterprise Community Interest Company and Meridian East Property Services Limited are all part of a VAT group.

Broadland St Benedicts Limited is independently VAT registered.

Notes to the financial statements

Capitalisation of interest and administration costs

Interest on specific loans financing the development programme, or on net borrowing to the extent that it is deemed to be financing development, is capitalised up to the date of completion of the scheme.

Administration costs relating to the construction of housing properties are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into use.

Pension costs

The Association participates in an industry-wide defined benefits scheme, The Social Housing Pension Scheme (SHPS) operated by The Pensions Trust, and retirement benefits to the Association's employees are funded by contributions from all participating employers and employees in the scheme as it has not been possible to identify the share of underlying assets and liabilities balance going to individual participating employees. Payments are made in accordance with periodic calculations by participating associations taken as a whole. The cost of providing retirement pensions and related benefits is charged to operating cost over the periods benefiting from the employees' services.

The Association also participates in a defined contribution scheme for its employees. Contributions are charged to the income and expenditure account in the year in which they become payable.

Broadland Meridian only participates in the defined contribution pension scheme.

Housing properties

Housing properties are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Shared ownership properties are split proportionally between the current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover, and the remaining element is classed as fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Notes to the financial statements

Donations

Land donated to the Association by public bodies and by other parties pursuant to Section 106 planning conditions is included in the Balance Sheet at a fair value. The value of the donation is recognised within Other Grants in the year of donation.

Land and investments donated by non-public bodies other than as described above are included in the Balance Sheet at a fair value. The value of the donation is recognised within the Income and Expenditure Account in the year of donation. A transfer is made to restricted reserves equivalent to the fair value of the land.

Social Housing Grant

Social housing grant (SHG) is receivable from the Homes and Communities Agency (the HCA) and formerly from the Housing Corporation and is utilised to reduce the capital costs of housing properties, including land costs. It is allocated to the land and structure components in proportion to their cost. SHG due from the HCA or received in advance is included as a current asset or liability. SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with the HCA.

Recycled Capital Grant/Disposal Proceeds Fund

SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the balance sheet in creditors. Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to the income and expenditure account. Upon disposal of the associated property, the group is required to recycle these proceeds, as such a contingent liability is disclosed to reflect this.

Depreciation of housing properties

Freehold land is not depreciated. Depreciation of buildings and subsequent structural works is charged so as to write down the net book value to the estimated residual value, on a straight-line basis, over their remaining estimated useful economic lives in the business. The depreciable amount is arrived at on the basis of original cost, less the proportion of SHG and other grants attributable to housing properties, less residual value.

Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

Notes to the financial statements

Depreciation of housing properties (continued)

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, at the following annual rates:

Structure	150 years
Roofs	60 years
Kitchens	17 years
Bathrooms	30 years
Windows	30 years
Doors	30 years
Boilers	15 years
Heaters	30 years

Housing properties in the course of construction are transferred into completed schemes upon practical completion.

Works to existing housing properties

The Association capitalises expenditure on housing properties which results in enhancement of the economic benefit of the asset such as an increase in the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in rental income, a reduction in future maintenance costs, or a significant extension of the useful life of the property.

Impairment

Housing properties which are depreciated over a period in excess of 50 years are subject to impairment reviews annually. Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Where there is evidence of impairment, fixed assets are written down to their recoverable amount, being the higher of the net realisable value or the value in use to the group. Any such write down is charged to operating surplus.

Other tangible fixed assets and depreciation

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write off the cost of assets over their expected useful lives as follows:

Freehold office buildings and commercial properties	1% per annum on cost or remaining useful life
Office equipment, fixtures and fittings	20% per annum on cost
Motor vehicles	25% per annum on cost
Computer equipment	25% per annum on cost
Leasehold office	over term of lease
Canteen equipment (included in office equipment column)	20% per annum on cost

Notes to the financial statements

Properties for Sale

Shared ownership first tranche sales, completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Properties managed by agencies

Where the agency carries the financial risk, the Income and Expenditure Account includes only that income and expenditure which relates solely to the Association. Other income and expenditure of property in this category is excluded from the Income and Expenditure Account.

Fixed asset Investments

Fixed Asset investments are shown in the balance sheet at market value. Any gain or loss arising during the year is credited/debited to the Investment Revaluation Reserve.

Loan finance issue costs

Loan finance issue costs are written off evenly over the life of the related loan. Loans are stated in the Balance Sheet at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts written off.

Related party transactions

The Group has taken advantage of the exemption available under FRS 8 (revised) not to disclose transactions with its subsidiary undertakings as they are wholly owned subsidiaries of this Group which produces consolidated financial statements, with the following exception:

Under the Accounting Direction for Private Registered Providers of Social Housing (2012), there is a requirement to disclose intra group transactions occurring between regulated and non-regulated elements of the business.

Notes to the financial statements

2 Turnover, operating costs and operating surplus/(deficit): Group

	2014 Turnover £'000	2014 Operating costs £'000	2014 Operating surplus/(deficit) £'000	2013 Turnover £'000	2013 Operating costs £'000	2013 Operating surplus/(deficit) £'000
Income and expenditure from social housing lettings						
General needs housing	19,132	13,550	5,582	18,288	12,835	5,453
Supported housing	4,819	2,721	2,098	4,608	3,261	1,347
	<u>23,951</u>	<u>16,271</u>	<u>7,680</u>	<u>22,896</u>	<u>16,096</u>	<u>6,800</u>
Other activities						
Supported people contract income	77	-	77	77	21	56
Supported housing management	72	58	14	65	70	(5)
Other management	40	26	14	61	61	-
Commercial properties	53	42	11	56	46	10
Revenue Social Housing Grant	-	-	-	-	48	(48)
Development services	68	825	(757)	13	738	(725)
Miscellaneous	293	199	94	321	185	136
Shared ownership	770	625	145	506	398	108
Training and employment	335	329	6	877	880	(3)
	<u>25,659</u>	<u>18,375</u>	<u>7,284</u>	<u>24,872</u>	<u>18,543</u>	<u>6,329</u>

See note 3 for detailed analysis of income and expenditure from social housing lettings.

Notes to the financial statements

2(a) Turnover, operating costs and operating surplus/(deficit): Association

	2014 Turnover £'000	2014 Operating costs £'000	2014 Operating surplus/(deficit) £'000	2013 Turnover £'000	2013 Operating costs £'000	2013 Operating surplus/(deficit) £'000
Income and expenditure from social housing lettings						
General needs housing	19,132	13,504	5,628	18,288	12,835	5,453
Supported housing	4,819	2,767	2,052	4,608	3,261	1,347
	<u>23,951</u>	<u>16,271</u>	<u>7,680</u>	<u>22,896</u>	<u>16,096</u>	<u>6,800</u>
Other activities						
Supported people contract income	77	-	77	77	21	56
Supported housing management	72	58	14	65	70	(5)
Other management	40	26	14	61	61	-
Commercial properties	53	42	11	56	46	10
Revenue Social Housing Grant	-	-	-	-	48	(48)
Development services	68	825	(757)	13	738	(725)
Miscellaneous	293	195	98	321	183	138
Shared ownership	770	625	145	506	398	108
	<u>25,324</u>	<u>18,042</u>	<u>7,282</u>	<u>23,995</u>	<u>17,661</u>	<u>6,334</u>

See note 3 for detailed analysis of income and expenditure from social housing lettings.

Notes to the financial statements

3 Income and expenditure from social housing lettings

	2014 General Needs Housing £'000	2014 Supported housing £'000	2014 Total £'000	2013 General needs housing £'000	2013 Supported housing £'000	2013 Total £'000
Income from lettings						
Rent receivable net of identifiable service charges	18,135	3,449	21,584	17,314	3,465	20,779
Charges for support services	(3)	-	(3)	1	-	1
Service charges receivable	1,000	1,370	2,370	973	1,143	2,116
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Gross rental income	19,132	4,819	23,951	18,288	4,608	22,896
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the financial statements

3 Income and expenditure from social housing lettings (continued)

	2014 General Needs Housing £'000	2014 Supported housing £'000	2014 Total £'000	2013 General needs housing £'000	2013 Supported housing £'000	2013 Total £'000
Expenditure on social housing lettings						
Management	4,301	699	5,000	3,565	576	4,141
Services	925	1,137	2,062	902	1,188	2,090
Routine maintenance	3,879	306	4,185	4,341	578	4,919
Furnishings and equipment	40	74	114	15	86	101
Major repairs expenditure	1,494	148	1,642	960	371	1,331
Rent losses from bad debts	129	29	158	79	63	142
Amortisation and depreciation of housing properties	2,515	365	2,880	2,522	399	2,921
Component disposals	221	9	230	451	-	451
	<u>13,504</u>	<u>2,767</u>	<u>16,271</u>	<u>12,835</u>	<u>3,261</u>	<u>16,096</u>
Operating costs on social housing lettings						
	<u>5,628</u>	<u>2,052</u>	<u>7,680</u>	<u>5,453</u>	<u>1,347</u>	<u>6,800</u>
Rent losses from voids	(141)	(86)	(227)	(125)	(86)	(211)
Service charge losses from voids	(31)	(35)	(66)	(24)	(39)	(63)
	<u>(172)</u>	<u>(121)</u>	<u>(293)</u>	<u>(149)</u>	<u>(125)</u>	<u>(274)</u>

Notes to the financial statements

4 The Board, executives' and senior staff emoluments

Executives and senior staff

	Group 2014 £'000	Group 2013 £'000
The aggregate emoluments paid to executives including pension contributions and benefits in kind	515	520
The remuneration paid to the highest paid senior executive of the Association excluding pension contributions but including benefits in kind	126	125
The full time equivalent number of executives and senior staff who received emoluments:		
	2014 No.	2013 No.
£60,001 to £70,000	2.0	2.0
£70,001 to £80,000	1.0	-
£80,001 to £90,000	1.0	1.0
£90,001 to £100,000	1.9	1.8
£100,001 to £110,000	1.0	-
£110,001 to £120,000	-	1.0
£130,001 to £140,000	1.0	1.0
	7.9	6.8

The Chief Executive of the Association is not a member of SHPS. There is an individual pension arrangement between himself and the Association (stakeholder plan), with no special or enhanced terms. The Association contributes a standard contribution (for employees joining the Association after 1 June 1995, and currently, 13.6% of pensionable earnings) to the plan.

Notes to the financial statements

4 The Board, executives' and senior staff emoluments (continued)

Board members

	Group 2014 £'000	Group 2013 £'000 Restated
Total expenses reimbursed to the Board, Committees and senior executives not chargeable to United Kingdom income tax	3.0	6.6
	<hr/>	<hr/>
The Board of Management remuneration	39.7	37.3
	<hr/>	<hr/>
The Rt. Hon Baroness Hollis of Heigham	7.5	7.5
Fiona Anthony	-	1.5
Martin Clark	3.0	3.0
Peter Goodrick	-	0.8
Richard Hawthorn	3.0	3.0
Jenny Manser	5.0	4.0
David Poole	-	2.5
Kate Slack (nee Maguire)	3.0	3.0
Jonathan Barber	3.0	3.0
John Newstead	3.0	3.0
Eric Sharpe	3.0	1.5
Louise Wiseman	3.0	1.5
Richard Croft	1.6	-
Julia Roche	1.6	-
Helen Skoyles (Broadland St Benedicts)	3.0	3.0
	<hr/>	<hr/>
	39.7	37.3
	<hr/>	<hr/>

Notes to the financial statements

5 Employee information

	Association 2014 No.	Association 2013 No.	Group 2014 No.	Group 2013 No.
Office staff	106	111	123	136
Scheme managers and operatives	91	98	91	98
	<u>197</u>	<u>209</u>	<u>214</u>	<u>234</u>
The full-time equivalent was	<u>189</u>	<u>196</u>	<u>204</u>	<u>215</u>

	Association 2014 £'000	Association 2013 £'000	Group 2014 £'000	Group 2013 £'000
Salaries and wages	5,409	5,484	6,017	5,963
Social security costs	451	465	475	502
Other pension costs (see note 18)	394	310	404	321
	<u>6,254</u>	<u>6,259</u>	<u>6,896</u>	<u>6,786</u>

6 Interest receivable and similar income

	Association 2014 £'000	Association 2013 £'000	Group 2014 £'000	Group 2013 £'000
Interest receivable from term deposits and bank deposits	127	53	130	55
Dividend income from unit trusts and shares	6	5	6	5
	<u>133</u>	<u>58</u>	<u>136</u>	<u>60</u>

Notes to the financial statements

7 Interest payable and similar charges

	Association 2014 £'000	Association 2013 £'000	Group 2014 £'000	Group 2013 £'000
On bank loans, overdrafts and other loans	6,905	7,019	6,905	7,019
Loan issue cost amortisation	55	50	55	50
	<hr/>	<hr/>	<hr/>	<hr/>
	6,960	7,069	6,960	7,069
Interest capitalised	(90)	(242)	(90)	(242)
	<hr/>	<hr/>	<hr/>	<hr/>
	6,870	6,827	6,870	6,827
	<hr/>	<hr/>	<hr/>	<hr/>

Capitalised interest has been calculated using a weighted average annual rate of interest of:

4.65% 5.02%

8 Surplus/(deficit) for the year

	Association 2014 £'000	Association 2013 £'000	Group 2014 £'000	Group 2013 £'000
Surplus/(deficit) for the year is stated after charging:				
Depreciation of freehold properties	2,735	2,790	2,735	2,790
Amortisation of leasehold properties	125	115	125	115
Depreciation of shared ownership properties	20	16	20	16
Depreciation of other tangible fixed assets	593	570	593	572
	<hr/>	<hr/>	<hr/>	<hr/>
Auditor's remuneration (excluding VAT):				
In their capacity as auditors (including expenses)	26	32	27	37
In respect of other services	-	17	-	18
	<hr/>	<hr/>	<hr/>	<hr/>
	26	49	27	55
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the financial statements

9 Tax on surplus/(deficit) on ordinary activities

The Association is entitled to tax relief afforded to charitable bodies by Part 11 of the Corporation Taxes Act 2010.

	Association & Group 2014 £'000	Association & Group 2013 £'000
Corporation tax		
UK corporation tax on results for the year	-	-

Notes to the financial statements

10 Tangible fixed assets: Group

	Freehold housing properties completed £'000	Leasehold housing properties completed £'000	Housing properties in the course of construction £'000	Shared ownership properties completed £'000	2014 Total £'000	2013 Total £'000
Cost						
At 1 April 2013	284,913	11,770	7,249	3,596	307,528	305,123
Additions	1,333	34	4,310	-	5,677	6,758
Other disposals	(660)	-	-	(264)	(924)	(3,099)
Component disposals	(604)	(8)	-	-	(612)	(1,067)
Transfer to current assets	(42)	-	-	-	(42)	(187)
Transfer	(113)	98	-	15	-	-
Transfer completed	5,044	-	(5,595)	551	-	-
	<u>289,871</u>	<u>11,894</u>	<u>5,964</u>	<u>3,898</u>	<u>311,627</u>	<u>307,528</u>
At 31 March 2014	289,871	11,894	5,964	3,898	311,627	307,528
Depreciation/amortisation						
At 1 April 2013	27,386	1,543	-	74	29,003	26,726
Charge for year	2,735	125	-	20	2,880	2,921
Other disposals	(43)	-	-	-	(43)	(28)
Component disposals	(376)	(6)	-	-	(382)	(616)
	<u>29,702</u>	<u>1,662</u>	<u>-</u>	<u>94</u>	<u>31,458</u>	<u>29,003</u>
At 31 March 2014	29,702	1,662	-	94	31,458	29,003
Net book value						
At 31 March 2014	260,169	10,232	5,964	3,804	280,169	278,525
At 31 March 2013	257,527	10,227	7,249	3,522	278,525	278,397

Notes to the financial statements

10(a) Tangible fixed assets: Association

	Freehold housing properties completed £'000	Leasehold housing properties completed £'000	Housing properties in the course of construction £'000	Shared ownership properties completed £'000	2014 Total £'000	2013 Total £'000
Cost						
At 1 April 2013	285,178	11,770	7,249	3,596	307,793	305,378
Additions	1,333	34	4,310	-	5,677	6,768
Other disposals	(660)	-	-	(264)	(924)	(3,099)
Component disposals	(604)	(8)	-	-	(612)	(1,067)
Transfer to current assets	(42)	-	-	-	(42)	(187)
Transfer	(113)	98	-	15	-	-
Transfer completed	5,044	-	(5,595)	551	-	-
	<u>290,136</u>	<u>11,894</u>	<u>5,964</u>	<u>3,898</u>	<u>311,892</u>	<u>307,793</u>
At 31 March 2014	290,136	11,894	5,964	3,898	311,892	307,793
Depreciation/amortisation						
At 1 April 2013	27,386	1,543	-	74	29,003	26,726
Charge for year	2,735	125	-	20	2,880	2,921
Other disposals	(43)	-	-	-	(43)	(28)
Component disposals	(376)	(6)	-	-	(382)	(616)
	<u>29,702</u>	<u>1,662</u>	<u>-</u>	<u>94</u>	<u>31,458</u>	<u>29,003</u>
At 31 March 2014	29,702	1,662	-	94	31,458	29,003
Net book value						
At 31 March 2014	260,434	10,232	5,964	3,804	280,434	278,790
At 31 March 2013	257,792	10,227	7,249	3,522	278,790	278,652

Notes to the financial statements

10(b) Social housing and other grants: Group and Association

	Completed schemes £'000	Under construction £'000	2014 Total £'000	2013 Total £'000
Social Housing Grant				
At 1 April 2013	114,459	142	114,601	116,692
Transfer to completed schemes	142	(142)	-	-
Disposals	(69)	-	(69)	(2,091)
	<u>114,532</u>	<u>-</u>	<u>114,532</u>	<u>114,601</u>
At 31 March 2014	114,532	-	114,532	114,601
Other grants				
At 1 April 2013	18,829	704	19,533	18,875
Receivable during year	-	336	336	831
Transfer to completed schemes	1,040	(1,040)	-	-
Disposals	-	-	-	(173)
	<u>19,869</u>	<u>-</u>	<u>19,869</u>	<u>19,533</u>
At 31 March 2014	19,869	-	19,869	19,533
Total grants	<u>134,401</u>	<u>-</u>	<u>134,401</u>	<u>134,134</u>

The total accumulated amount of Social Housing Grant (including both capital and revenue grant) at 31 March 2014 is £118,029k (2013: £118,092k)

10(c) Repairs

	2014 £'000	2013 £'000
Routine maintenance	4,185	4,919
Major repairs expenditure	1,642	1,331
Capitalised repairs	1,367	1,949
	<u>7,194</u>	<u>8,199</u>

Notes to the financial statements

11 Other tangible fixed assets: Group

	Freehold office buildings £'000	Leasehold office buildings £'000	Office & computer equipment £'000	Motor Vehicles £'000	Freehold commercial £'000	2014 Total £'000	2013 Total £'000
Cost							
At 1 April 2013	1,881	1,300	3,007	48	107	6,343	5,962
Additions	-	-	969	-	-	969	429
Disposals	-	-	(227)	(46)	-	(273)	(48)
At 31 March 2014	1,881	1,300	3,749	2	107	7,039	6,343
Depreciation/amortisation							
At 1 April 2013	98	353	2,486	47	8	2,992	2,465
Charge for year	18	82	491	-	2	593	572
Disposals	-	-	(227)	(45)	-	(272)	(45)
At 31 March 2014	116	435	2,750	2	10	3,313	2,992
Net book value							
At 31 March 2014	1,765	865	999	-	97	3,726	3,351
At 31 March 2013	1,783	947	521	1	99	3,351	3,497

Notes to the financial statements

11(a) Other tangible fixed assets: Association

	Freehold office buildings £'000	Leasehold office buildings £'000	Office & computer equipment £'000	Motor Vehicles £'000	Freehold commercial £'000	2014 Total £'000	2013 Total £'000
Cost							
At 1 April 2013	1,881	1,300	2,861	44	107	6,193	5,765
Additions	-	-	969	-	-	969	428
Disposals	-	-	(227)	(42)	-	(269)	-
At 31 March 2014	1,881	1,300	3,603	2	107	6,893	6,193
Depreciation/amortisation							
At 1 April 2013	98	353	2,341	44	8	2,844	2,274
Charge for year	18	82	491	-	2	593	570
Disposals	-	-	(227)	(42)	-	(269)	-
At 31 March 2014	116	435	2,605	2	10	3,168	2,844
Net book value							
At 31 March 2014	1,765	865	998	-	97	3,725	3,349
At 31 March 2013	1,783	947	520	-	99	3,349	3,491

Notes to the financial statements

12 Fixed asset investments: Group and Association

	Cost		Market Value	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Unit trusts	91	88	134	120

Fixed asset investments are included in the balance sheet at market value.

13 Debtors: amounts falling due within one year

	Association 2014 £'000	Association 2013 £'000	Group 2014 £'000	Group 2013 £'000
Rent arrears	1,071	1,053	1,071	1,053
Less: provision for bad debts	(345)	(345)	(345)	(345)
	726	708	726	708
Social housing and other grants	-	311	-	311
Other debtors and prepayments	1,371	2,466	1,401	2,493
Intercompany debtors	157	153	-	-
	2,254	3,638	2,127	3,512

14 Creditors: amounts falling due within one year

	Association 2014 £'000	Association 2013 £'000	Group 2014 £'000	Group 2013 £'000
Housing loans	1,659	1,677	1,659	1,677
Trade creditors	2,618	2,109	2,707	2,227
Intercompany creditors	282	142	-	-
Housing capital creditors	1,096	1,729	1,096	1,729
Taxation and social security	168	274	186	297
Other creditors and accruals	168	418	172	423
Loan interest	773	865	773	865
	6,764	7,214	6,593	7,218

There is a joint and several liability under the group VAT registration, which the Association is part of. The total VAT payable at 31 March 2014 was £8k (2013: VAT recoverable £1k). The consolidated figures incorporate all VAT liabilities of the group.

Notes to the financial statements

15 Creditors: amounts falling due after more than one year

	Group & Association 2014 £'000	Group & Association 2013 £'000
Housing loans	145,980	140,861
Disposal proceeds fund	406	316
Recycled capital grant	86	56
	<u>146,472</u>	<u>141,233</u>

	2014 Gross £'000	2014 Costs £'000	2014 Net £'000	2013 Net £'000
Housing loans repayable by instalments:				
Within one year	1,714	(55)	1,659	1,677
Between one and two years	1,832	(55)	1,777	1,694
Between two and five years	12,186	(164)	12,022	11,448
In five years or more	132,897	(716)	132,181	127,719
	<u>148,629</u>	<u>(990)</u>	<u>147,639</u>	<u>142,538</u>

All housing loans are secured by specific charges on a number of the Association's housing properties and are payable at varying rates of interest in the range of 0.71% to 10.54%.

Notes to the financial statements

16 Reserves

(a) Revenue Reserves

	Association 2014 £'000	Association 2013 £'000	Group 2014 £'000	Group 2013 £'000
At 1 April 2013	11,080	11,515	11,316	11,754
Surplus/(deficit) for the year	749	(435)	754	(438)
At 31 March 2014	<u>11,829</u>	<u>11,080</u>	<u>12,070</u>	<u>11,316</u>

(b) Restricted Reserves

	Group & Association 2014 £'000	Group & Association 2013 £'000
At 1 April 2013 and 31 March 2014	<u>95</u>	<u>95</u>

The restricted reserve of £95,000 reflects property donated to the Association. The terms of the donation state that the property can only be used for social housing purposes, by the Association, and cannot be sold.

Notes to the financial statements

17 Investment Revaluation Reserve

	Group & Association 2014 £'000	Group & Association 2013 £'000
At 1 April 2013	32	17
Increase in value of investments	11	15
	<hr/>	<hr/>
At 31 March 2014	43	32
	<hr/>	<hr/>

18 Pension obligations

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

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

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

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

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

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

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

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

Broadland Housing Association has operated a 1/60th accrual rate, final salary benefit structure for active members as at 31 March 2008 and the career average revalued earnings (CARE) with a 1/60th accrual rate benefit structure for new entrants from 1 April 2008. A defined contribution structure was also made available from 1 October 2010 and the career average revalued earnings (CARE) with a 1/120th accrual rate benefit structure for new entrants 1 April 2013.

The defined contribution structure is also available to employees of Broadland Meridian.

Notes to the financial statements

18 Pension obligations (continued)

The Trustee commissions an actuarial valuation of the defined benefit Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due. From April 2007 the split of the total contribution rate between member and employer is set at individual employer level, subject to the employer paying no less than 50% of the total contribution rate. From 1 April 2010 the requirement for employers to pay at least 50% of the total contribution rate no longer applies.

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

During the accounting period Broadland Housing Association paid contributions at the rate of 5.5% to 10.6% member contributions varied between 3.0% and 14.3%.

As at the balance sheet date there were 86 active members of the Scheme employed by Broadland Housing Association. The annual pensionable payroll in respect of these members was £2,254,588. Broadland Housing Association continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

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

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2013. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The market value of the Scheme's assets at the date of the Actuarial Report was £2,718m. The Actuarial Report revealed a shortfall of assets compared with the value of liabilities of £1,151m, equivalent to a past service funding level of 70.0%.

Notes to the financial statements

18 Pension obligations (continued)

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

Valuation Discount Rates:	% p.a.
Pre-Retirement	7.0
Non Pensioner Post Retirement	4.2
Pensioner Post Retirement	4.2
Pensionable Earnings Growth	2.5 per annum for 3 years then 4.4
Price Inflation	2.9
Pension Increases:	
Pre 88 GMP	0.0
Post 88 GMP	2.0
Excess Over GMP	2.4

Expenses for death-in-service insurance, administration and Pension Protection Fund (PPF) levy are included in the contribution rate.

The valuation was carried out using the following demographic assumptions:

- Mortality pre-retirement – 41% SAPS S1 Male/Female All Pensioners (amounts), Year of Birth, CMI_2009 projections with long term improvement rates 1.5% p.a. for Males and 1.25% p.a. for Females.
- Mortality post retirement – 97% SAPS S1 Male/Female All Pensioners (amounts), Year of Birth, CMI_2009 projections with long term improvement rates of 1.5% p.a. for Males and 1.25% p.a. for Females.

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

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

Notes to the financial statements

18 Pension obligations (continued)

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a Recovery Plan setting out the steps to be taken to make up the shortfall.

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

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

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

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

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

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

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

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

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

Contribution rates are changed on the 1 April that falls 18 months after the valuation date.

Notes to the financial statements

18 Pension obligations (continued)

A copy of the Recovery Plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to The Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or Recovery Plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Scheme liabilities and hence impact on the Recovery Plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the Recovery Plan). A response regarding the 30 September 2011 valuation is awaited.

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

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

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

Broadland Housing Association has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Social Housing Pension Scheme, based on the financial position of the Scheme as at 30 September 2013. At this date the estimated employer debt for The Association was £13,458,659.

Notes to the financial statements

19 Non equity share capital and loan stock

	Group 2014 £	Group 2013 £
At 1 April 2013	330	312
Issued during the year	8	18
	<hr/>	<hr/>
At 31 March 2014	338	330
	<hr/>	<hr/>

The shares provide members with the right to vote at general meetings but do not provide any rights to dividends or distributions on a winding up.

20 Capital and revenue commitments

	Group 2014 £'000	Group 2013 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements:		
Development	-	3,510
Capital expenditure that has been authorised by the Board of Management but has not yet been contracted for:		
Development	34,309	31,817
	<hr/>	<hr/>
	34,309	35,327
	<hr/>	<hr/>

Notes to the financial statements

21 Units

The number of units of housing accommodation in management at 31 March was:

	Group 2014 No.	Group 2013 No.
Rented accommodation	4,841	4,772
Shared ownership accommodation	116	110
	<u>4,957</u>	<u>4,882</u>

The Association owns property used by other bodies, as follows:

	2014 No.	2013 No.
Autism Anglia	<u>25</u>	<u>25</u>

The Association received an management fee in respect of the 25 Autism Anglia units of £9k (2013: £9k)

22 Related parties

The Board and committees have tenant members who hold tenancy agreements on normal terms. The Association's rules prohibit tenant Board and Committees Members from using their position to their advantage.

In accordance with the requirements of the Accounting Direction for Private Registered Providers of Social Housing (2012) the following transactions and balances are disclosed which have occurred between the Association and other non-housing regulated group entities:

- During the year the Association purchased tenancy support activities and training from its subsidiary undertaking, Broadland Meridian, to the value of £352k (2013: £51k)
- During the year the Association incurred back office administration costs on behalf of its subsidiary undertaking, Broadland Meridian and recharged these to the value of £100k (2013: £144k). At 31 March 2014 the sum of £150k (2013: £153k) was shown as a debtor within the Association accounts (note 13) and a creditor within Broadland Meridian. The sum of £282k (2013: £142k) was shown as a creditor in the Association accounts (note 14) and a debtor within Broadland Meridian, for housing related services provided by Broadland Meridian to the Association.
- At 31 March 2014 the sum of £7k (2013: £nil) was shown as a debtor within the Association accounts (note 13) and a creditor within Broadland St Benedicts Limited, for services provided.

Notes to the financial statements

23 Group subsidiaries

Broadland Housing Limited is the parent company of the Broadland Group of companies. It provides services to the subsidiary companies within the Group and also receives services from its subsidiary companies.

The following companies are subsidiaries of the Broadland Housing Association Limited:

Broadland St Benedicts Limited

Registered under the Companies Act and incorporated in England and Wales, the principal activity of the Company is to develop housing. Net loss 2013/14: £4k (2012/13: net loss £2k).

Broadland Meridian

Registered as a charity under the Companies Act and incorporated in England and Wales, the principal activity of the Company is to provide employment opportunities. Net surplus 2013/14: £6k (net loss 2012/13: £1k).

Meridian East Property Services

Registered under the Companies Act and incorporated in England and Wales, the principal activity of the Company was to provide the rental of freehold property to its parent Meridian East Limited. This will now be provided by Broadland Housing Association. The sale of the property to Broadland Housing Association took place on 29 October 2011 and the company is now dormant. Net profit/loss 2013/14: £nil (2012/13: net profit/loss £nil).

Charlie's Social Enterprise Community Interest Company

Registered under the Companies Act and incorporated in England and Wales, the principal activity of the Company is the provision of retail sales of catering activities. The company has remained dormant throughout the year. Net loss 2013/14: £nil (2012/13: net loss £nil).