

HOUSING FOR WOMEN

(A company limited by guarantee and having no share capital)

Annual Report and Financial Statements

Year ended

30 September 2020

Company Registration Number 00420651
Charity Registration Number 211351
Registrar of Social Housing Number L0970



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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER
2020

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EXECUTIVE AND ADVISORS

BOARD OF DIRECTORS

Susan Kane (Chair)

Joanne Norris (Vice-Chair)

Helen Webb

Christine Pointer

Christopher Worrall

Mark Cooper

Sally East

Caroline Davies

Yewande Showumni

REGISTERED OFFICE

Sixth Floor, Blue Star House

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SW9 9SP

AUDITOR

Crowe U.K. LLP

55 Ludgate Hill

London

EC4M 7JW

**CHIEF EXECUTIVE AND COMPANY
SECRETARY**

Zaiba Qureshi

INTERNAL AUDITOR

TIAA Ltd

Artillery House

Fort Fareham

Newgate Lane

Fareham

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BANKERS

Lloyds TSB Bank Plc

39 Threadneedle Street

London

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SOLICITORS

Trowers & Hamlins

3 Bunhill Row

London

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STRATEGIC REPORT

The Board of Directors present their Strategic Report for Housing for Women (“Housing for Women”) for the year ended 30 September 2020.

PRINCIPAL ACTIVITIES AND BUSINESS MODEL

The principal activity of Housing for Women is the provision of accommodation for women on low incomes and their dependants.

Business Model

Housing for Women is a not for profit public benefit entity. It is a company limited by guarantee and not having share capital, a registered provider of social housing and a registered charity.

Housing for Women is sole trustee of the charity The Mary Curzon Charity for Women Workers.

OBJECTIVES, STRATEGY AND PRINCIPAL RISKS AND UNCERTAINTIES

Objectives

The mission of Housing for Women is to empower women through providing good homes and services and challenging inequalities faced by women.

Strategy

The year ended 30 September 2020 marks the end of the third year of our strategic plan. This plan was set to ensure we effectively manage and mitigate for an ever-changing external environment, ensuring that both the financial viability and governance structures remain sound. In order to ensure that Housing for Women is able to maintain its stock and enable growth, a healthy surplus achieved year on year is essential.

Within that context our strategic objectives continue to be for the next 2 years as follows:

1. Deliver great homes and services,
2. Achieve growth in size increasing our influence,
3. Drive business excellence, and
4. Develop and promote community involvement for women.

Principal risks and uncertainties

The Strategic Risk Register is updated quarterly and kept under regular review by the Executive Team (ET), Audit Committee and Board of Directors. All risks are managed with reference to the Risk Register where identified risks with mitigating actions to be achieved are allocated to key personnel to implement. High level risks are modelled in the 30-year business plan using the Brixx financial and business planning tool and Housing for Women maintains insurance cover for matters such as indemnity protection for officers and directors and public liability insurance.

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STRATEGIC REPORT (CONTINUED)

Key risks currently identified include the following:

- Our customer expectations outstrip our performance within Estate Services and Property maintenance.
- Our financial capacity and spend fails to match strategic ambition, specifically the impact of the rent setting environment, cost of debt, inflationary pressures in the current economic situation, cost inefficiencies and an increasingly competitive fundraising environment.
- Our strategic ambition exceeds our people, processes and the active asset management required for the delivery of our business plan.
- Failure to comply with required Health & Safety and Safeguarding policies.
- The impact of the Grenfell Tower tragedy continues to develop through policy guidance from Central Government. We are regularly reviewing fire safety at both Executive and Board level.
- Failure to recruit good people in some areas of the organisation in a market where strong candidates are in short supply.
- Failure to manage all aspects of the remediation of our Childers Street development.

GOVERNANCE

Governance structure

The Board of Directors are all non-executive members working voluntarily for Housing for Women. The members are drawn from a wide variety of disciplines, so as to provide the balance of skills and specialisations necessary for the management of Housing for Women. The Board of Directors met formally seven times during the year.

Housing for Women currently has three committees: the Audit Committee, Asset Management and Development Committee and the Remuneration Committee. The Audit Committee has responsibility for overseeing risk management and internal control and the Remuneration Committee recommends to the Board of Directors the remuneration of the Chief Executive and senior staff and is also responsible for Board recruitment and succession planning.

Whilst retaining its responsibilities for the overall strategy and policies of Housing for Women, the Board of Directors delegates day to day management to the Chief Executive and the Executive Team.

Code of governance

Housing for Women has adopted the National Housing Federation's 2015 code of governance 'Promoting board excellence' and an annual review of compliance with that code for 2019/20 was approved in December 2020.

In November 2020 the NHF released the updated 2020 Code of Governance. We are currently carrying out a self assessment against the new code with a view to adopting the Code subject to Board approval.

Compliance with regulatory standards

Housing for Women has assessed its compliance with the Regulator of Social Housing (RSH) governance and viability regulatory standards (April 2015) and believes that it meets the standards identified by the RSH.

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STRATEGIC REPORT (CONTINUED)
REVIEW OF BUSINESS

Financial Review

During an extremely busy year Housing for Women continued its work in securing a firm foundation for the future.

Housing for Women made a surplus on ordinary activities of £119,388 for the year ended 30 September 2020 compared with a surplus of £228,368 for the previous year.

Gross income receipts were in line with expectations. However, there was a void loss of £135,807 (2019: £125,427). These were seen in both the General Needs and Supported Housing sides of the business, with accommodation type or availability of nominations being principle drivers. In addition during the year a number of voids were unable to be tenanted due to COVID. Further steps to effectively identify, manage and minimise void loss days in the future have been initiated by management.

Arrears recovery continued to be an area of ongoing focus with improvement plans in place to minimise bad debt. Despite this, £118,261 (2019: £106,964) of income was provided/written off in the year as potential bad debt. This is mainly driven by ageing of current tenant debt, which unfortunately is being reflected across the sector as a whole in these difficult economic times.

In 2018 a decision was made to split the Operations Directorate in order to give a more focused approach on the areas of Customer Service and Asset Management respectively. In 2020 we recruited permanent members onto the Executive Team who are building their teams accordingly.

We were able to secure the lease for our offices in Brixton at extremely favourable terms for the next 3-5 years.

Asset Management has represented an area of considerable investment in the year, both in respect of infrastructure, but also in monetary terms, with additional spend in all areas including property compliance and cyclical works.

Finally we were able to secure an additional £5m of funding in October 2019 with a fixed rate of interest until 2047. Whilst this increased our interest burden for the year, it provided necessary comfort in respect of liquidity as the organisation navigated the uncertainty of the COVID environment, together with its significant plans for asset improvement.

Operational Review

Childers Fire

In May 2020 we had a significant fire at our Childers Street scheme. Thankfully there was no loss of life or injuries, though significant damage to one block led to the safe decant of those affected. We are currently managing this project to identify and deliver the work to re-instate this property. This will be a key project for our Asset Management team over the next 12 months.

As a result of the fire, we immediately revised the evacuation plan for the two remaining occupied blocks and implemented a Waking Watch which is currently being replaced by a temporary fire alarm system to support safe evacuation. We are also completing an assessment of all blocks in respect of any works required to bring them to current building regulations and are keeping all stakeholders advised accordingly. Once we are clear as to the nature and extent of works required we shall consider whether there is any recourse in respect of liability.

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STRATEGIC REPORT (CONTINUED)
REVIEW OF BUSINESS (CONTINUED)

Customer Engagement

During the year we were not able to realise the full implementation of our revised Engagement Strategy. Whilst we had established a Scrutiny Panel in 2019, and provided some initial training to members we were unable to sustain their development during Covid 19 and the subsequent Lockdowns and the requirement to move to virtual meetings before the panel had become fully established. Whilst some local meetings with residents did take place when lock down was eased the pandemic also impacted on our ability to regularly offer surgeries and hold customers consultation. We did however continue to engage with our customers and stakeholders through our website, newsletters, customer portal, estate inspections, independent satisfaction surveys and via social media. We will be revisiting our Engagement implementation plan which will include a review of our Scrutiny Panel in mid 2020/21 and the introduction of Estate Champions and more virtual engagement opportunities. Additionally, we commissioned Acuity to carry out independent periodic customer satisfaction surveys. These are giving us a more accurate picture of where we need to focus improvements and enable us to benchmark with our peers.

Key deliverable outcomes that have been achieved over the past 12 months across the organisation's frontline services are:

General Needs Services

During 2019/20 we housed 37 (2019: 41) new residents. At the year end we had 849 women and their families housed in permanent affordable homes (2019: 836).

Covid Welfare Calls

In response to the Coronavirus crisis and Government restrictions, during the first lockdown in March 2020 we set up an emergency taskforce to make weekly phone calls to vulnerable and older residents. The Welfare Call Task Force made over 890 welfare calls over five weeks. Volunteers checked in on Residents to make sure they were safe and provide practical support such as shopping for food and medication. Residents told us the calls offered real comfort amid the anxiety and fear they were experiencing as a result of the pandemic. For those who live alone, the calls were a lifeline as the calls helped ease feelings of loneliness and isolation. The task force became an invaluable gateway into the community as Residents were able to report any concerns they had about the wellbeing of their neighbours, when they noticed little or no activity from neighbours who usually were active.

We are looking to build on this experience in the coming year by establishing a large pool of befrienders who can help support those tenants who are isolated, or where there are wellbeing concerns this service will supplement the landlord operational delivery.

Support Services

Housing for Women has continued to deliver a range of support services throughout the year including;

- Domestic Violence and Abuse services – Refuges (Ealing and Greenwich) and Floating Support and telephone advice (Greenwich).
- ReUnite - Support for women and their children on the mothers release from prison to help rebuild their family ties and prevent re-offending.
- RePlace - Second stage support for single trafficked women.
- ReConnect - Support and accommodation to single women with complex needs on their release from prison.
- Capacity building work to support case workers and advocates in developing their skills and knowledge around housing legislation, building links with local authority housing options services to support housing pathways for women seeking secure accommodation.

In order to continue to deliver services which do not receive statutory funding, it is vital to secure funding through Trusts, Foundations and individual donations. We would like to take this opportunity to thank all our donors for their ongoing and generous support.

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STRATEGIC REPORT (CONTINUED)
REVIEW OF BUSINESS (CONTINUED)

During 2019-20:

- 98 (2019: 95) women stayed in our refuges.
- Our floating support service helped 185 (2019: 100) women in Greenwich. This service provides one-to-one emotional and practical support around matters like safety planning, housing, financial empowerment, contacting the police, and ensuring the safety of their children.
- We coordinated 122 (2019:71) referrals for the Sanctuary Scheme in Greenwich which provides extra security to ensure women can live safely in their own homes.
- We handled 5,398 (2019: 3,580) calls through our Domestic Abuse Advice Line, providing information and support to survivors and professionals across London. Our confidential advice line provides practical advice and emotional support to women suffering domestic abuse.

In 2019-20, we changed the services we provide through the RePlace project to a drop-in service.

- 4 (2019: 14) women engaged in education, training or paid employment.
- 8 (2019: 3) women supported into housing following Home Office decisions to award definite leave to remain.

Through the Reconnect project, we supported 13 women with complex needs and 5 women engaged in education, training or paid employment

We continue to operate in line with the Women's Aid National Quality Standards. Embodying principles of participation, transparent governance and needs-led service delivery, they set out the nature and standard of service provision necessary to enable women and children survivors of domestic violence to cope with and recover from their experiences of abuse.

FUTURE PROSPECTS

In order to achieve our growth ambitions and build service capacity we continue to explore new prospects through increased partnership working and opportunities around mergers and acquisitions. Additionally, we shall seek future finance through a combination of active asset management and maximising opportunities to extend our gearing.

KEY PERFORMANCE INDICATORS

Key performance indicators are identified and explained within the Value for Money section of the Report of the Board of Directors.

Approved by the Board of Directors and signed on behalf of the Board by:



Susan Kane

Chair

Date: 23 March 2021

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REPORT OF THE BOARD OF DIRECTORS

The Board of Directors present their report and the financial statements for the year ended 30 September 2020.

Directors

The Directors of Housing for Women who served during the year are:

- Bernadette O'Shea (Chair) (Resigned March 2020)
- Susan Kane (Chair) (Appointed March 2020)
- Joanne Norris (Vice Chair)
- Helen Webb
- Christine Pointer
- Christopher Worrall
- Mark Cooper
- Diane Hart (Resigned March 2020)
- Anne Langton (Resigned March 2020)
- Sally East (Appointed November 2019)
- Caroline Davies (Appointed May 2020)
- Yewande Showumni (Appointed May 2020)

Responsibilities of the Board of Directors

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

Company Law requires the Board of Directors to prepare financial statements for each financial year. Under that law the Board of Directors has elected to prepare the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of Housing for Women and of the surplus or deficit of Housing for Women for that period.

In preparing these financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that Housing for Women will continue in business.

The Board of Directors is responsible for keeping adequate accounting records that are sufficient to show and explain Housing for Women's transactions and disclose with reasonable accuracy at any time the financial position of Housing for Women and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. They are also responsible for safeguarding the assets of Housing for Women and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

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

Internal Controls

The Board of Directors is ultimately responsible for the system of internal control and for reviewing its effectiveness. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors confirms there is an on-going process for identifying, evaluating, and managing the significant risks faced by Housing for Women, including the risk of fraud that has been in place for the year under review and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board. The Board of Directors has approved and regularly reviews its policy on fraud covering prevention, detection and reporting. The fraud register is reviewed annually.

The Board of Directors has reviewed the effectiveness of the system of internal control. In particular, the Board of Directors has reviewed and updated Housing for Women's strategic risk map. The Board of Directors has received the Chief Executive's report on the effectiveness of internal control which confirmed having reviewed the effectiveness of the system of internal control, including the sources of assurance agreed by the Board as being appropriate for that purpose, she was satisfied that adequate systems of internal control were substantially in place.

Management are responsible for the identification and evaluation of significant risks applicable to their areas of business together with the design and operation of suitable controls.

Key elements of the control framework include:

- Board approved terms of reference and delegated authorities for Audit Committee, Asset Management and Development Committee and Remuneration Committee,
- Defined management responsibilities for identification, control and management of significant risks,
- Strategic and business planning processes with detailed financial budgets and forecasts,
- Formal recruitment, retention and training policies for all staff,
- Full reporting to Board for all significant new initiatives and commitments,
- Regular reporting to Board of business objectives, targets and outcomes,
- Board approved 'whistle blowing' and fraud policies,
- Board review of strategic risks and regular review by senior management of strategic and operational risk management including Health and Safety.

During 2019/20 our internal auditors (TIAA) carried out 1 audit covering complaints. We have a programme in place that was delayed due to Covid-19. We will continue with the agreed programme during 2020-21.

The Audit Committee has reviewed this report and agreed the Executive Team's (ET) action plan wherever improvements or issues of significance have been identified. A rolling review of actions completed is maintained and reported by the internal auditors and monitored quarterly by the Audit Committee.

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REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

The Board has reviewed the effectiveness of the Association's internal controls and has not identified any significant matters leading to a breakdown in controls.

Value for Money Assessment

Background

The mission of Housing for Women is to empower women through providing good homes and services and challenging inequalities faced by women.

We continue to develop our ability to measure the impact, efficiency and effectiveness of the services we deliver to our residents and service users. As a small housing association we have limited resources, and operate in challenging areas where demand for our services exceeds supply.

The Housing for Women Board and Executive team aim to maximise the social value of the organisation by ensuring that its finance and resources are used effectively.

Approach

Housing for Women recognises that Value for Money (VfM) is a fundamental consideration and is committed to maximising VfM to ensure that the highest level of service is delivered to our customers. To maximise VfM, the needs of customers must be met by 'doing the right thing, in the right place, at the right time and at the right price'.

The Board has agreed a strategic goal to ensure our systems and processes support service improvement, efficiency and compliance with funder and regulatory requirements.

The aim is to deliver the strategic goal by continuing to improve our understanding of our costs, performance and quality of services by taking action to ensure that the right balance is achieved.

The strategy considers short, medium and long-term financial implications and is reviewed annually, with an action plan created and reviewed at Executive Team level for at least the year ahead.

Taking account of Housing for Women's current position and this strategic goal, the VfM objectives of Housing for Women are to:

- Reduce operating costs for general needs properties to 85% of current costs by the end of the plan (2022).
- Achieve median quartile or better performance in comparison to similar housing associations in recognised sector indices,
- Direct resources to achieve the necessary balance between keeping our customers safe, delivering frontline services, maintaining existing assets and providing new homes/services,
- Embed a VfM culture throughout the organisation, and
- Improve customer satisfaction levels.

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REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

Overall Performance

During the year Housing for Women continued to benchmark through HouseMark (London Region) and the G320 London benchmarking club, refining data and taking action to address any areas where performance is not at the required level.

Indicator	2015/16	2016/17	2017/18	2018/19	2019/20	Median BM 320 Benchmark	Median Housemark Benchmark
Regulatory metrics:							
Reinvestment %	0.29	0.24	-	-	-	5.33	2.2
New supply delivered (social housing) %	2.6	0.9	-	-	-	0.2	1.16
New supply delivered (non-social housing) %	-	-	-	-	-	-	-
Gearing %	18	17	16	16	18	22	39
EBITDA MRI interest cover %	266	305	187	202	-114	229	149
Headline social housing cost per unit £	6,637	6,363	7,159	7,118	8,788	4,758	6,343
Operating margin (social housing lettings) %	16.7	16.5	11.1	7.4	5.9	28.28	18.9
Operating margin (overall) %	16.6	15.9	11.3	7.8	6.9	21.21	24.3
Return on capital employed %	1.95	1.79	1.48	0.89	0.74	1.84	2.5
Local key cost and performance metrics:							
Financial and overheads							
Overhead as % turnover	16	17.5	19.1	24.0	23.5	21.69	16.2
Housing management							
Cost per property	2,725	2,760	3,417	3,907	3,364	1,388	2,354
Asset management							
Cost per property of major works/cyclical maintenance	631	834	946	838	2582	1756	1747
Cost per property of responsive repairs and void works	1,897	1,613	1,539	1,130	1,441	1,177	1,140
Invest in our people							
Staff turnover	Not Available	29.4	50	52.5	36.83	Not measured	n/a

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REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

Commentary on Performance

During 2019/20 we continued to focus heavily on Customer Service and Service Improvement, primarily driving Value for Money through our procurement work where several significant new contractors were established. In order to push forward our need to improve on customer service the emphasis within the substantial procurement programme over both this and the forthcoming 2 years is to drive efficiency and effectiveness for our customers.

This was against the backdrop of the COVID 19 pandemic and the challenges this presented in respect of operational functionality.

The following summarises our performance across the metrics with external peers via the benchmark data:

- **Gearing %**

We continue to have low gearing as historically the organisation has not sought to maximise its funding capacity. Having secured additional funding in 2019/20 in line with our approved Business Plan we intend to bring forward approved further funding streams to create financial certainty with long term fixed rate funding. As these monies are invested over time and our cash balance reduces this will drive our gearing upwards to be more in line with our peers.

- **EBITDA MRI interest cover %**

With increased loans being secured in 2019/20, EBITDA MRI has reduced. Additionally in line with the Financial plan accompanying the approved Business Plan significant investment was made in our current stock, beginning to address under-investment in previous years.

- **Headline social housing cost per unit £**

During 2018/19 we were held off permanent recruitment to senior positions in the organisation as a potential merger was being explored. As a result, we engaged a number of interim staff which were significantly more costly. During the latter part of 2019/20 we stabilised the workforce, bringing in permanent staff at all levels. Therefore this metric will significantly reduce in 2020/21 in respect of management costs. The increase from last year almost entirely relates to a budgeted considerable uplift in major/planned maintenance of £1,538 per unit.

- **Operating margin (social housing lettings) %**

The impact of the government's rent regime with the 1% rent reduction has continued in 2019-20. Additionally, our Board's historical policy to keep rents at affordable social levels drives a lower operating margin for the organisation when compared with our peers. During 2019/20 considerable additional investment was made in respect of our property compliance and we have invested with specialist technical skills now employed in-house to manage this vital area. We must now work to improve operating efficiency with a stable workforce to improve our operating margin whilst maintaining a quality service.

- **Operating margin (overall) %**

Our Board are committed to the delivery of up to 25% of our turnover through our much needed and, in many cases, lifesaving, but low margin support services. This has the effect of further diluting the operating margin detailed above. The Board acknowledges that in the current environment of economic uncertainty and budgetary constraint that a drive to do more with the same or less will continue to put our operating margin under pressure however, they also recognise the need to minimise the risks involved.

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REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

- **Return on capital employed %**

The ROCE continues to reflect both the low margins and gearing of the organisation.

- **Overhead as % turnover**

Our level of overhead as % turnover remains very high compared with our peers. This is driven by the costs of servicing the more complex support services arm of the organisation together with the remaining interim elements of our workforce being present through much of the year as permanent staff were recruited from Director level downwards. However it is encouraging that we have begun to see a decrease in this metric and will work to drive this down further in the next year.

- **Housing management general needs cost per property**

Whilst we are still above our peer group, this metric has reduced to levels seen two years ago. We are currently reviewing our methods of customer service delivery to both drive up performance and improve efficiency and therefore VfM.

- **Asset management general needs cost per property of major works/cyclical maintenance**

During 2019/20 we continued to spend at levels much above our peer group, as we seek to invest in our assets as informed by our stock condition survey. There has been positive customer feedback about the investment carried out thus far and we plan to continue at this or higher levels in the forthcoming year.

- **Asset management general needs cost per property of responsive repairs and void works**

Whilst for an element of the year our ability to carry out responsive repairs was inhibited through the Government response to the pandemic, we focussed our efforts in reducing historic inertia from the reporting of a repair to completion of works. Additionally we completed significant works in respect of property compliance.

- **Staff turnover**

Over the past couple of years we have run several initiatives focussing on the retention of our staff. This looked at, amongst other areas employment tenure type, remuneration package, wellbeing and ongoing support. Our levels of staff turnover (which include those on fixed term contracts), whilst still high are considerably reduced compared with the previous two years and we look to see this come down further in 2021/22.

Driving this metric down, ensuring the retention of a high quality experienced team will also enable a continued embedding of VfM within the culture of the organisation as we retain and grow organisational history and knowledge.

Procurement

Our procurement strategy sets out how services and goods are to be procured to achieve value for money. It also encourages Housing for Women to ensure value for money using quotes and tenders as the basis for ensuring best value in all procurement of goods and services.

- During 2019/20 there has been a considerable amount of work looking at the re-procurement of several contractors, both in respect of property and central services.

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REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

- As planned the Internal and External Auditors were secured with a saving of £17k and an extended scope for work to be commissioned where the Board wished to seek necessary assurance on operational matters.
- Additionally new contractors for Cleaning and Garden Services were secured, moving from an ad-hoc to a programmed approach to covering our estate.
- The telephony contract was tendered although due to the pandemic and office closures, this went live in February 2021. With this new system, we expect to be able to provide a better service to our customers and manage call volumes more effectively.
- The 2020/21 procurement programme includes:

Reactive maintenance – this builds on the options appraisal work of 2019/20 to shape the service required.

Legal services – having reviewed the nature and quantum of works required an interim position in respect of frameworks are being secured to effect immediate efficiencies with a form of tender being considered thereafter.

Heating Installation, Service and Maintenance.

Social return on investment

Housing for Women applies the HACT model to measure Social Impact and assign a monetary value to various aspects of our work and the outcomes produced by it. Notwithstanding the impact of the pandemic from March 2020 in 2019/20 volunteers gave us 2,349 (2018/19 4,367) hours of their time. Using the HACT model the monetary value of this social impact is £46,074 (2018/19 £24,963). This is calculated using formulae to monetise significant outcomes for those volunteers including access to employment and improved physical and mental health. We have strong ambitions to improve upon these figures in the forthcoming year especially through our engagement with befrienders, social work students and refuge volunteers. Additionally, during the year our Trustees gave generously of their time on Board/Subcommittees.

Going Concern

In the light of the recent fire at Childers Street and the ongoing COVID – 19 pandemic, the Board has considered the overall impact on the organisation. The Board considers at present the key areas of concern surround the cost of remediation works to Childers Street to the extent these are not covered by insurance or other claims and the timing of related cashflows together with its ability to recover rent and service charges in an economically challenging environment. We have assessed the financial impact in the context of the current business plan, including any impact on existing loan covenants and concluded the covenants will remain unaffected. Housing for Women has adequate long term debt facilities in place, as explained in note 26 and regularly reviews the medium term cash flow; the Board is satisfied that it has adequate resources to continue in operation for the foreseeable future and therefore we consider it appropriate to continue adopting the going concern basis in preparing the financial statements.

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REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

Disclosure of information to the Auditor

In the case of each person who was a Director at the time this report was approved:

so far as that Director was aware there was no relevant audit information of which Housing for Women's auditor was unaware; and that Director had taken all steps that the director ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that Housing for Women's auditor was aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Following a change to our Articles of Association in December 2020 we are no longer required to hold an AGM. Matters that would usually go to the AGM including the approval of our Statutory Accounts and the re-appointment of our External Auditors, Crowe, will therefore be proposed at our Board meeting on 23 March 2021.

Approved by the Board of Directors and signed on behalf of the Board by:



Susan Kane

Chair

Date: 23 March 2021

Company Registration Number 00420651

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOUSING FOR WOMEN

Opinion

We have audited the financial statements of Housing for Women for the year ended 30 September 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2020 and of the incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the Annual Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise

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from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London, UK

Date: 30th March 2021

HOUSING FOR WOMEN
(A company limited by guarantee having no share capital)

STATEMENT OF COMPREHENSIVE INCOME
FOR YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 £	2019 £
TURNOVER	4	7,978,038	8,004,898
Operating expenditure	4	(7,427,415)	(7,383,641)
6			
Surplus on sale of fixed assets		-	-
OPERATING SURPLUS BEFORE EXCEPTIONAL ITEMS	4	550,623	621,257
Exceptional item – Uninsured losses	25	(220,528)	-
OPERATING SURPLUS		330,095	621,257
Bank interest receivable		27,720	5,556
Interest and other financing costs	7	(458,955)	(398,445)
SURPLUS FOR THE YEAR	8	(101,140)	228,368
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(101,140)	228,368

The financial statements were approved and authorised for issue by the Board of Directors on 23 March 2021 and were signed on its behalf by:



SUSAN KANE
Chair



JOANNE NORRIS
Vice-chair



ZAIBA QURESHI
Company Secretary

HOUSING FOR WOMEN
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STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Property, plant & equipment	9	69,253,503	68,648,781
Investments	10	14,396	14,396
		<u>69,267,899</u>	<u>68,663,177</u>
Current assets			
Trade and other debtors	11	1,221,360	666,771
Cash and cash equivalents	12	6,729,719	2,947,145
		<u>7,951,079</u>	<u>3,613,916</u>
Creditors - amounts falling due within one year	13	<u>(3,167,487)</u>	<u>(2,665,353)</u>
Net current assets		<u>4,783,592</u>	<u>948,563</u>
Total assets less current liabilities		74,051,491	69,611,740
Creditors - amounts falling due after more than one year	14	<u>(58,982,898)</u>	<u>(54,442,007)</u>
Net assets		<u><u>15,068,593</u></u>	<u><u>15,169,733</u></u>
Capital and reserves			
Revenue reserves		14,582,216	14,683,356
Endowment funds	18	486,377	486,377
		<u><u>15,068,593</u></u>	<u><u>15,169,733</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 23 March 2021 and were signed on its behalf by:



SUSAN KANE
Chair



JOANNE NORRIS
Vice-chair



ZAIBA QURESHI
Company Secretary

HOUSING FOR WOMEN
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Registrar of Social Housing Number L0970

STATEMENT OF CHANGES IN RESERVES
FOR YEAR ENDED 30 SEPTEMBER 2020

		Revenue Reserve	2020 Endowment Reserve	Total
	Note	£	£	£
At the beginning of the year		14,683,356	486,377	15,169,733
Surplus / (deficit) from Statement of Comprehensive Income for the year		(101,140)	-	(101,140)
Transfer between reserves	18	-	-	-
At the end of the year	19	14,582,216	486,377	15,068,593

		Revenue Reserve	2019 Endowment Reserve	Total
		£	£	£
At the beginning of the year		14,454,988	486,377	14,941,365
Surplus from Statement of Comprehensive Income for the year		228,368	-	228,368
Transfer between reserves		-	-	-
At the end of the year		14,683,356	486,377	15,169,733

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

		2020	2019
	Note	£	£
Net cash generated from operating activities	24	1,375,956	499,999
Cash flow from Investing Activities			
Purchase of housing properties		(1,581,457)	(176,260)
Interest received		27,720	5,556
Sale of property		0	-
Purchase of other property, plant & equipment		0	(146,239)
Net cash generated/(used) in investing activities		(1,553,737)	(316,943)
Cash flow from Financing activities			
Repayment of borrowings		4,419,310	(571,129)
Grant funding		-	-
Interest paid		(458,955)	(398,445)
Net cash used in financing activities		3,960,355	(969,574)
Net change in cash and cash equivalents		3,782,574	(786,518)
Cash and cash equivalents at:			
Beginning of the year		2,947,145	3,733,663
End of the year	12	6,729,719	2,947,145

HOUSING FOR WOMEN

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NOTES TO THE FINANCIAL STATEMENTS

1. General information

Housing for Women, a company limited by guarantee having no share capital is incorporated in England under the Companies Act 2006, registered number 00420651, and is registered with the Registrar of Social Housing as a Private Registered Provider of Social Housing (Registered number L0970) and is a registered charity (Registered Number 211351). Housing for Women's principal activities are stated in the Strategic Report on page 4.

The registered office is Sixth Floor, Blue Star House, 234-244 Stockwell Road, London SW9 9SP.

2. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

2.1 Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Statement of Recommended Practice for registered social housing providers, Housing SORP 2014.

In accordance with FRS 102 (3.3A), Housing for Women is a public benefit entity that has applied the "PBE" prefixed paragraphs.

The financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015 ("the Direction").

The accounts are prepared on the historical cost basis of accounting and are presented in sterling (£).

Housing for Women took the exemption within FRS 102 to not restate business combinations entered into before the date of transition.

2.2 Going concern

In the light of the recent fire at Childers Street and the ongoing COVID – 19 pandemic, the Board has considered the overall impact on the organisation. The Board considers at present the key areas of concern surround the cost of remediation works to Childers Street to the extent these are not covered by insurance or other claims and the timing of related cashflows together with its ability to recover rent and service charges in an economically challenging environment. We have assessed the financial impact in the context of the current business plan, including any impact on existing loan covenants and concluded the covenants will remain unaffected. Housing for Women has adequate long term debt facilities in place, as explained in note 26 and regularly reviews the medium term cash flow; the Board is satisfied that it has adequate resources to continue in operation for the foreseeable future and therefore we consider it appropriate to continue adopting the going concern basis in preparing the financial statements.

2.3 Turnover and revenue recognition

Turnover comprises rental and service charge income, fees and grants receivable and other income.

Rental and service charge income is recognised in the period to which it relates, net of rent and service charge losses from voids. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Service charge and other income are accounted for on the basis of the value of goods or services supplied during the period. Any over or under recovery of variable service charge amounts due is reflected as a creditor or debtor respectively.

Revenue grants are accounted for once Housing for Women is legally entitled to the grant. Revenue grants are recognised in the Statement of Comprehensive Income in the same period as the expenditure to which they relate under the performance model of accounting.

HOUSING FOR WOMEN

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NOTES TO THE FINANCIAL STATEMENTS

2. Principal accounting policies (continued)

2.3 Turnover and revenue recognition (continued)

Government capital grants received are initially deferred and then credited to turnover in the Statement of Comprehensive Income on a straight line basis over the expected life of the asset which they have funded under the accrual model of accounting.

2.4 Short term employee benefits

Short term employee benefits, including holiday pay, are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to the Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

2.5 Taxation

Housing for Women is not VAT registered since a large proportion of Housing for Women's income, including its rents, is exempt for VAT purposes whilst the majority of its expenditure is subject to VAT that cannot be reclaimed, expenditure is shown inclusive of irrecoverable VAT.

Housing for Women has charitable status and therefore is not subject to Corporation Tax on surpluses derived from charitable activities, provided that the surpluses are applied to the charitable objects of Housing for Women.

2.6 Interest payable

Interest is capitalised on borrowings to finance the development of qualifying assets to the extent that it accrues in respect of the period of development if it represents:

- interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or
- a fair amount of interest on borrowings of Housing for Women as a whole after deduction of Social Housing Grant received in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the Statement of Comprehensive Income in the year.

2.7 Property, plant & equipment - Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring land and buildings, development costs and interest charges incurred during the development period.

Where an asset comprises components with materially different useful economic lives, those assets are separately identified and depreciated over those individual lives. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Housing for Women depreciates the major components of its housing properties at the following annual rates:

2. Principal accounting policies (continued)

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NOTES TO THE FINANCIAL STATEMENTS

2.7 Property, plant & equipment - Housing properties (continued)

Components identified within housing properties:

Roof and Structure	100 years
Windows and External doors	30 years
Kitchens	20 years
Bathrooms	30 years
Heating	15 years
Mechanical and electrical	40 years
Lifts	25 years

Subsequent expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in incremental future benefit is capitalised and the carrying amount of any replaced component or part component is derecognised.

The residual values of fixed assets, their useful lives, and their depreciation rates are reviewed at each reporting date and where there is an indication of a significant change since the previous reporting date, they are adjusted prospectively.

2.8 Property, plant and equipment - Other

Other property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is provided evenly on the cost of other property, plant and equipment to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. All assets with a value of less than £250 are treated as small equipment and written off in year.

The principal annual rates used for other assets are:

Leased Office buildings	Over the life of lease
Office equipment and furniture	25%
Property equipment and furniture	33.3%

Gains or losses arising on the disposal of other property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

2.9 Impairment

Assets other than those measured at fair value, are assessed for indications of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

Non-financial assets

Non-financial assets comprise housing properties and other property, plant and equipment. A non-financial asset is impaired where there is objective evidence that, as a result of one or more events after initial recognition, the estimated recoverable amount of the asset has been reduced. The recoverable amount of a non-financial asset is the higher of its fair value less costs to sell and its value in use.

2. Principal accounting policies (continued)

HOUSING FOR WOMEN

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NOTES TO THE FINANCIAL STATEMENTS

2.9 Impairment (continued)

For the purposes of impairment assessments, housing properties are grouped together into schemes, each scheme typically comprising one or more buildings in an immediate locality, and each building consisting of one or more accommodation units. Schemes are typically developed or acquired as one block of units.

Value in use (VIU) for housing schemes, which are able to be let in the current condition and which are fulfilling the social purpose for which they were acquired is referred to as Value in use Service Potential (VIU-SP) and this can be measured using the 'depreciated replacement cost (DRC) valuation basis. The DRC basis considers either the cost of purchasing an equivalent property on the open market (based on the sale prices for similar properties in or near the same location), or from another registered provider (where there is considered to be an active market), or the rebuilding cost of structures and components based on current building costs, using either current building contracts or market data (being primarily construction indices) applied to the relevant building size and type.

For other schemes, value in use is defined as the net present value of the future cash flows generated from the scheme before interest cost.

Financial assets

Financial assets comprise investments, trade and other debtors.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

2.10 Financial instruments

Financial assets and liabilities comprise investments, trade and other debtors, cash and cash equivalents, trade and other payables, accruals and loan balances.

Financial assets and financial liabilities are recognised when Housing for Women becomes party to the contractual provisions of the financial instrument.

All financial assets and financial liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the Statement of Comprehensive Income, which are initially measured at fair value, unless the arrangement constitutes a financial transaction. If an arrangement constitutes a financial transaction, the financial asset or financial liability is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. A financing transaction may take place in connection with the sale of goods or services, for example, if payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Financial assets and liabilities are only offset in the Statement of Financial Position when, and only when there exists a legally enforceable right to set off the recognised amounts and Housing for Women intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. Principal accounting policies (continued)

HOUSING FOR WOMEN
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NOTES TO THE FINANCIAL STATEMENTS

2.10 Financial instruments (continued)

Debt instruments that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Debt instruments which meet the conditions of Section 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Other financial instruments and investments in equity instruments are recognised at fair value with any gains or losses being reported in surplus or deficit for the year.

Financial assets are only derecognised when and only when: the contractual rights to the cash flows from the financial asset expire or are settled; Housing for Women transfers to another party substantially all the risk and rewards of ownership of the financial asset; or Housing for Women, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits and bank overdrafts which are an integral part of Housing for Women's cash management. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value.

2.11 Grants

Government grants

Government grants include grants receivable from the Homes & Communities Agency (RSH), local authorities, and other government organisations. Government grants received for housing properties are treated as deferred income and recognised in turnover (amortised) over the estimated useful life of the housing property structure, under the accrual model. Government grant received specifically for components is amortised over the life of the component to which it relates.

Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate, once reasonable assurance has been gained that Housing for Women will comply with the conditions and that the funds will be received. Grants due from government organisations or received in advance are included as current liabilities.

Government grants released on the sale of the property may be repayable but are normally available to be recycled and are credited to a recycled grants fund and are included in the Statement of Financial Position in creditors. If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in the Statement of Comprehensive Income.

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specific future performance conditions is recognised as revenue when the grant proceeds are received. A grant that imposes specific future performance related conditions on Housing for Women is only recognised when these conditions are met. A grant received before the revenue recognition criteria are satisfied is shown as a liability in the Statement of Financial Position.

2. Principal accounting policies (continued)

HOUSING FOR WOMEN
(A company limited by guarantee having no share capital)

NOTES TO THE FINANCIAL STATEMENTS

2.11 Grants (continued)

Recycling of capital grants

Where the Social Housing Grant is recycled, the grant is credited to the fund which appears as a creditor until used for further development. Where the recycled grant is known to be repayable, it is shown as creditors within one year.

2.12 Leases

Housing for Women elected to determine whether an arrangement existing at the date of transition to FRS 102 contains a lease on the basis of facts and circumstances existing at that date rather than when the arrangement was entered into.

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and the rewards of ownership of the leased asset. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at their fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding lease liability is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring the surplus or deficit. Assets held under finance leases are included in tangible fixed assets and depreciated in the same way as owned assets.

Rental payable or receivable under operating leases is charged or credited to Statement of Comprehensive Income on a straight line basis over the lease term. Lease incentives are similarly spread on a straight line basis over the term of the lease.

2.13 Provision for liabilities

Provisions are recognised when Housing for Women has a present obligation as a result of a past event, and it is probable that Housing for Women is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation, at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Housing for Women recognises a provision to cover the annual leave accrued by employees as a result of service rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. The provision is measured at the cost of salary, national insurance and pension contributions payable for the period of absence.

2.14 Reserves

Reserves comprise the revenue reserve balance, endowment funds and restricted funds.

Revenue reserves relate to the cumulative surpluses less amounts transferred to restricted reserves.

Housing for Women annually calculates amounts necessary for future maintenance and major works to its properties; funds to replace service chargeable items and amounts to ensure supported housing projects can continue to be financed during periods where no funding is in place. These amounts are recorded separately for management purposes. They are not differentiated from the unrestricted reserve balance for these statements but are disclosed for information purposes only.

2. Principal accounting policies (continued)

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NOTES TO THE FINANCIAL STATEMENTS

2.14 Reserves (continued)

Endowment funds are not available for general use at Housing for Women's discretion. The capital and income of such funds can only be expended in accordance with the trust deed or other governing instrument.

3. Judgements and key sources of estimation uncertainty

The preparation of financial statement requires the use of judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for income and expenses for the year. These estimates and underlying assumptions are reviewed on an on-going basis.

Critical judgements in applying Housing for Women's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Board of Directors has made in the process of applying Housing for Women's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Identification of housing property components

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Categorisation of housing properties as investment properties or property, plant and equipment

Class of properties within the category of housing properties that are held to earn commercial rentals or for capital appreciation or both are accounted for as investment properties unless immaterial to the financial statements. Properties rented to provide social housing and properties used for the production or supply of goods and services or for administrative purposes are classified as property, plant and equipment.

Impairment

For impairment purposes, as explained in the accounting policies, housing properties are grouped into cash generating units (CGU), being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Judgement is required in establishing the appropriate level of asset grouping. The CGU level was determined to be at individual property level for completed properties and scheme level for properties in the course of construction.

The assessment of whether an asset is held for its service potential is also a matter of judgement and in making that judgement the Board of Directors considers the current use of the asset and the expected future use of the asset. If the asset is unable to be let in its current condition or is not being used for a social purpose, either now or in the foreseeable future, it is assessed as not being held for its service potential.

In calculating an asset's depreciated replacement cost judgement is required on how best to calculate the recoverable amount for assets held for their service potential and whether there is an active market for the property. The Board of Directors is of the opinion that there is no active market at present.

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NOTES TO THE FINANCIAL STATEMENTS

3. Judgements and key sources of estimation uncertainty (continued)

Estimation uncertainty

Bad debt provision

The rent and service charge receivable balance recorded in Housing for Women's Statement of Financial Position comprise a relatively large number of small balances. A full line by line review of debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible. The carrying amount of rent and service charges is disclosed in Note 11.

Useful lives of depreciable assets

The Board of Directors reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to 'technological obsolescence' with regard to IT equipment/software and any changes to decent homes standard requiring frequent replacement of components. The accumulated depreciation as at 30 September 2020 is disclosed in Note 9.

Housing property impairments

The recoverable amount for impairment testing is based on either fair value less costs to complete and sell, present value of future cash flows or, for assets held for their service potential, depreciated replacement cost. In each case estimate is required.

The fair value less costs to complete and sell is based upon the existing use value – social housing for general needs housing properties. Estimation is required of the future cash flows expected to be derived from the properties and an appropriate discount rate.

The cost of purchasing an equivalent property on the open market is estimated based on the sale prices for similar properties in or near the same location.

The rebuilding cost of structures and components is based on the current build costs, based on either current building contracts or market data (being primarily construction indices) applied to the relevant building size and type.

The accumulated impairment provision at 30 September 2020 was £nil (2019: £nil).

HOUSING FOR WOMEN
(A company limited by guarantee having no share capital)

NOTES TO THE FINANCIAL STATEMENTS

4. Particulars of turnover, operating expenditure and operating surplus

4 (a) Particulars of turnover, cost of sales, operating expenditure and operating surplus

	2020			2019		
	Turnover £	Operating expenditure £	Operating surplus £	Turnover £	Operating expenditure £	Operating surplus / (deficit) £
Social housing lettings (Note 4b)	7,889,851	7,427,415	462,436	7,953,246	7,363,735	589,511
Other social housing activities						
Development administration	-	-	-	-	-	-
Other charitable income	52,114	-	52,114	15,321	-	15,321
Other	36,073	-	36,073	36,332	19,907	16,425
Total operating surplus before exceptional item	7,978,038	7,427,415	550,623	8,004,899	7,383,642	621,257
Surplus on sale of fixed assets	-	-	-	-	-	-
Exceptional item – uninsured losses	-	220,528	220,528	-	-	-
	7,978,038	7,647,943	330,095	8,004,899	7,383,641	621,257

HOUSING FOR WOMEN

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NOTES TO THE FINANCIAL STATEMENTS

4 (b) Particulars of turnover and operating expenditure from social housing lettings

	2020				2019
	General Needs	Hostels	Other Supported Housing	Total	Total
	£	£	£	£	£
Income					
Rents receivable net of identifiable service charges	4,918,869	264,966	19,360	5,203,195	5,340,154
Service charges receivable	554,755	310,472	47,809	913,036	894,382
Revenue grants	-	682,132	414,532	1,096,664	1,066,204
Amortised government grants	497,785	-	-	497,785	497,785
Other income	82,557	96,614	-	179,171	154,721
Turnover from social housing lettings	6,053,966	1,354,184	481,701	7,889,851	7,953,246
Operating expenditure					
Service charges costs	551,156	232,632	52,711	836,499	675,170
Management	2,029,151	693,214	352,262	3,074,627	3,571,212
Routine maintenance	1,302,651	11,643	2,872	1,317,166	1,033,008
Planned maintenance	778,089	-	-	778,089	590,179
Bad debts	89,459	22,360	6,442	118,261	106,964
Rent payable	118,744	132,938	66,687	318,369	344,354
Depreciation charge	943,963	-	-	943,963	863,103
Loss on disposal of components	32,773	-	-	32,773	63,264
Potential Merger Costs	-	-	-	-	109,380
Other costs	7,052	456	160	7,668	7,101
Operating expenditure on social housing lettings	5,853,038	1,093,243	481,134	7,427,415	7,363,735
Operating surplus on social housing lettings before exceptional items	200,928	260,941	567	462,436	589,511
Exceptional item – uninsured losses	220,528	-	-	220,528	-
Operating surplus / (deficit) on social housing lettings	(19,600)	260,941	567	241,908	589,511
Rent losses from voids (included in Rents receivable net of identifiable service charges)	(63,890)	(40,977)	(30,940)	(135,807)	(125,427)

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NOTES TO THE FINANCIAL STATEMENTS

5. Key management personnel

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of Housing for Women.

For the purpose of this note, the key management personnel are defined as the Board of Directors and the members of ET.

None of the Board of Directors or members received any emoluments. There were no related transactions requiring disclosure.

	2020	2019
	£	£
Remuneration payable to key management personnel (including benefits in kind)	326,157	272,460
Employers pension contributions	25,667	20,421
Employers national insurance	38,398	30,932
	<u>390,222</u>	<u>323,813</u>
Highest paid executive		
The highest paid executive:	104,383	92,332
Pension contributions	10,950	9,695
	<u>115,333</u>	<u>102,027</u>

The remuneration and pension contributions relate to the Chief Executive.

The Chief executive participates as an ordinary member of the group of defined contribution pension plan and received a pension contribution of 10.5% of salary.

6. Employee information

The average number of employees of Housing for Women (based on a standard working week of 37½ hours for Support Staff and 35 hours for all other):

	2020	2019
Housing and support staff	28	29
Administration staff	14	13
Maintenance staff	5	5
	<u>47</u>	<u>47</u>

The average number of employees was 52 (2019: 59)

Staff costs for the above employees:	2020	2019
	£	£
Wages and salaries	1,745,079	1,854,069
Social security costs	185,483	181,679
Other pension costs	107,688	106,645
	<u>2,038,250</u>	<u>2,142,393</u>

Included within wages and salaries are redundancy costs of £ Nil (2019: £4,339).

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NOTES TO THE FINANCIAL STATEMENTS

6. Employee information (continued)

Salary banding for all employees earning over £60,000, including salaries and bonuses but excluding pension contributions paid by employer:

	2020 Number	2019 Number
More than £60,000 but not more than £90,000	0	1
More than £90,000 but not more than £100,000	1	1
More than £100,00 but not more than £110,000	1	0
	<u>2</u>	<u>2</u>

7. Interest and financing costs

	2020 £	2019 £
Interest payable on bank loans	458,955	398,445
	<u>458,955</u>	<u>398,445</u>

8. Surplus for the year

	2020 £	2019 £
The operating surplus is arrived at after charging/(crediting):		
Depreciation of housing properties	888,915	844,281
Depreciation of other tangible fixed assets	55,048	18,822
Amortisation of government grants	(497,785)	(497,785)
Operating lease rentals:		
Land and buildings	198,191	198,191
Auditors' remuneration (excluding VAT):		
Audit fees	16,667	25,000

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NOTES TO THE FINANCIAL STATEMENTS

9. Property, plant and equipment

	Housing Properties	Property equipment, fixtures and commercial premises	Leasehold Office premises	Office equipment and furniture	Total
	£	£	£	£	£
Cost					
At 1 October 2019	80,694,722	171,173	136,010	347,835	81,349,740
Additions	1,581,457	-	-	-	1,581,457
Transfer to completed properties					-
Disposals	(56,306)	-	-	-	(56,306)
At 30 September 2020	82,219,873	171,173	136,010	347,835	82,874,891
Depreciation					
At 1 October 2019	12,303,960	77,683	132,588	186,728	12,700,959
Charge for year	888,915	1,927	-	53,121	943,963
Disposals	(23,534)	-	-	-	(23,534)
At 30 September 2020	13,169,341	79,610	132,588	239,849	13,621,388
Net book value					
At 30 September 2020	69,050,532	91,563	3,422	107,986	69,253,503
At 30 September 2019	68,390,762	93,490	3,422	161,107	68,648,781

Included within the housing properties balances is £36,000 of capitalised interest (2019: £36,000).

Housing properties book value, net of depreciation comprises:

	2020	2019
	£	£
Freehold land and buildings	63,056,194	62,476,669
Long leasehold land and buildings	5,442,956	5,361,271
Short leasehold land and buildings	551,382	552,822
	69,050,532	68,390,762

10. Investments

Quoted Investments at market value

As at 1 October 2019	14,396
Fair value adjustment	-
Market value at 30 September 2020	14,396

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NOTES TO THE FINANCIAL STATEMENTS

11. Debtors

	2020 £	2019 £
Due within one year		
Rent and service charges receivable	544,334	394,611
Less: Provision for bad and doubtful debts	<u>(290,776)</u>	<u>(179,412)</u>
	253,558	215,199
 Other debtors	 269,950	 143,179
Prepayments and accrued income	697,852	308,393
	<u><u>1,221,360</u></u>	<u><u>666,771</u></u>

12. Cash and cash equivalents

	2020 £	2019 £
Cash held on current account or in hand	6,508,308	2,728,154
The Charities Official Investment Deposit Fund	221,411	218,991
	<u><u>6,729,719</u></u>	<u><u>2,947,145</u></u>

13. Creditors – amounts falling due within one year

	Note	2020 £	2019 £
Amounts falling due within one year:			
Loan instalments repayable within 12 months	15	667,653	601,706
Deferred government grant income	16	497,785	497,784
Trade creditors		55,607	344,377
Rent and service charges received in advance		383,441	220,610
Disposal proceeds fund	17	-	-
Other creditors		90,247	338,670
Taxation and social security		51,878	-
Accruals and deferred income		1,420,876	662,206
		<u><u>3,167,487</u></u>	<u><u>2,665,353</u></u>

14. Creditors - amounts falling due after more than one year

	Note	2020 £	2019 £
Housing loans	15	20,588,301	15,549,625
Deferred government grant income	16	37,194,597	37,692,382
Other deferred grant income		1,200,000	1,200,000
		<u><u>58,982,898</u></u>	<u><u>54,442,007</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

15. Housing loan debt analysis

Housing loans are secured by specific charges on Housing for Women's housing properties and are repayable at varying rates of interest between 0.6% and 10.8%, in instalments due as follows:

	2020 £	2019 £
Due within one year	<u>667,653</u>	<u>601,706</u>
Due after more than one year:		
One to two years	708,448	640,024
Two to five years	2,387,718	2,171,019
Five or more years	17,492,135	12,738,582
	<u>20,588,301</u>	<u>15,549,625</u>
	<u>21,255,954</u>	<u>16,151,331</u>

16. Deferred government grant income

	2020 £	2019 £
Grant received		
At 1 October	49,724,243	49,724,243
Grant received during the year	-	-
At 30 September	<u>49,724,243</u>	<u>49,724,243</u>
Grant amortised		
At 1 October	11,534,078	11,036,293
Amortised to income in the year	497,785	497,784
At 30 September	<u>12,031,863</u>	<u>11,534,077</u>
Carrying amount		
Amounts to be released within one year	497,785	497,784
Amounts to be released in more than one year	37,194,597	37,692,382
	<u>37,692,382</u>	<u>38,190,166</u>

	2020 £	2019 £
Government grant previously amortised to income	12,031,858	11,534,076
Government grant included in deferred income	37,692,382	38,190,164
Total government grant received	<u>49,724,240</u>	<u>49,724,240</u>

In addition to the deferred grants, Housing for Women has acquired properties which had grant funding of £8.74m awarded to other registered providers of social housing.

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17. Disposal proceeds fund

	2020 £	2019 £
Balance at 1 October 2019	-	522,380
Interest in year	-	-
Repaid in year	-	(522,380)
Balance at 30 September 2020	-	-

18. Permanent endowment funds

The reserves of Housing for Women include the following endowment funds of which Housing for Women is the trustee:

	Balance 1 October 2019 £	Investment income transfers from Revenue reserve £	Balance 30 September 2020 £
Mary Curzon Charity	486,377	-	486,377
	<u>486,377</u>	<u>-</u>	<u>486,377</u>

The Mary Curzon Charity for Women Workers (MCC) is administered under the banner title "Housing for Women". The assets and liabilities of the Mary Curzon Charity were consolidated in the accounts of Housing for Women in the year to 30 September 1998. The Mary Curzon Charity does not own or manage any property.

19. Analysis of net asset balances between funds

Fund balances at 30 September are represented by:

	2020			2019		
	Unrestricted £	Endowment £	Total £	Unrestricted £	Endowment £	Total £
Property, plant and equipment	69,253,503		69,253,503	68,648,781	-	68,648,781
Investments	14,396	-	14,396	14,396	-	14,396
Current assets	7,464,702	486,377	7,951,079	3,127,539	486,377	3,613,916
Current liabilities	(3,167,487)	-	(3,167,487)	(2,665,353)	-	(2,665,353)
Creditors - amounts falling due after more than one year	(58,982,898)	-	(58,982,898)	(54,442,007)	-	(54,442,007)
	<u>14,582,216</u>	<u>486,377</u>	<u>15,068,593</u>	<u>14,454,988</u>	<u>486,377</u>	<u>15,169,733</u>

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20. Revenue Reserves

Revenue reserves include amounts earmarked for future anticipated major works (Major Work funds) to Housing for Women owned properties; service chargeable items replacement (replacement funds) and funding for non-externally funded periods in supported housing projects (charitable funds). As at 30 September 2020 the amounts earmarked are;

	£
Charitable	114,300
Major Works	8,433,758
Replacement	534,900
	<u>9,082,958</u>

21. Leasing commitments

The total future lease commitments under non-cancellable leases are as follows:

	2020 Property £	2019 Property £
Within one year	160,959	184,476
Between two and five years	524,063	396,945
After five years	352,387	319,528
	<u>1,037,409</u>	<u>900,949</u>

22. Related party transactions

The members of the Board and the Senior Management Team are considered related parties as defined by FRS 102. Housing for Women retains a register of members' interests. Transactions requiring disclosure are shown in note 5.

23. Social housing units

Accommodation owned and in management

	2020 No	2019 No
General needs housing	857	857
Supported housing	57	57
	<u>914</u>	<u>914</u>

Of the above 849 units are owned by Housing for Women.

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NOTES TO THE FINANCIAL STATEMENTS

24. Notes to the statement of cash flows

	Note	2020 £	2019 £
Operating surplus for the year		550,623	621,257
Exceptional item - uninsured losses		(220,528)	
Adjustments for non-cash items			
Depreciation of tangible fixed assets	9	943,963	863,103
Amortisation of grants	8	(497,785)	(497,784)
Loss on disposal of components and other fixed assets		32,772	63,264
Non-cash accruals/prepayments		685,315	3,308
Movement in working capital			
(Decrease)/increase in debtors		(554,589)	(82,236)
(Increase)/decrease in creditors		436,185	(470,913)
Net cash generated from operating activities		1,375,956	499,999

25. Exceptional Item

	2020 £	2019 £
Uninsured Losses	220,528	-

These losses relate to the Waking Watch costs incurred at Childers Street. Whilst we are currently uncertain as to where the liability for these costs lies, they have been written off as an Exception Item in the year. It should however be noted that a contingent asset may be confirmed in a future year.

26. Post balance sheet events

In the light of the recent fire at Childers Street and the ongoing COVID – 19 pandemic, the Board has considered the overall impact on the organisation. The Board considers at present the key areas of concern surround the cost of remediation works to Childers Street to the extent these are not covered by insurance or other claims and the timing of related cashflows together with its ability to recover rent and service charges in an economically challenging environment. We have assessed the financial impact in the context of the current business plan, including any impact on existing loan covenants and concluded the covenants will remain unaffected.

During March 2021 we secured an in principal offer for additional funding of £8m to be secured through GB Social Housing. Subject to Board approval these monies may be drawn down during the next financial year. Accordingly, Housing for Women has adequate long term debt facilities in place, and regularly reviews the medium term cash flow; the Board is satisfied that it has adequate resources to continue in operation for the foreseeable future and therefore we consider it appropriate to continue adopting the going concern basis in preparing the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments

The carrying values of Housing for Women's financial assets and liabilities are summaries by category below:

	2020	2019
	£	£
Financial assets		
Measured at undiscounted amounts receivable		
Cash and cash equivalents	6,729,719	2,840,619
Gross debtors	544,334	394,611
Other debtors	697,852	308,393
Measured at fair value through profit and loss	14,396	14,396
Investments		
	<hr/>	<hr/>
Financial liabilities		
Measured at amortised cost		
Loans repayable	21,255,954	16,151,333
Measured at undiscounted amounts payable		
Trade and other creditors	145,854	1,110,319
	<hr/>	<hr/>

Housing for Women's income, expense, gains and losses in respect of the financial instruments are summarised below:

	2020	2019
	£	£
Fair value gains and losses on investments	-	-
Interest income and expense		
Total interest income for financial assets at amortised cost	27,722	5,556
Total interest expense for financial liabilities at amortised cost	458,955	398,445
	<hr/>	<hr/>