

HOUSING FOR WOMEN

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

Annual Report and Financial Statements

Year ended

30 September 2019

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

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HOUSING FOR WOMEN
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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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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

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AUDITOR

Nexia Smith & Williamson

Chartered Accountants

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CHIEF EXECUTIVE AND COMPANY SECRETARY

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INTERNAL AUDITOR

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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 2019.

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 2019 marks the end of the second 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 can 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 3 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.

In addition, the Board of Trustees approved the exploration of a potential merger with Women’s Pioneer Housing which progressed through the year. However, in September 2019 after very careful consideration, the Boards of both Housing for Women and Women’s Pioneer Housing decided that the full benefits of merger could not be realised. They agreed not to progress their plans to merge and instead to focus on their own key priorities.

Principal risks and uncertainties

The Strategic Risk Register is updated quarterly and kept under regular review by the Executive Team, 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:

- Customer expectations outstrip our performance: Estate Services and Property maintenance.
- Financial capacity and spend fails to match strategic ambition: Impact of the rent setting environment, cost of debt, inflationary pressures, cost inefficiencies and more 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 deliver effective succession planning in respect of key appointments to the Board and Executive team including that of Chair in 2019/20.
- Failure to recruit and retain good people throughout the organisation.

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, to provide the balance of skills necessary for the effective management of Housing for Women. The Board of Directors met formally six times during the year including a strategic awayday. In addition, as part of a strategic approach to governance around the proposed merger with Women's Pioneer Housing, a Joint Steering Group (JSG) comprising the respective Chairs and CEOs, together with two additional Board members was established. The JSG met regularly throughout the year supplemented by additional meetings between the CEOs and Chairs as required.

Housing for Women currently has three committees: The Audit Committee, the Asset Management and Development Committee and the Remuneration Committee. The Asset Management and Development Committee was constituted to oversee the implementation of Housing for Women's Asset Management and Investment strategy. 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 2018/19 was approved in December 2019. In 2019/20 the Board will consider a standardised framework to review both Board and Committee effectiveness.

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.

In early October 2019, Housing for Women self-referred to the Regulator following concerns around our compliance in the areas of fire, legionella and electrical safety. We have been in constructive dialogue with

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STRATEGIC REPORT (CONTINUED)

the Regulator since that time providing further updates as to our position. Additionally, we commissioned a compliance health check to provide a professional independent assessment of our systems and to identify any inadequacies or risks around the way in which we manage compliance data and implement our works programmes. This has provided a roadmap for improvements, elements of which will be delivered in conjunction with consultants with a final audit of the completed roadmap to be made by the independent assessor.

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 £228,368 for the year ended 30 September 2019 compared with a surplus of £574,788 for the previous year. The main drivers to the planned decrease were the required rent reduction of 1%, the surplus reflected in the 2017/18 results from the disposal of property, additional resource employed to continue the focus on improving customer satisfaction, costs in respect of exploring the potential merger and increased investment in our assets via the planned programmes.

This surplus was in line with budgeted operational performance, although less than projected within our business plan. This was due to the deferral of the disposal of a building in existing use as a refuge, having successfully renewed a contract for DVA services.

Gross income receipts were in line with expectations; however there was a void loss of £125,427 (2018: £209,750). 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. Whilst this is a considerable improvement on 2018 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, a write off of £106,964 (2018: £83,980) for bad debt income was made for the year.

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. With merger opportunities being explored in the year, these roles were held on an interim basis which led to additional expenditure being incurred. In 2019 we look forward to recruiting permanent members onto the Executive Team who can then build their teams according

Routine maintenance levels have continued to reflect the under-investment in previous years on our planned and cyclical repairs but are considerably reduced on 2018 very high level of expenditure. During this year extensive work has been completed with regards to the procurement of contractors for planned, cyclical and major repairs and programmes in respect of kitchens, external decorations and boilers have commenced with positive feedback from our customers.

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STRATEGIC REPORT (CONTINUED)

Operational Review

During the year we have continued our work on the implementation of our revised Engagement Strategy offering a range of levels of engagement from formal meetings to virtual feedback panels where customers can be consulted. Currently, we engage with our customers and stakeholders through our website, quarterly newsletters, customer portal, resident meetings, neighbourhood surgeries, estate inspections, independent satisfaction surveys and via social media. We also were delighted to welcome several customers onto our newly formed Customer Panel, that met for the first time in December 2019. 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 2018/19:

- We housed 41 (2018: 62) new residents.
- 3,661 (2018: 3,567) repairs were completed at residents' request.
- We renewed 25 boilers at a cost of £55,000 (2018: 22).

Older Women's Service

Following the appointment of an Older Women's Worker in 2016/17, during 2018/19:

- 229 (2018: 95) older residents were supported.
- 71 (2018: 73) older residents were visited in their own home to address their support needs.
- 20 (2018: 20) residents received Christmas hampers delivered to their homes by the Junior League.
- 70 (2018: nil) friendship calls made by our Telephone Befrienders.

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, Greenwich and Merton) 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)

During 2018/19:

- 95 (2018: 125) women stayed in our refuges.
- Our floating support service helped 100 (2018: 79) women in Greenwich and Merton. 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 71 (2018:76) referrals for the Sanctuary Scheme in Greenwich which provides extra security to ensure women can live safely in their own homes.
- We handled 3,580 (2018: 3,258) 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 addition, in our RePlace project:

- 20 (2018: 24) survivors of trafficking supported.
- 14 (2018: 12) women engaged in education, training or paid employment.
- 3 (2018: 2) women supported into housing following Home Office decisions to award definite leave to remain.

In February 2019 we were delighted to achieve 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.

During the year we reviewed the market and our total reward in respect of its impact on the recruitment and retention of our people to ensure it was competitive but affordable. The addition of an internal recruiter to our workforce brought a refreshed approach to the onboarding of our people. Together with some detailed work on recruitment processes with managers in November 2019, we hope this will bring greater stability to an area that continues to present challenges. Additionally, we completed significant work around the management of wellbeing and have made available resources for both our staff and managers to use to further support this area.

Going forward our journey to achieve Investors in People continues, involving our people through surveys, focus groups and a well understood action plan with an aim to achieve accreditation in 2020/21.

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. As has been disclosed in Note 25 we have secured the initial tranche of funding through GB Social Housing for £5m.

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STRATEGIC REPORT (CONTINUED)

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:

A handwritten signature in black ink that reads "S. Kane." with a period at the end.

Susan Kane

Chair

Date: 31 March 2020

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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 2019.

Directors

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

- Susan Kane (Chair)
- Bernadette O'Shea (Chair) (Resigned 24th March 2020)
- Caroline Donaldson (Vice-Chair) (Resigned 26th March 2019)
- Joanne Norris (Appointed Vice-Chair from 26th March 2019)
- Helen Webb
- Safeena Allison (Resigned 30th June 2019)
- Diane Hart (Resigned 24th March 2020)
- Christine Pointer
- Christopher Worrall
- Mark Cooper
- Anne Langton (Resigned 24th March 2020)
- Sally East (Appointed 8th November 2019)

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 the Association 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 the Association 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 the Association'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 the Association. This includes 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 regularly reviews its approved 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 regularly reviewed the Association'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, and
- Board review of strategic risks and regular review by senior management of strategic and operational risk management including Health and Safety.

During 2018/19 our internal auditors (Mazars) carried out 6 audits covering Allocations, Rent Collection, Records for Supported Housing, Data Integrity, Strategic Procurement and Compliance. Additionally, they provided advisory reports on Value for Money and Risk Management.

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REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

The Audit Committee has reviewed these reports and agreed the Executive Team's 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.

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 (VfM) 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	Median BM 320 Benchmark	Median Housemark Benchmark
Regulatory metrics:						
Reinvestment %	0.29	0.24	-	-	1.21	6.97
New supply delivered (social housing) %	2.6	0.9	-	-	0.5	1.16
New supply delivered (non-social housing) %	-	-	-	-	-	-
Gearing %	18	17	16	16	34	39
EBITDA MRI interest cover %	412	378	403	293	195	194
Headline social housing cost per unit £	6,630	6,352	7,182	7,212	4,747	3,509
Operating margin (social housing lettings) %	16.7	16.5	11.1	7.4	33.18	29.22
Operating margin (overall) %	16.6	15.9	11.3	7.8	31.16	27.2
Return on capital employed %	1.95	1.79	1.48	0.89	2.32	3.6
Local key cost and performance metrics:						
Financial and overheads						
Overhead as % turnover	15.7	17.5	19.1	24.0	16.0	12.29
Housing management general needs						
Cost per property	Not Available	552.12	839.79	585.40	372.75	277.88
Asset management general needs						
Cost per property of major works/cyclical maintenance	630.52	833.85	946.05	828.65	874.5	692.13
Cost per property of responsive repairs and void works	1,896.57	1,612.61	1,538.92	1,117.97	649.31	692.13
Invest in our people						
Staff turnover	Not Available	29.16	49.86	52.84	Not measured	21.64

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REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

Commentary on Performance

During 2018/19 we continued to focus heavily on Customer Service and Service Improvement, together with driving Value for Money through our procurement work where several significant new contractors were established.

The following summarises our performance across the metrics with external peers via the benchmark data. We are, through our Value for Money action plan working on a number of fronts to improve on the under-performing metric and expect to see improvement in the forthcoming year.

- **Re-investment, New Supply delivered (social and non-social housing)**

In the past couple of years we have not increased the supply of properties (both social and non-social) as the focus of the organisation has been on potential growth through merger. However, in 2019/20 we shall be pursuing further opportunities for growth in line with our existing Business Plan.

- **Gearing %**

We continue to have low gearing as historically the organisation has not sought to maximise its funding capacity. However, we have now secured additional funding in 2019/20 in line with our approved Business Plan which will in turn drive our gearing upwards.

- **EBITDA MRI interest cover %**

As a result of under-gearing this metric is higher than our peer group although has dropped considerably from last year as the earnings have reduced. The reasons behind this are covered in the Financial Review. As stated above we anticipate that this will reduce further in 2019/20.

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

As can be seen this metric has historically been higher than our peers, reflecting the increased level of cost required to carry out our support services and levels of reactive maintenance cost incurred due to past under-investment in our properties. In addition 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. We are now stabilising the workforce, bringing in permanent staff and anticipate this figure reducing in 2019/20.

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

The impact of the government's rent regime with the 1% rent reduction has continued in 2018-19. 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. We must now work to improve operating efficiency with a stable workforce to improve our operating margin whilst maintaining a quality service. During 2018/19 we additionally saw the negative margin impact of both maintaining key staff positions on an interim basis whilst the potential merger was explored, together with associated legal and consultancy costs.

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REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

- **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 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.

- **Return on capital employed %**

The ROCE reflects 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 and substantially higher than 2018. This is driven by the costs of servicing the more complex support services arm of the organisation together with the impact of staff churn and interim staff costs through a potential merger process. In 2019/20 we shall be looking to streamline processes internally and stabilise the workforce therefore reducing the inherent costs associated with this.

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

Whilst we are still above our peer group, this metric has reduced due to reduced staffing costs achieved after an internal restructure in 2017/18. With a review of the structure of the senior management in 2019/20, we expect to drive this cost down further.

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

During 2018/19 we continued to spend at levels 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**

We are beginning to see the result of our investment in our properties, together with more efficient working practices and new contractors procured.

- **Staff turnover**

Our levels of staff turnover (which include those on fixed term contracts) are a cause for concern and we have several initiatives in place to reduce this. The impact of interim staff at senior level has been apparent over the last two years. Additionally, we have now invested both time and resource in supporting the wellbeing and resilience of our people which we anticipate will have a positive impact.

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.

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REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

- During 2017/18 there was active procurement of contractors in respect of our planned maintenance contract leading on from the finalisation of the 30-year planned/major works programme. This was awarded in 2018/19 saving £96,000 on the original contract price having reviewed the original tenders and through negotiation splitting the contract into two elements of cyclical decorations and kitchen replacement.
- New treasury consultants were procured in order to enable a full review of our Treasury approach. In addition, they facilitated and advised on options in respect of securing additional commercial funding in line with our Business Plan.
- Estate services and cleaning has been successfully let for a 2-year contract which through evaluation met our required outcome of improved efficiency. A saving of £30,900 will be been crystallised across the 2 years.
- New photocopiers for our Head Office were procured during the year moving away from owned to a leasing which has improved our operational capacity through reliability and efficiency.
- As part of our ICT strategy we have replaced all of our desktop hardware with mobile devices with integrated sim cards to enable more effective remote/mobile working for all of our people.
- Insurance was retendered with 3 providers – with no appreciable differential in cost, however the winning tender included improved terms in respect of Directors Indemnity.
- The 2019-20 procurement programme includes; Internal and External Auditors, reactive maintenance, utilities, and elements of property compliance, telephony
- We are exploring the potential for joining an existing framework for the procurement of Legal Services

In addition, our Internal Recruiter has continued to seek competitive terms from recruitment agencies and also deliver direct recruitment resources to reduce costs.

In 2019/20, our Head Office lease is due to expire, and negotiations are currently in train with the new landlords to secure an extension on commercial terms.

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. In 2018/19 volunteers gave us 4,367 (2017/18 4,474) hours of their time. Using the HACT model the monetary value of this social impact is £46,074 (2017/18 £49,999). This is calculated using formulae to monetarise 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 social work students and refuge volunteers. Additionally, during the year our Trustees gave generously of their time on Board/Subcommittees.

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REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

Going Concern

In the light of 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 will surround future recoverability of rent and service charges and potential additional staff costs to cover increased levels of sickness. 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 25 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.

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

A resolution to re-appoint the auditor, Nexia Smith & Williamson, will be proposed at the next Annual General Meeting.

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



Susan Kane

Chair

Date: 31 March 2020

Company Registration Number 00420651



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

Opinion

We have audited the financial statements of Housing for Women (the 'Association') for the year ended 30 September 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flows and the 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 FRS 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 Housing for Women's affairs as at 30 September 2019 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 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 Housing for Women 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 Housing for Women'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.

Emphasis of matter

We draw attention to Note 2.2 of the financial statements, which describes management's assessment of the effect of COVID-19 on the going concern of the business. Our opinion is not modified in respect of this matter.

HOUSING FOR WOMEN

(A company limited by guarantee having no share capital)

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Board of Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Board of Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of Housing for Women and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Board of Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Responsibilities of the Board of Directors Statement set out on page 10, the members of the board are the directors of Housing for Women for the purposes of company law. 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 controls 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.

HOUSING FOR WOMEN

(A company limited by guarantee having no share capital)

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

In preparing the financial statements, the directors are responsible for assessing Housing for Women'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 Housing for Women 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 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 Housing for Women'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 Housing for Women'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 Housing for Women and Housing for Women's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

Jacqueline Oakes
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 31 March 2020

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

STATEMENT OF COMPREHENSIVE INCOME
FOR YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 £	2018 £
TURNOVER	4	8,004,898	7,977,012
Operating expenditure	4	(7,383,641)	(7,078,834)
Surplus on sale of fixed assets		-	141,830
OPERATING SURPLUS	4	621,257	1,040,008
Bank interest receivable		5,556	1,789
Interest and other financing costs	7	(398,445)	(467,009)
SURPLUS FOR THE YEAR	8	228,368	574,788
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		228,368	574,788

The financial statements were approved and authorised for issue by the Board of Directors on 31 March 2020 and were signed on its behalf by:

S. Kane

J. Norris

Z. Qureshi

SUSAN KANE
Chair

JOANNE NORRIS
Vice-chair

ZAIBA QURESHI
Company Secretary


HOUSING FOR WOMEN**(A company limited by guarantee having no share capital)****STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2019**

	Note	2019 £	2018 £
Fixed assets			
Property, plant & equipment	9	68,648,781	69,252,649
Investments	10	<u>14,396</u>	<u>14,396</u>
		68,663,177	69,267,045
Current assets			
Trade and other debtors	11	666,771	584,534
Cash and cash equivalents	12	<u>2,947,145</u>	<u>3,733,663</u>
		3,613,916	4,318,197
Creditors - amounts falling due within one year	13	<u>(2,665,353)</u>	<u>(3,104,158)</u>
Net current assets		<u>948,563</u>	<u>1,214,039</u>
Total assets less current liabilities		69,611,740	70,481,084
Creditors - amounts falling due after more than one year	14	<u>(54,442,007)</u>	<u>(55,539,719)</u>
Net assets		<u><u>15,169,733</u></u>	<u><u>14,941,365</u></u>
Capital and reserves			
Revenue reserves	2.15	14,683,356	14,454,988
Endowment funds	18	486,377	486,377
		<u><u>15,169,733</u></u>	<u><u>14,941,365</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 31 March 2020 and were signed on its behalf by:



SUSAN KANE
Chair



JOANNE NORRIS
Vice-chair



ZAIBA QURESHI
Company Secretary

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

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

STATEMENT OF CHANGES IN RESERVES
FOR YEAR ENDED 30 SEPTEMBER 2019

		Revenue Reserve	2019 Endowment Reserve	Total
	Note	£	£	£
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
At the end of the year	19	14,683,356	486,377	15,169,733

		Revenue Reserve	2018 Endowment Reserve	Total
		£	£	£
At the beginning of the year		13,882,958	483,619	14,366,577
Surplus from Statement of Comprehensive Income for the year		574,788	-	574,788
Transfer between reserves		(2,758)	2,758	-
At the end of the year		14,454,988	486,377	14,941,365

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

		2019	2018
	Note	£	£
Net cash generated from operating activities	24	499,999	1,184,568
Cash flow from Investing Activities			
Purchase of housing properties		(176,260)	(504,663)
Interest received		5,556	1,789
Sale of property		-	569,185
Purchase of other property, plant & equipment		(146,239)	(4,860)
Net cash generated/(used) in investing activities		(316,943)	61,451
Cash flow from Financing activities			
Repayment of borrowings		(571,129)	(535,629)
Grant funding		-	-
Interest paid		(398,445)	(467,009)
Net cash used in financing activities		(969,574)	(1,002,638)
Net change in cash and cash equivalents		(786,518)	243,381
Cash and cash equivalents at:			
Beginning of the year		3,733,663	3,490,282
End of the year	12	2,947,145	3,733,663

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

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 ongoing COVID – 19 pandemic, the Board has considered the overall impact on the organisation. The Board considers at present the key areas of concern will surround future recoverability of rent and service charges and potential additional staff costs to cover increased levels of sickness. 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 25 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

(A company limited by guarantee having no share capital)

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:

HOUSING FOR WOMEN

(A company limited by guarantee having no share capital)

NOTES TO THE FINANCIAL STATEMENTS

2. Principal accounting policies (continued)

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.

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

NOTES TO THE FINANCIAL STATEMENTS

2. Principal accounting policies (continued)

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.

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

NOTES TO THE FINANCIAL STATEMENTS

2. Principal accounting policies (continued)

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.

HOUSING FOR WOMEN

(A company limited by guarantee having no share capital)

NOTES TO THE FINANCIAL STATEMENTS

2. Principal accounting policies (continued)

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.

2.15 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.

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

NOTES TO THE FINANCIAL STATEMENTS

2. Principal accounting policies (continued)

2.15 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.

HOUSING FOR WOMEN

(A company limited by guarantee having no share capital)

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 2019 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 2019 was £nil (2018: £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, operating expenditure and operating surplus**

	2019			2018		
	Turnover £	Operating expenditure £	Operating surplus £	Turnover £	Operating expenditure £	Operating surplus £
Social housing lettings (Note 4b)	7,953,246	7,363,735	589,511	7,943,970	7,062,649	881,321
Other social housing activities						
Other charitable income	15,321	-	15,321	1,589	-	1,589
Other	36,331	19,906	16,425	31,453	16,185	15,268
Total Turnover	8,004,898	7,383,641	621,257	7,977,012	7,078,834	898,178
Surplus on sale of fixed assets	-	-	-	141,830	-	141,830
	8,004,898	7,383,641	621,257	8,118,842	7,078,834	1,040,008

HOUSING FOR WOMEN

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NOTES TO THE FINANCIAL STATEMENTS

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

	2019				2018
	General Needs	Hostels	Other Supported Housing	Total	Total
	£	£	£	£	£
Income					
Rents receivable net of identifiable service charges	4,959,070	277,655	103,429	5,340,154	5,246,362
Service charges receivable	478,168	310,019	106,195	894,382	896,268
Revenue grants	-	560,045	506,159	1,066,204	1,263,498
Amortised government grants	497,785	-	-	497,785	497,785
Other income	118,824	2,050	33,847	154,721	40,057
Turnover from social housing lettings	6,053,847	1,149,769	749,630	7,953,246	7,943,970
Operating expenditure					
Service charges costs	393,428	212,040	69,702	675,170	714,162
Management	2,348,638	692,558	530,016	3,571,212	3,164,556
Routine maintenance	997,704	22,095	13,209	1,033,008	1,425,042
Planned maintenance	589,126	-	1,053	590,179	371,379
Bad debts	71,013	24,600	11,351	106,964	83,980
Rent payable	109,070	135,032	100,252	344,354	362,883
Depreciation charge	863,103	-	-	863,103	867,338
Loss on disposal of components	63,264	-	-	63,264	71,064
Potential merger costs	109,380	-	-	109,380	-
Other costs	4,105	200	2,796	7,101	2,245
Operating expenditure on social housing lettings	5,548,831	1,086,525	728,379	7,363,735	7,062,649
Operating surplus on social housing lettings	505,016	63,244	21,251	589,511	881,321
Rent losses from voids (included in Rents receivable net of identifiable service charges)	(57,488)	(36,224)	(31,715)	(125,427)	(209,750)

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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 Executive Team.

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

	2019 £	2018 £
Remuneration payable to key management personnel (including benefits in kind)	272,460	263,858
Employers pension contributions	20,421	20,748
Employers national insurance	<u>30,932</u>	<u>29,486</u>
	323,813	314,092
Highest paid executive		
The highest paid executive:	92,332	97,673
Pension contributions	<u>9,695</u>	<u>8,715</u>
	102,027	106,388

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):

	2019	2018
Housing and support staff	29	37
Administration staff	13	13
Maintenance staff	<u>5</u>	<u>6</u>
	47	56

The average number of employees was 59 (2018: 60)

Staff costs for the above employees:	2019 £	2018 £
Wages and salaries	1,854,069	1,772,029
Social security costs	181,679	165,352
Other pension costs	<u>106,645</u>	<u>97,131</u>
	2,142,393	2,034,512

Included within wages and salaries are redundancy costs of £4,339 (2018: £22,279).

HOUSING FOR WOMEN**(A company limited by guarantee having no share capital)****NOTES TO THE FINANCIAL STATEMENTS****6. Employee information (continued)**

	2019 Number	2018 Number
More than £60,000 but not more than £70,000	-	1
More than £70,000 but not more than £80,000	-	1
More than £80,000 but not more than £90,000	1	1
More than £90,000 but not more than £100,000	1	-
	<u>2</u>	<u>3</u>

7. Interest and financing costs

	2019 £	2018 £
Interest payable on bank loans	398,445	467,009
	<u>398,445</u>	<u>467,009</u>

8. Surplus for the year

	2019 £	2018 £
The operating surplus is arrived at after charging/(crediting):		
Depreciation of housing properties	844,281	867,337
Depreciation of other tangible fixed assets	18,822	31,465
Amortisation of government grants	(497,785)	(497,785)
Operating lease rentals:		
Land and buildings	198,191	198,161
Auditors' remuneration (excluding VAT):		
Audit fees	25,000	14,135

HOUSING FOR WOMEN**(A company limited by guarantee having no share capital)****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 2018	80,657,292	253,573	132,588	605,015	81,648,468
Additions	176,260	-	3,422	142,817	322,499
Disposals	(138,830)	(82,400)	-	(399,997)	(621,227)
At 30 September 2019	<u>80,694,722</u>	<u>171,173</u>	<u>136,010</u>	<u>347,835</u>	<u>81,349,740</u>
Depreciation					
At 1 October 2018	11,523,669	169,732	132,588	569,830	12,395,819
Charge for year	844,281	1,927	-	16,895	863,103
Disposals	(63,990)	(93,976)	-	(399,997)	(557,963)
At 30 September 2019	<u>12,303,960</u>	<u>77,683</u>	<u>132,588</u>	<u>186,728</u>	<u>12,700,959</u>
Net book value					
At 30 September 2019	<u>68,390,762</u>	<u>93,490</u>	<u>3,422</u>	<u>161,107</u>	<u>68,648,781</u>
At 30 September 2018	<u>69,133,623</u>	<u>83,841</u>	<u>-</u>	<u>35,185</u>	<u>69,252,649</u>

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

Housing properties book value, net of depreciation comprises:

	2019	2018
	£	£
Freehold land and buildings	62,476,669	63,104,674
Long leasehold land and buildings	5,361,271	5,467,885
Short leasehold land and buildings	552,822	561,064
	<u>68,390,762</u>	<u>69,133,623</u>

10. Investments**Quoted Investments at market value**

	2019	2018
	£	£
As at 1 October 2018	14,396	13,861
Fair value adjustment	-	535
Market value at 30 September 2019	<u>14,396</u>	<u>14,396</u>

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NOTES TO THE FINANCIAL STATEMENTS

11. Debtors

	2019 £	2018 £
Due within one year		
Rent and service charges receivable	394,611	406,159
Less: Provision for bad and doubtful debts	(179,412)	(189,881)
	<u>215,199</u>	<u>216,278</u>
Other debtors	143,179	244,122
Prepayments and accrued income	308,393	124,134
	<u>666,771</u>	<u>584,534</u>

12. Cash and cash equivalents

	2019 £	2018 £
Cash held on current account or in hand	2,728,154	3,514,672
The Charities Official Investment Deposit Fund	218,991	218,991
	<u>2,947,145</u>	<u>3,733,663</u>

13. Creditors – amounts falling due within one year

	Note	2019 £	2018 £
Loan instalments repayable within 12 months	15	601,706	569,600
Deferred government grant income	16	497,784	497,784
Trade creditors		344,377	340,523
Rent and service charges received in advance		220,610	182,439
Disposal proceeds fund	17	-	522,380
Other creditors		338,670	412,727
Taxation and social security		-	41,182
Accruals and deferred income		662,206	537,523
		<u>2,665,353</u>	<u>3,104,158</u>

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

	Note	2019 £	2018 £
Housing loans	15	15,549,625	16,149,553
Deferred government grant income	16	37,692,382	38,190,166
Other deferred grant income		1,200,000	1,200,000
		<u>54,442,007</u>	<u>55,539,719</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:

	2019 £	2018 £
Due within one year	<u>601,706</u>	<u>569,600</u>
Due after more than one year:		
One to two years	640,024	603,200
Two to five years	2,171,019	2,053,800
Five or more years	12,738,582	13,492,553
	<u>15,549,625</u>	<u>16,149,553</u>
	<u>16,151,331</u>	<u>16,719,153</u>

16. Deferred government grant income

	2019 £	2018 £
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	11,036,293	10,538,508
Amortised to income in the year	497,784	497,785
At 30 September	<u>11,534,077</u>	<u>11,036,293</u>
Carrying amount		
Amounts to be released within one year	497,784	497,784
Amounts to be released in more than one year	37,692,382	38,190,166
	<u>38,190,166</u>	<u>38,687,950</u>

	2019 £	2018 £
Government grant previously amortised to income	11,534,076	11,036,293
Government grant included in deferred income	38,190,164	38,687,950
Total government grant received	<u>49,724,240</u>	<u>49,724,243</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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NOTES TO THE FINANCIAL STATEMENTS

17. Disposal proceeds fund

	2019 £	2018 £
Balance at 1 October 2018	522,380	500,498
Interest in year	-	21,882
Repaid in year	(522,380)	-
Balance at 30 September 2019	<u>-</u>	<u>522,380</u>

The disposal proceeds fund is applied to subsidise acquisition of new developments and improvements to existing properties.

Amount due for repayment to the RSH	<u>-</u>	<u>522,380</u>
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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 2018 £	Fund restructure £	Balance 30 September 2019 £
Prendergast Trust	376,901	(376,901)	-
Mary Curzon Charity	102,168	384,209	486,377
Lindsey Memorial Trust	7,308	(7,308)	-
	<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.

During the year the Prendergast Trust and Lindsey Memorial funds were transferred to The Mary Curzon Charity, whilst maintaining the permanent endowment restrictions over the Lindsey Memorial funds.

HOUSING FOR WOMEN**(A company limited by guarantee having no share capital)****NOTES TO THE FINANCIAL STATEMENTS****19. Analysis of net asset balances between funds**

Fund balances at 30 September are represented by:

	2019			2018		
	Unrestricted	Endowment	Total	Unrestricted	Endowment	Total
	£	£	£	£	£	£
Property, plant and equipment	68,648,781	-	68,648,781	69,252,649	-	69,252,649
Investments	14,396	-	14,396	14,396	-	14,396
Current assets	3,127,539	486,377	3,613,916	3,831,819	486,377	4,318,196
Current liabilities	(2,665,353)	-	(2,665,353)	(3,104,158)	-	(3,104,158)
Creditors - amounts falling due after more than one year	(54,442,007)	-	(54,442,007)	(55,539,719)	-	(55,539,719)
	14,683,356	486,377	15,169,733	14,454,987	486,377	14,941,364

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 2019 the amounts earmarked are;

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

21. Leasing commitments

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

	2019 Property £	2018 Property £
Within one year	184,476	198,161
Between two and five years	396,945	325,350
After five years	319,528	325,705
	900,949	849,216

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NOTES TO THE FINANCIAL STATEMENTS

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

	2019 No	2018 No
General needs housing	857	852
Supported housing	57	74
	<u>914</u>	<u>926</u>

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

24. Notes to the statement of cash flows

	Note	2019 £	2018 £
Operating surplus for the year		621,257	1,040,008
Adjustments for non-cash items			
Depreciation of tangible fixed assets	9	863,103	898,802
Amortisation of grants	8	(497,784)	(497,785)
NBV adjustment of property sale		-	(141,830)
Fair value adjustment for investments	10		(535)
Loss on disposal of components and other fixed assets		63,264	89,152
Non-cash accruals/prepayments		3,308	1,400
Movement in working capital			
(Decrease)/increase in debtors		(82,236)	(171,823)
(Increase)/decrease in creditors		(470,913)	(32,821)
Net cash generated from operating activities		<u>499,999</u>	<u>1,184,568</u>

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NOTES TO THE FINANCIAL STATEMENTS

25. Post balance sheet events

On 3 September 2019, the Board approved additional funding of £5m to be secured through GB Social Housing. This transaction has been completed post year end. As at the date of signing these accounts, all of the additional funding was drawn down and available for use.

Since the year ended 30 September 2019 the occurrence and therefore impact of the COVID-19 virus, whilst not resulting in any immediate financial cost to the Association, has been noted within note 2.2. Whilst it is too early to accurately assess the full financial impact of COVID-19 on the Association, a decline in revenue and surplus may give rise to future impairment of assets and may create additional liabilities, which cannot be reliably quantified at this stage. Due to the timing of the outbreak being after the balance sheet date, this is classified as a non-adjusting post balance sheet event.

26. Financial instruments

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

	2019 £	2018 £
Financial assets		
Measured at undiscounted amounts receivable		
Cash and cash equivalents	2,840,619	3,733,663
Gross debtors	394,611	406,159
Other debtors	308,393	244,122
Measured at fair value through profit and loss		
Investments	14,396	14,396
Financial liabilities		
Measured at amortised cost		
Loans repayable	16,151,333	16,719,153
Measured at undiscounted amounts payable		
Trade and other creditors	1,110,319	1,664,302

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

	2019 £	2018 £
Fair value gains and losses on investments	-	535
Interest income and expense		
Total interest income for financial assets at amortised cost	5,556	1,789
Total interest expense for financial liabilities at amortised cost	398,445	467,009