

Co-operative and Community Benefit Society no 8137R

WOMEN'S PIONEER HOUSING LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



**WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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Legal and administrative details

Women's Pioneer Housing (the Association or WPH) is a charitable housing association registered under the Co-operative and Community Benefit Societies Act 2014 (no 8137R) and as a Registered Provider under the Housing and Regeneration Act 2008 (no LH1548).

Registered office

227 Wood Lane, London, W12 0EX

Board Members

Kim Vernau	Chair of Board and Development Committee
Louise Wolfson	Vice Chair of Board and Chair of Remuneration and Nomination Committee
Vivienne King	
Caroline Portsmouth	
Claire Thurston	
Judith Page	Elected June 2020
Mike Reed	Chair of Audit and Risk Committee. Elected June 2020
Ruth Buckingham	Elected June 2020
Yemi Aladerun	Elected June 2020
Maureen Hopcroft	Resigned March 2020
Sofia Nilsson	Resigned June 2020
Kasia Kwilecka	Resigned January 2021
Shushil Chohan	Resigned June 2020

Secretary

Mark Cole

Executive Directors

Denise Fowler	Chief Executive
Jess Page	Director of Housing
Kelly Henderson	Interim Director of Housing
Mark Cole	Director of Resources
Sue Hockett	Director of Property and Estate Services

Independent Auditor

Nexia Smith & Williamson, 25 Moorgate, London, EC2R 6AY

Principal Bankers

HSBC, 133 Regents Street, London, W1B 4HX

Principal Solicitors

Trowers and Hamblins, 3 Bunhill Row, London EC1Y 8YZ

WOMEN'S PIONEER HOUSING LIMITED BOARD REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Board Report

The Board of Women's Pioneer Housing (WPH) is pleased to present its report in its centenary year, together with the audited financial statements for the year ended 31 December 2020.

Principal Activities

The Association's principal activity is letting and managing homes for women at rents consistent with its charitable status. It provides both general needs and older women's (sheltered) housing.

Other activities include developing new homes for rent and managing leasehold properties.

The group has a wholly owned subsidiary Women's Pioneer Homes Limited (WPHL) which was set up in 2014 to develop and provide additional accommodation at a wider variety of rent levels. As at 31 December 2020 the subsidiary owned 16 properties let at market rent.

History

Women's Pioneer was founded in 1920 by women and men who understood the link between providing women with good quality affordable accommodation and the wider fight for women's suffrage and independence.

A century after WPH's formation, as gender inequality remains a very real challenge, we continue to champion the specific housing needs of women.

Property Portfolio

We have a portfolio of properties in North and West London (North and South of the river Thames) acquired over nearly a century. Two thirds are in Kensington and Chelsea and the rest are spread over seven other boroughs. Most of our homes are converted flats within large Victorian buildings. Many of these are listed or in conservation areas. Recently we have begun developing new buildings. Our assets allow us to provide good quality homes and also act as a valuable investment that supports our work and growth.

Most of our properties are studios or one bedroom flats. 757 homes are let as general needs, that is to women who require no additional support. We also provide 182 homes specifically for older women in sheltered housing schemes. Historically a number of residents have exercised the right to buy and so we also manage a portfolio of 90 leasehold properties. We also manage 17 properties held as an investment and rented at market rents. Finally, 46 homes are owned by us but managed by other providers.

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Mission, Vision and Objectives

The group's objectives and strategy are set out in our 2018-2022 corporate plan.

Our Vision: Making a positive difference to women's lives.

Our Mission: We provide homes and services which offer a springboard to independent women to achieve their potential. We aim to influence others to do the same.

Objectives: Our 5 corporate objectives are:

1. Providing high quality homes and services
2. Supporting our residents' independence and well-being
3. Growing locally to provide more homes
4. Being a leading voice for women's housing
5. Developing our organisational strength

Performance in 2020

We set out below our performance in 2020 under each objective. Resident satisfaction is monitored by an independent organisation (Acuity) who conduct telephone surveys of residents every quarter. Over the year 400 residents gave their views.

1. Providing high quality homes and services

Satisfaction with the overall service

Since the coronavirus pandemic became a national public health emergency in March 2020, we have focused on maintaining vital services while protecting our residents and staff. Frontline teams continued to provide services (including essential repairs) which cannot be done remotely, supported by our office-based staff mostly working from home. The way we delivered some services changed, for example we moved to virtual viewings to let properties, asked residents and contractors to provide photos to confirm that works had been completed and introduced online reporting for repairs and ASB. Our staff and contractors complied with government guidance at all times and any face to face contact with residents was risk assessed in advance. Weekly welfare calls were made throughout the pandemic to check on the welfare and needs of residents. Onward referrals were made to support services where needed.

We have seen an increase with our satisfaction levels with 81% of our residents saying they were satisfied with the overall service compared with 77% in 2019. We benchmark our performance by comparing our results to our peers through Housemark. The Housemark data is based on 10 housing associations in London & the South East with less than 5,000 homes. This result puts us in quartile one compared to our peers on Housemark, above average for the sector and above our target of 80%.

Satisfaction with repairs and maintenance

The pandemic posed a significant challenge but we maintained an essential repairs and maintenance service throughout 2020. All repairs were subject to risk assessment and discussion with residents. As a result we have seen a significant increase in the satisfaction with the repairs and maintenance service with 83% of residents saying they were satisfied compared with 74% in 2019. This puts us in quartile one compared to our peers on Housemark, above average for the sector and above our target of 80%. We also completed 99% of all repairs on time (97% in 2019).

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Satisfaction with the quality of residents' homes

In 2020, our resident satisfaction surveys reported satisfaction of 74% with the overall quality of their home (2019: 70%). The results show that we are in quartile 4 compared to our Housemark peers and below our target of 80%, so this is a priority area for action. Some resident comments received through the surveys mentioned dissatisfaction with the size of their home and/or the quality of the kitchen and/or bathroom.

Around 46% of our stock is studio accommodation. While some of these flats are desirable, with high ceilings and large bedsitting rooms, others are small by modern day standards. In 2019, the Board agreed that some of these studios should be let at market rents to enable us to fund improvements to kitchens and bathrooms. Up to 5% of our homes may be market rented.

In the summer of 2020, once the initial Coronavirus restrictions were lifted, we commenced our capital investment programme. Despite the unavoidable delay, we were able to modernise 69 kitchens and 56 bathrooms. This compares with 36 kitchens and 30 bathrooms in 2019. Over the course of the next 4 years we expect to modernise at least 450 kitchens and bathrooms. We expect resident satisfaction with their home to increase as the programme progresses.

Health and safety

The health and safety of our residents remains our top priority. Certificates and risk assessments for gas, fire, electrical, asbestos and legionella are in place for 100% of our properties. Health and Safety monitoring and new agile technology has enabled us to react quickly to any issues identified. Compliance actions arising from risk assessments are all addressed and are monitored and reported to management and Board.

This year we appointed a Health, Safety and Compliance Manager and established a Health and Safety Working Group to further embed awareness and best practice on health and safety issues across WPH.

Resident Engagement

We have an active Resident Engagement and Scrutiny Panel (RESP) which works with us to improve our services to residents. The Panel reports directly to Board. During the year the RESP reviewed a number of areas of our service delivery, including our repairs service. In addition, residents took part in recruitment panels, contractor evaluation, complaints panels and the Pioneer Press editorial panel. These activities have all helped us improve our service to residents.

Our resident engagement model had to change during the pandemic with face to face meetings moving to video conferencing, telephone and email contact. Some residents have said that they prefer face to face meetings so we hope to have more of these once restrictions are lifted.

We continue to review our approach to resident engagement and are taking into account the new Charter for Social Housing Tenants. We have established a Resident Involvement Working Group (RIWG) consisting of residents from the RESP, members of the Board and WPH staff to review and renew our Resident Engagement Strategy.

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In 2020, 67% of residents stated that they feel that we listen and act on tenant's views (2019: 60%). This performance is in the top quartile compared to our Housemark peers, above average but below our target of 70%.

Complaints

In 2020 we received 29 complaints compared with 26 complaints received in 2019. Response times for complaints have improved compared with 2019, with 100% of complaints being responded to on time at stages 2 and 3, and 96% at stage 1.

During the year the management and co-ordination of complaints moved to the Governance and Performance team. They have worked across teams to ensure that complaints are properly managed, and outcomes are logged and tracked. Complaints are discussed at monthly management meetings and reported to Board.

In July 2020 the Housing Ombudsman published a new complaints code of guidance. This required all landlords to self-assess against the code on a comply or explain basis. Following resident consultation and discussions with the RESP the complaints policy was changed to a two stage procedure in December 2020. This retains a final stage complaint panel with representatives from the RESP and the Board, and the Chief Executive.

Lessons learned from complaints continue to help us improve our services to residents.

2. Supporting our residents' independence and well-being

In 2020 88% of our residents felt that their home supported their independence and wellbeing. This was an increase from 83% in 2019 and exceeded our target of 80%.

Most WPH homes are in good locations, close to transport, with easy access to amenities. However, some of our heritage properties, flats in Victorian and Edwardian buildings without lifts, are not ideal for many women with disabilities or older women. Many women move to our sheltered schemes when they feel that this could become an issue. However, our new homes are being designed to lifetime homes standards and can be easily adapted as women's needs change throughout their lives.

Many women in WPH homes build strong friendships and support networks. These are supported by our social events and activities such as our Founder's Day celebrations and activities in the Older Women's Schemes such as Zumba, art classes, yoga etc. In early 2020 these continued but once the pandemic restrictions were introduced many of these including our Founder's Day celebration, had to be cancelled. We hope to restart these in 2021.

We continue to recognise the importance of providing safe, secure homes for women. We have close relationships with agencies such as Solace Women's Aid and IKWRO (Iranian and Kurdish Women's Rights Organisation) who work with women who have experienced domestic abuse or honour based violence. We also work with organisations such as the London Cyrenians, St Mungos or the Richmond Fellowship who support women who are homeless or who have experienced trauma. 25% of our voids are allocated to these agencies to provide permanent accommodation for women who need to move on from supported housing and re-establish their lives.

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We are a member of the Domestic Abuse Housing Alliance (DAHA) and are re-accredited annually. As part of the re-accreditation process we have focussed on continuously improving our response to domestic abuse. This includes advising residents of our approach in recognising and responding to domestic abuse and encouraging them to reach out to us. Our Pioneer Press Winter edition included an interview with the Domestic Abuse Commissioner (Nicole Jacobs) detailing the Domestic Abuse Bill and what WPH could do to support residents.

In 2020 we rolled out a new Independence and Well-being policy with a focus on strong partnership working to deliver the best outcomes for residents. Welfare calls during the pandemic highlighted a number of issues which required collaboration with Local Authorities and the NHS.

A key part of supporting our residents to maintain independence and wellbeing is in supporting them to access the full range of benefits they are entitled to. The dedicated role of the Financial Inclusion Officer (FIO) enables our residents to maximise their income. The impact of the pandemic has meant that some residents have experienced changes in their incomes due to being furloughed or being made redundant. The FIO has provided support to enable applications to Universal Credit.

Our focus on health and safety supports residents' well-being by providing assurance. In addition to our regular Fire Risk Assessments, we also conduct Person Centred Fire Risk Assessments (PCFRA) for all our residents in older-women's housing. In early 2020 we expanded the programme to include residents in general needs housing who may find it difficult to evacuate in the event of a fire. We provide adjustments where necessary e.g. vibrating pillows to provide an alarm for residents who are hard of hearing.

3. Growing locally to provide more homes

As London's largest specialist housing association for women, we are keen to play our part in addressing the capital's pressing need for safe, affordable homes. In December 2020 the Board agreed a new Development strategy setting a target of achieving 10% growth over the next 5 years. The growth will include diversifying our housing asset streams further and may include affordable rent, London Living rent or intermediate rent. This has been factored into the long term financial plan and will put the organisation in a stronger position over the long term.

We continue work on our major development at Wood Lane. This is our most ambitious development for many years. We are funding this project by leasing part of the land to housing developer HUB for a co-living scheme, in return for the building of 80 one-bedroom flats and a new office for WPH on another part of the site. The planning application was submitted to the local authority in January 2020. At present no decision has been made by the local authority with discussions ongoing.

In September we started on site for the development of nine new homes for market rent at Norman Court, to be created through the construction of an additional storey. The start on site was delayed due to the Coronavirus pandemic. The development is due for completion in December 2021.

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4. Being a leading voice for women's housing

In our Centenary year we have continued to be a leading voice for Women's Housing despite having to cancel many planned events as a result of the pandemic.

We work in partnership with others to continue to highlight our work and key issues relating to women's equality and housing. On average women still earn less than men in the UK. Research conducted with the National Housing Federation highlighted that there is no region in England where a single woman on an average woman's salary can afford to rent a private sector home of her own. The gender pay gap builds up over a lifetime and older women are particularly impacted. Women are more likely to experience domestic abuse, and this is a key factor in women's homelessness.

Staff, Board members and residents have spoken virtually at 9 different events to highlight these issues including conferences and seminars for the National Housing Federation, the Chartered Institute of Housing, the Affordable Housing Network, Placeshapers, Houseproud, Black on Board, the Insurance Supper Club, and De Montfort University. The Chief Executive has also spoken on BBC Radio 4 Women's Hour.

The Women's Housing Forum (WHF), which WPH founded and co-chairs has over two hundred members. This brings together those in the housing sector who wish to highlight the links between housing and women's equality. Events and communication by the Women's Housing Forum amplify our voice. Our Chief Executive spoke at a Women's Housing Forum event on Women and Homelessness.

Nine articles have been published about WPH in publications such as Inside Housing and 24 Housing. Our website is being revamped and our social media activity has increased.

The Heritage Lottery funded history project has been extended to March 2021 in light of the pandemic. The film and exhibition about our history have been warmly received. The exhibition launch at Mary Smith Court in February 2020 was the last in person event to take place before the pandemic. Work is nearing completion on an online interactive exhibition of our history.

5. Developing our organisational strength

Financial Strength

In order to continue WPH's work making a positive difference to women's lives, we need to retain our independence, strength and resilience. This involves constantly maintaining and improving the way we run our organisation, our financial stability, processes and working practices.

The group has continued to diversify during 2020 and disposed of a studio flat to our subsidiary to let at market rent. The profits generated by the subsidiary will be gift aided back to the Association to support our core activities.

The Board has a strategy of disposing up to 25 studio flats to our subsidiary with the overall number of market rented properties capped at 5%. The additional income generated from market rented flats will help to fund our capital investment programme so that we are less reliant on loan finance.

Arrears performance at the end of 2020 was 3.42% compared with 2.96% at the end of 2019. This puts us in quartile 2 when compared with our Housemark peers. Over the course of 2020 arrears steadily increased to 4.2% as a result of the economic impact of the pandemic. However the housing team have worked closely with our residents to bring the arrears back down.

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The number of residents in receipt of Universal Credit (UC) continues to rise with claims increasing by 27% from December 2019 to December 2020. Arrears attributable to UC are being reduced due to the benefits advice and other financial advice provided by our Financial Inclusion Officer. This has meant that the average arrears balance per resident on UC has decreased.

Re-letting voids has remained challenging this year and has been amplified with the pandemic. Our standard voids were re-let in 36 days on average, against a target of 28 days. Our major voids, which require capital refurbishment or a new kitchen or bathroom, were re-let in 103 days on average against a target of 80 days. This performance would put us in quartile 3 against our Housemark peers and is a priority area for improvement in 2021.

We regularly stress-test our financial plans to ensure we are resilient to changes in economic assumptions in relation to internal and external factors. Our financial plan has undergone rigorous stress testing to ensure we remain financially strong.

Treasury Management

At the end of 2019 we appointed treasury advisors (David Tolson Partnership) to assist us with a refinance exercise and to ensure we have the right structure in place to support our capital investment and development programmes.

A Treasury Strategy was approved in March 2020 setting out the requirement to seek £20m of long term finance to repay existing facilities with additional finance to fund development activity. Following a tender exercise, the Board approved a long term (26 year) £20m bond from GB Social Housing which was secured in February 2021 at a rate of 2.9%.

A further loan offer of up to £20m is available to WPH which is being modelled against our development requirements. The additional funding will be secured later in 2021.

Governance

Our Board and committee structure is working well and is well embedded in the organisation. In July a governance review was conducted by our internal auditors and substantial assurance was received.

2020 saw significant change with the Board with 2 long standing members retiring after 10 years service and four new Board members joining. A full induction programme was provided to the new Board members.

Our programme of internal audits provide assurance to the Chief Executive and the Board. Recommended actions are recorded and monitored and progress is reviewed by the Audit and Risk Committee. This Committee also regularly reviews risk and reports to the Board. The Board consider risk bi-annually.

Board Away days enable Board members to explore issues in more detail and during 2020 the Board held away days around the subject of the new code of governance, climate change and key challenges in the sector.

Further details of the governance structure are reported on page 22.

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IT

Due to the pandemic all office based staff have been working from home since March. We already had the capability for remote working, but the pandemic has proved our systems to be robust. We purchased laptops and additional phones for staff who required them and implemented Microsoft Teams which has enabled staff and the Board to keep in contact effectively.

Two key new IT systems were successfully implemented during the year which are:

- **Plentific:** This is a dynamic purchasing system for responsive repairs and contractors to bid for repair requests. Within an hour of each request we can have up to 5 quotes and select the contractor that offers the best value for money.
- **INVU purchase order system:** This system allows staff to raise electronic purchase orders for all non-repair services. To accompany the system we also implemented an electronic invoice reader which has automated the process of registering all our invoices. This has saved significant administration time and has enabled improved efficiency within the finance team.

We continue to enhance our QL system and during the year implemented the decent homes module. This has enabled us to formally report decent homes requirements which identified some properties which did not fully comply. This related to thermal comfort (e.g. loft installation levels or the type of heating systems in place) and a repairs programme was put in place. We are currently implementing the energy module which will enable us to report on the energy efficient of each building.

People

Our ways of working have changed significantly in 2020. Changes which were underway have been accelerated by the pandemic. In particular the move to remote working has been very successful. We carried out a staff engagement survey in May 2020 to seek staff views on the new working arrangements. 100% of staff completed the survey and the vast majority (97%) were either very satisfied or satisfied with the new working arrangements. We have been able to maintain high quality services throughout this time. Once the pandemic is over, we will be moving to more agile working for all staff, including more home working.

We maintain a learning and development plan which sets out the development needs for each team and how this will be met. Learning and development is a blended approach of structured training provided by external providers, in-house training, professional membership and networks within the sector.

A collaborative partnership with Chartered Institute for Housing (CIH) developed at the end of 2020 provides CIH membership at a reduced price to all staff and Board members. We will assess aspects of our learning and development plan so that we maximise take up of the CIH's package. This includes access to Inside Housing magazine, briefings, tailored learning programmes and networking opportunities.

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Risks and uncertainties

Risks that may prevent the group from meeting its objectives are considered and reviewed regularly by the group's management team, the Audit and Risk Committee and by the Board. The risks are recorded and assessed by reference to their impact and likelihood.

Major risks, presenting the greatest threats to the group, are analysed in the tables below.

Key Risk	Action to manage risk
<p>Coronavirus</p> <p>The coronavirus pandemic affected the UK from March 2020. National lockdowns and social distancing measures were introduced to protect the public and to help prevent the spread of the virus.</p> <p>The UK government has put in place a number of packages to help businesses and individuals throughout this period.</p> <p>Nevertheless, this pandemic has had a significant impact on the way WPH operates and has required us to implement business continuity measures.</p>	<p>We introduced a specific pandemic action plan which identified and addressed the most likely risks to business operations as a result of the Coronavirus pandemic. The action plan covers the business, staff and our residents.</p> <p>During this period we implemented the following key actions:</p> <ul style="list-style-type: none"> • Reviewed every aspect of our service in light of government guidance. • Implemented home working for all staff who could work from home. • Reviewed frontline roles (scheme managers and estate services officers) and focussed on essential services such as support to vulnerable residents and health and safety. • Reviewed our outsourced activities such as repairs and estate services which focused on essential services during periods of lockdown. • Our financial inclusion officer advised any residents who found it difficult to pay their rent. • Put in measures to ensure works to vacant properties and lettings could still take place. • Conducted regular welfare calls to our vulnerable residents. <p>By implementing the actions set out above we have been able to continue to provide a excellent service, arrears levels have been contained and resident satisfaction has increased.</p>

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Risks and uncertainties (continued)

Key Risk	Action to manage risk
<p>Failure to manage health & safety requirements leading to a major incident This risk covers issues relating to resident health and safety and to business resilience and disaster recovery.</p>	<p>We report resident health and safety aspects to senior management on a weekly basis and at all Board meetings. Key actions mitigating health and safety risks include:</p> <ul style="list-style-type: none"> • Annual gas safety checks are undertaken by a Gas Safe approved supplier. • All properties have up to date Fire Risk assessments, Asbestos surveys and Legionella risk assessments. • An independent consultant oversees servicing arrangements including completing spot checks. • We maintain detailed business continuity and disaster recovery plans including overnight emergency contacts for residents and a resilient IT infrastructure including remote working and daily IT back up off site. <p>We had one fire in February 2020. No breach of health and safety regulations were noted. We reported the event and any lessons learnt to the Board.</p> <p>Following an asbestos survey in a vacant flat at an older women's scheme, inadequate fire stopping measures were identified in the ceiling. This affects 6 flats in total. Fire stopping works were commissioned and are due to be complete in April 2021. A waking watch was also put in place until the works are complete.</p>
<p>Delivery of the Wood Lane development This risk covers the issues arising from our major development at Wood Lane. Risks include the failure to deliver on time and in budget, the failure to deliver to a standard that will be maintained economically, the total failure of the programme and the subsequent loss of income and the failure of a workable exit.</p>	<p>We have made use of reputable advisors to procure the development opportunity at our office site on Wood Lane.</p> <p>The Development Committee is established with Board members with specific skills to oversee the project effectively.</p> <p>The agreement in place for this development places the planning and financial risk on the developer rather than the Association.</p> <p>The failure of the development has been stress tested within our financial plan and the Board are aware of available actions should the development fail.</p>

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Risks and uncertainties (continued)

Key Risk	Action to manage risk
<p>Failure to achieve our growth ambitions The risk is associated with the delivery of the Wood Lane development but also covers our ability to deliver our wider development aspirations and grow by 10%.</p>	<p>We have identified key sites for development and maintain a development plan approved by Board.</p> <p>The development plan is directly linked to the financial plan and treasury strategy.</p> <p>The Development Committee is established with Board members with specific skills to oversee the development programme.</p> <p>We are developing relationships with larger housing associations and looking to develop sites under the Build London Partnership.</p>
<p>Failure of Governance and/or a breach of regulatory requirements This risk covers our inability to meet our regulatory requirements, including governance and financial viability standard, the Homes and Tenancy Standard, and Resident Empowerment.</p>	<p>We have an appropriate governance structure in place. The Board delegate some strategic matters to committees for audit and risk, development and remuneration and nominations to provide more in depth scrutiny. An internal audit function reports to the Audit and Risk Committee.</p> <p>We have a suite of policies and procedures which are reviewed and updated regularly.</p> <p>During 2020 we recruited four new board members with the wide range and appropriate skill sets.</p>
<p>Failure to provide high quality homes and services The risk is associated with the service and the quality of the home we provide fall below the standards expected by our residents.</p> <p>In addition, the risk relates to any of our properties not meeting the decent homes standard set by the regulator.</p>	<p>We have an asset management strategy in place and a clear "Home standard" for our properties. In 2020 we commenced our capital investment programme and modernised a total of 125 kitchens and bathrooms.</p> <p>We implemented a new asset management module in the year which identified 35 properties failing the thermal comfort criteria of the decent homes standard. This was due to the type of heating systems installed at the property or the level of insulation in the roof. We informed the Regulator and have actioned all issues where we have been granted access.</p>

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Risks and uncertainties (continued)

Key Risk	Action to manage risk
<p>Resident Engagement WPH's reputation is negatively impacted by a perceived failure to listen to and respond to residents' concerns.</p>	<p>We have a resident engagement strategy in place. As part of the strategy we work closely with our Resident Engagement and Scrutiny Panel who undertake task and finish groups to review specific aspects of our service.</p> <p>We will continue to involve residents in a number activities such as complaint panels, drawing up the specifications and sitting on tender panels, and assisting in the recruitment of front line staff.</p> <p>In addition, we undertake quarterly surveys to obtain resident feedback and benchmark results against our peer group of London housing associations. The Board receives performance reports on a quarterly basis.</p>
<p>Insufficient finances to meet our development and operational requirements We invest significantly in our properties each year as well as having a growing development pipeline. The risk covers issues with treasury arrangements and available liquidity so that we can meet the needs of the Association.</p>	<p>The Board approves the annual budget and development plan. We also maintain a three year cashflow which demonstrates funds are in place to meet our commitments.</p> <p>We engaged the services of treasury consultants who assisted us with a refinance exercise and we secured a £20m bond from GB Social Housing which repays existing facilities that are due to mature.</p> <p>We are also negotiating further loan finance to fund future development and capital activities.</p>
<p>Financial performance causes a breach in loan covenants The agreements with our lenders have a number of covenants in place which must be met each year. If covenants are not met, our loan margins may increase or the loans could be recalled.</p>	<p>The Board approves the annual budget and long-term financial plan which demonstrates loan covenants are met. The financial plan is regularly stress tested with multiple assumptions to see what adverse situations would be needed to breach our loan covenants.</p>

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Risks and uncertainties (continued)

Key Risk	Action to manage risk
<p>Arrears Management</p> <p>The risk relates to changes in residents' circumstances reducing income to such an extent that the resident is unable to pay rent/service charges.</p> <p>For example the implementation of universal credit and rules regarding "no recourse to public funds" will significantly increase the number of residents requiring benefit advice.</p> <p>The risk has increased significantly due to the coronavirus pandemic.</p>	<p>We have clear rent arrears policy and procedures. We utilise software which helps predict recent receipt activity and enables our Housing Officers to review arrears cases in an efficient manner.</p> <p>We employ a financial inclusion officer to specifically help residents with the universal credit (UC) and other benefit issues</p> <p>In addition we report the level of arrears weekly to the Executive team and quarterly to Board.</p>
<p>Scale of change</p> <p>As we implement our corporate plan, this risk relates to the failure to maintain standards for day to day business during a significant change programme.</p>	<p>We are working closely with staff to ensure that we manage the changes effectively. Staff resources have been increased and software has been implemented to monitor actions, risks and performance.</p>

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Value for Money

What does Value for Money mean to Women's Pioneer

The Association has a Value for Money strategy which sets out what we do to deliver value for money in helping us meet our objectives.

We do this through:

- Making the best use of our properties
- Working with our partners
- Investing in our Resources
- Streamlining our services
- Cost control and effective procurement
- Benchmarking and monitoring performance

We also aim to add social value by working closely with our partners who offer residents access to support with benefits, employment and training, including IT training. We also add social value by influencing other providers to meet women's specific housing needs e.g. through the Women's Housing Forum.

Overall control of these areas lies with the Board, which monitors performance and seeks assurance through independent audit. We benchmark against other housing associations through Housemark, and report our comparative performance to the Board and set targets based on our knowledge of good practice elsewhere in the sector.

We are regulated by the Regulator of Social Housing which publishes a standard setting out its requirements in respect of value for money. The performance metrics set out in the standard are set out below.

Measuring Value for Money

Our value for money assessment below considers the following:

- Making the best use of our properties
- Comparing performance
- Providing social value
- Value for money achievements
- Future value for money plans

Value for Money – Making the best use of our properties

Our existing property portfolio is a mix of rented and leasehold properties funded by original private investment, grants, reserves and recent loans. The following policies define how we make the best use of our assets:

Policy	What is achieved
Asset management strategy	The asset management strategy defines the standard we will invest in our homes to ensure we meet the decent homes standard.
Development strategy	The development strategy describes the level and mix of growth which will be delivered and how this will be achieved.
Disposal policy	The disposal policy sets out the criteria we will use to identify specific homes for either disposal or a change in use. This includes the disposal of specific properties into the commercial subsidiary which will allow us to increase and diversify our income streams.

WOMEN'S PIONEER HOUSING LIMITED

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Existing Stock

Our responsive maintenance service is supported by professional advice, on site staff presence for diagnosis and a post inspection regime. We benchmark our performance through Housemark and the cost of our service to a selection of similar small providers.

Planned maintenance is also benchmarked through Housemark. The programme is informed by a stock condition survey and supervised by external consultants to ensure appropriate cost and quality. It is fully costed and provided for within the business plan and budgets approved by the Board. This includes our capital investment programme that systematically improves older stock, enables work to be carried out in the most cost effective way and reduces our direct responsive maintenance costs.

Development

In December 2020 the Board agreed a new Development strategy setting a target of achieving 10% growth over the next 5 years. The growth will include diversifying our housing asset streams further and may include affordable rent, London Living rent or intermediate rent. This has been factored into the long term financial plan and will put the organisation in a stronger position over the long term.

One major project in achieving this growth is the redevelopment of our offices and properties at Wood Lane which will deliver 80 new homes and a new office. We are working in partnership with Hub Residential Ltd (procured through an OJEU process) in a land for flats deal. This will result in the delivery of a £19m asset for just a cost of c£1.8m and the lease of a small area of land. This is an excellent example of maximising our assets, whilst minimising financial risk.

In addition to the Wood Lane development we are working closely with L&Q as part of the Build London Partnership to redevelop an existing site in Ealing. This is likely to be a phased development which will replace 39 homes built in the 1920s with 99 new homes. This project is currently in its feasibility stage.

During 2021 we will also deliver 9 new homes which will be let at market rent. This completes our 'hidden homes' programme. This programme was born from the assessment of all our buildings to appraise their potential for providing additional or larger homes. In total 32 new homes have been delivered. All rental investment activity is expected to payback within 30 years using the current risk weighted long term cost of capital for the organisation. In this way we are improving the return on our assets within our long term financial plan capacity.

Market Rent Properties

As a group, including the 9 properties in development, we will own and manage 26 market rented properties. The rental income received from these properties is substantially higher compared to our social housing properties. By diversifying our assets the higher income streams will help support future development aspirations of the organisation.

At the end of 2019 the Board approved a strategy to dispose of up to 25 studio properties to the subsidiary to be let out at market rent. One studio flat was disposed to the subsidiary in 2020 and a further four properties are currently vacant pending disposal. The profits generated will be gift aided back to the Association.

WOMEN'S PIONEER HOUSING LIMITED
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Value for Money – Comparing performance

In addition to the value for money metric reported below, the Board also monitor the following performance indicators:

	Target	2020	2019	Housemark Quartile
Resident satisfaction				
Satisfaction with the overall service	80%	81%	77%	Q1
Satisfaction with the overall quality of the home	80%	74%	70%	Q4
Satisfaction that landlord listens to/actions upon tenants' views	70%	67%	60%	Q1
Satisfaction with the repairs and maintenance service	80%	83%	74%	Q1
Residents that felt that their home supported their independence and wellbeing	80%	88%	83%	-
Current resident rent arrears	3.00%	3.42%	2.96%	Q2
Void re-let time	28 days	36 days	38 days	Q3
Repairs completed on time	98%	99.1%	97.1%	-

Performance for each metric is considered in our performance report above (pages 3 to 9).

Value for Money Metrics

To compare performance in the sector, the Regulator of Social Housing (RSH) has defined seven key metrics for all Registered Provider to adopt and report. These are set out below:

Group Performance		Median (2019/20)	2020	2019	Target (2020)
Business Health	Operating Margin (overall)	21.6%	18.6%	15.4%	16%
	Operating margin (Social Housing)	24.1%	17.3%	16.4%	16%
	EBITDA-MRI Interest Cover	145.5%	60.9%	74.8%	>0%
Development	New Supply	1.4%	-	0.2%	-
	Gearing	39.1%	39.4%	38.3%	<40%
Asset Management	Reinvestment %	2.8%	2.5%	2.2%	7%
	ROCE	2.3%	2.1%	2.2%	>1.75%
Cost per unit	Headline social housing cost	£4,758	£7,353	£7,954	<£7,400

The median metrics are based on registered providers who have provided their results to Housemark. Our benchmark group includes Registered Providers in London and the South East with less than 5,000 social housing properties. The median above is based on 13 Registered Providers.

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Business Health

Group Performance		Median (2019/20)	2020	2019	Target (2020)
Business Health	Operating Margin (overall)	21.6%	18.6%	15.4%	16%
	Operating margin (Social Housing)	24.1%	17.3%	16.4%	16%
	EBITDA-MRI Interest Cover	145.5%	60.9%	74.8%	>0%

Operating margin results have exceeded our budget target level and are higher compared with the previous year. Margins have improved compared to 2019 as 10% of the 2019 turnover related to development income which is directly matched to costs. In addition, the 2019 results included costs associated with abortive merger negotiations. Excluding these activities, the overall margin for 2019 would have been 18.5% which is more consistent with the 2020 results.

The margins are still below the median for our peer group. This is due to the high cost nature of our heritage stock (see social housing cost per unit on page 19).

EBITDA-MRI interest cover for the group remains below 100%. This is due to costs associated with maintaining our buildings (see social housing cost per unit on page 19) and our capital investment programme. The decrease in interest cover in 2020 is due to higher capital expenditure incurred of £1.6m compared to £1.3m in 2019. Our investment programme is scheduled to last for a further 4 years and EBITDA-MRI is expected to remain below 100% during this period. We have a long-term financial plan which is stress tested and demonstrates over the long term we become a financially strong organisation.

Growth

Group Performance		Median (2019/20)	2020	2019	Target (2020)
Development	New Supply	1.4%	-	0.2%	-
	Gearing	39.1%	39.4%	38.3%	<40%

No new homes were delivered in 2020. In 2021 we will deliver 9 new homes which are currently on site. Our major development of 80 homes is still pending a planning decision from the local authority.

Gearing is in line with target and just above the median for our peer group. When our major development is delivered our gearing ratio will significantly improve as it will provide us with an £19m asset for a cost of c£1.8m. This will provide us additional capacity to raise more debt for further growth.

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Asset Management

Group Performance		Median (2019/20)	2020	2019	Target (2020)
Asset Management	Reinvestment %	2.8%	2.5%	2.2%	7%
	ROCE	2.3%	2.1%	2.2%	>1.8%

The level of re-investment was less than expected in 2020 as the start of the development at Norman Court was deferred due to the Coronavirus pandemic. Start on site was achieved in September 2020 and the works will complete in December 2021.

Return on capital employed (ROCE) is consistent with 2019 and close to the median for our peer group.

Social housing cost per unit

The value for money metrics include the social housing cost per unit. This can be broken down into the following cost headings:

Cost per home	Median (2019/20)	Women's Pioneer (2020)	Women's Pioneer (2019)	Peer group rank
Housing management	£1,177	£1,256	£1,290	10
Service charges	£1,006	£1,567	£1,477	11
Responsive & planned maintenance	£1,446	£2,497	£2,426	12
Major repairs (including capital works)	£912	£1,816	£1,580	13
Other social housing costs	£217	£217	£1,143	8
Headline social housing costs	£4,758	£7,353	£7,954	12
Less: Development costs recovered and abortive merger costs		(47)	(957)	
Cost per unit without Wood lane development costs		£7,306	£6,997	12

The overall cost per home is significantly higher than the peer group median, especially with regards to service charges, maintenance and major repairs. The key reasons are explained below:

- Due to the location, type and age of our properties they can be expensive to maintain and improve and can require significant investment. Many are 19th century properties in Kensington and Chelsea and a significant number are listed or in conservation areas.
- As a result of the above, the cost of providing major works (including capital works) is significantly higher than our peer group due to the higher unit costs and level of investment required compared to newer properties. This is also impacted by our significant capital investment programme which saw the modernisation of 69 (2019: 37) kitchens and 56 (2019: 34) bathrooms.
- We invested heavily in planned maintenance activities and have aligned our cyclical maintenance works with any development activities on our existing stock. In addition, enhanced health and safety work have contributed to the high costs.
- The cost of providing services is high due to the nature of the stock of which 98% are flats. Each flat has a service charge attached to them which can be very significant depending on the services being provided. The costs of services are reviewed and retendered on a regular basis to ensure we make efficiency savings where possible.

Our future plans on value for money (set out on page 21) inform how we plan to increase our margins and reduce our social housing cost per unit.

WOMEN'S PIONEER HOUSING LIMITED

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Value for Money – Adding Social value

Where possible, we aim to add social value. Our overall vision is to make a positive difference to women's lives. Our work plays a vital role in tackling gender inequality.

Our work under objectives 1 and 3 of our Corporate Plan enables us to provide good quality, safe and secure homes for women who have difficulty finding and keeping accommodation in the private sector. This helps them to achieve their potential in society.

Our work under objective 2 further supports our residents' independence and wellbeing. In achieving this objective we aim to work effectively with partners, LAs and other organisations to offer residents access to support with benefits, employment and training opportunities as well as IT training.

Our work under objective 4 raises the profile of women's housing issues and influences other housing providers to also do more to meet women's housing needs.

Value for Money achievements

During 2020 we achieved the following:

- Commencement of our capital investment programme to meet our homes standard. This will deliver almost 600 new kitchens and bathrooms by 2025 and despite the Covid pandemic we have been able to deliver 125 new installations during the year.
- Our treasury advisors assisted us with refinancing our existing £20m loan facilities. We have secured a £20m bond at a rate of 2.9% and does not mature until 2047.
- Invested in IT to ensure all office based staff could work from efficiently from home and introduced Microsoft Teams to enable effective communication both internally and externally.
- Restructured staff resources replacing two full time roles with three part time roles which has improve efficiencies across governance, HR and facilities management.
- Implementation of a new purchase order system and invoice automation software. This saves a significant amount of time in processing invoices and enabled us to recognise savings within the finance and governance team.
- Implementation of a dynamic purchasing system for responsive repairs. The software provides a platform for contractors to quote quickly for minor works which will help us achieve value for money.
- Procurement of service contracts such as:
 - Warden call contract: The free service was provided by the local authority ended in April 2020. To continue the service with the local authority would cost £35,000 a year. However through successful procurement we were able to secure a contract with another provider for approximately £13,000 per annum.
 - Utility contracts: We use an energy broker who is able to access and negotiate the best prices in the market when we renew our annual contracts.
- Commencement of the strategy to dispose up to 25 studio flats into the subsidiary to let at market rent. One property was disposed in 2020 and a further 4 properties are earmarked for disposal in the first half of 2021. Profits will be gift aided back to the Association to help fund the capital investment programme.
- Our rent arrears continue to be low. We have a rent payment predictive software which has assisted our housing team in targeting arrears cases more efficiently. In addition we have a financial inclusion officer who specialises in handling universal credit cases. This has helped restrict the increase in current arrears to just 0.46% during the course of the pandemic.

WOMEN'S PIONEER HOUSING LIMITED

BOARD REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Value for Money Future Plans

2021 and beyond will continue to see changes within Women's Pioneer as we deliver on the objectives set in our corporate plan. Value for money initiatives include:

- Working effectively with partners, Local Authorities and other organisations to:
 - offer residents access to support with benefits, employment and training, including IT training
 - provide information on social, health and leisure activities locally
 - maintain our DAHA accreditation.
- Continued investment in IT in order to maximise the use of our housing, repairs and finance systems as well as improve the efficiency of our work. This includes the implementation of an energy modules to assess how efficient our stock is and what level of investment is required to achieve and energy performance rating of C at each property.
- Procurement of new contracts such as our electrical safety programme and ongoing cyclical projects.
- Further investment in our staff and development plan. We recently negotiated group CIH membership for all staff which will provide training opportunities to help improve knowledge and expertise and enhance the services we provide to our residents.

Improving overall performance

The Board recognises the value for money metrics associated with operating margins and social housing costs need to be improved. The Board have two key strategies in place to help achieve this. These include:

- Diversification of our existing stock. At the end of 2019 the Board approved a strategy to dispose of up to 25 studio properties to the subsidiary to be let out at market rent. One studio flat was disposed to the subsidiary in 2020 and a further four properties are currently vacant pending disposal. We expect to complete up to 25 disposals by 2024.
- Development of new properties. In December 2020 the Board agreed a new development strategy setting a target of achieving 10% growth over the next 5 years. The growth will include diversifying our housing asset streams further and may include affordable rent, London living rent or intermediate rent.

By achieving these strategies the average margins over the next 10 years should increase to 25% and social housing costs per unit will reduce as staff and overhead levels are not expected to increase as the number of properties increase.

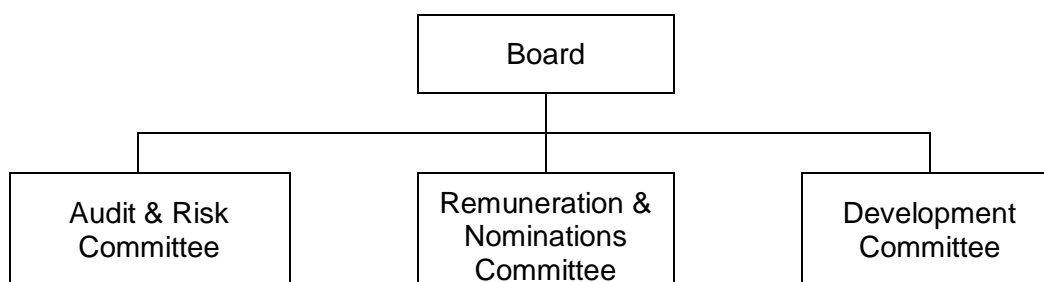
WOMEN'S PIONEER HOUSING LIMITED BOARD REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Governance

Women's Pioneer Housing is governed by a Board composed of up to 12 non-executive members. Details of the Board, who are drawn from a range of backgrounds, are set out on page 1. We commenced Board recruitment in spring 2020 and 4 new Board members were co-opted and later elected at the AGM.

The group has adopted the National Housing Federation's 'Code of Governance: Promoting Board Excellence for Housing Associations (2015 edition)' and has committed to uphold it and keep to the high standards expected.

The following Governance structure is in place:



The Board delegates some of its responsibilities to the committees above. Each committee has clear terms of reference and delegated authority.

Audit & Risk Committee

The Audit and Risk Committee oversees the work of both the internal and external audit function and the risk management and internal controls for the group. The Committee review the audited financial statements for the group and recommend them to the relevant Board for approval. Through the reports it receives, the Audit and Risk committee gains external assurance that the group has appropriate systems of internal control in place and these are working effectively.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee considers the remuneration of the Chief Executive and the appointment and appraisal of Board members. Membership comprises of 3 Board members and co-opted independent member who specialises in HR.

Development Committee

The Development committee oversees the development activities of the group. It comprises of 5 Board members and key staff members with specialist skills in this area.

Executive Directors

The group is managed by the Senior Management Team headed by the Chief Executive and supported by the Director of Resources, Director of Housing, Director of Property and Estate Services and the Head of HR and Corporate Services.

The Senior Management Team and other staff have no interest in the Association's shares and act as executives within the authority delegated by the Board.

WOMEN'S PIONEER HOUSING LIMITED BOARD REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Chief Executive and other Senior Management Team members are on notice periods ranging from three to six months. Details of their remuneration are shown in note 9. Board members receive expenses but no remuneration for their services.

Insurance policies are in place to indemnify Board members, Executive Directors and staff against liability when acting for the group.

Resident Involvement

Residents are actively encouraged to become involved in decision making by the group. We have a resident Board member and an independent Resident Engagement and Scrutiny Panel (RESP).

During the year the RESP reviewed a number of areas of our service delivery, including our repairs service. The RESP reports the outcomes of these reviews to Board and actions are monitored throughout the year. In addition, residents took part in recruitment panels, contractor evaluation, complaints panels and the Pioneer Press editorial panel.

Statement of Board's responsibilities

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation in England require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the surplus or deficit for that period. In preparing the financial statements the Board is required to:

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

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England from April 2019. It is also responsible for safeguarding the assets of the group and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The Board is responsible for ensuring that the Board report includes a fair review of the development and performance of the business and the position of the group and its subsidiaries included in the consolidation, together with the disclosure of the principal risks and uncertainties they face.

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

WOMEN'S PIONEER HOUSING LIMITED

BOARD REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Internal controls assurance

The Board has overall responsibility for establishing and maintaining the whole system of internal control for the group and reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the group's assets and interests.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the group and a robust and prudent business planning, risk and control framework is in place. This approach has operated throughout the year under review up to and including the date of approval of the Consolidated Financial Statements.

Key elements of the control framework include:

- an organisational structure with clearly defined lines of responsibility and delegation of authority,
- policies that are regularly reviewed by the Board and supported by detailed procedures designed to ensure proper implementation of policy,
- detailed risk management action plans, reviewed by the board and audit committee regularly to ensure that it accurately reflects changes in the housing sector arising principally from changes in government policy with management action plans changed accordingly,
- robust strategic and business planning processes with detailed budgets, financial forecasts, and stress testing,
- formal recruitment and development policies for all staff together with a formal appraisal process to manage staff development and performance,
- clear procedures for managing fraud risk across the group,
- the operation of an outsourced internal audit function reporting directly to the audit and risk committee,
- benchmarking our processes with others; and
- a programme of regularly reporting to the Board on the group's financial position, including compliance with loan covenants and requirements for new finance.

Financial Review

Going concern

After making enquiries, the Board has a reasonable expectation that the overall group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed.

The financial statements for the group report a net current liability of £5.2m at the end of the year. This is due to a £6m loan which matures in December 2021. We have recently secured a £20m bond which has refinanced this loan. See capital structure and treasury management for further details on page 26.

WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Results

Five-year trends for the group are set out below:

	2020	2019	2018	2017	2016
	£'000	£'000	£'000	£'000	£'000
Statement of Comprehensive Income					
Income from social lettings	6,860	6,721	6,810	7,068	7,045
Income from other lettings	587	575	375	132	100
Other activities	248	1,118	663	596	197
Amortised Social Housing Grant	272	263	245	408	276
Total Turnover	7,967	8,677	8,093	8,204	7,618
Operating costs	(6,485)	(7,362)	(6,772)	(6,906)	(6,196)
Gain on disposal of properties	-	170	-	141	-
Movement in value of investment properties	121	(410)	(90)	2,062	3,157
Operating surplus	1,603	1,075	1,231	3,501	4,579
Net interest payable	(957)	(969)	(892)	(877)	(954)
Surplus transferred to reserves	646	106	339	2,624	3,625
Statement of Financial Position					
Housing Properties net of depreciation	62,383	61,574	61,679	60,259	58,444
Investment Properties	8,489	7,796	8,169	6,909	4,083
Other fixed assets	1,640	1,555	1,715	1,772	1,510
Fixed assets	72,512	70,925	71,563	68,940	64,037
Net current assets/(liabilities)	(5,207)	1,528	549	(1,035)	1,285
Total assets less current liabilities	67,305	72,453	72,112	67,905	65,322
Loans (due over one year)	20,179	25,703	25,204	20,953	20,449
Social Housing Grant	26,045	26,316	26,579	26,962	27,506
Total Liabilities	46,224	52,019	51,783	47,915	47,955
Total Net Assets	21,081	20,434	20,329	19,990	17,367
Reserves	21,081	20,434	20,329	19,990	17,367

The results for 2020 show a decrease of £710k (8.2%) in group turnover. This is due to the following:

- Development services income (reporting in other activities) has reduced by £873k. In 2019 we entered into an agreement with a developer to provide 80 new homes and a new office. This is in exchange for land. As part of the agreement, the developer agreed to pay our feasibility works and most of our ongoing consultancy fees. The income associated development services for 2020 is £30k (2019: £903k). Development income and costs are now significantly lower as the developer is bearing the development and financial risk.
- Income from social housing lettings has increased by 2% due to the annual rent increase.

WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Results (continued)

Operating costs report a decrease of £877k (11.9%) due to the following:

- Development services costs (social housing) have fallen by £871k to £47k (2019: £918k) and directly relate to a fall in income.
- One off costs associated with merger negotiations in 2019 accounts for fall in £98k
- The above is offset by a small increase in operating costs of around 1%.

Included in the overall surplus for the year is a 1.5% increase in value of investment properties of £121k (2019: decrease of £410k). 16 properties owned by the subsidiary and one property owned by the Association were let on a market rent basis during 2020.

Group reserves at the year end amounted to £21.1m (2019: £20.4m). See the Statement of Changes in Reserves for further details (pages 34-35).

Key statistics for the last 5 years are set out below:

	2020	2019	2018	2017	2016
General Needs properties	803	804	805	808	813
Housing for Older people	182	182	182	182	184
Market rented	17	16	14	9	5
Rent losses* (void loss as a % of income from lettings)	1.37%	1.16%	1.35%	1.36%	0.83%
Rent arrears* (arrears as a % of income from lettings)	3.42%	2.96%	3.18%	3.34%	3.18%
Debt per property owned*	£26,258	£25,725	£25,193	£20,828	£20,437
Reserves per property owned*	£16,717	£16,012	£15,612	£15,121	£14,181
Interest cover (EBITDA)*	2.05	1.97	2.04	2.10	1.98

* Association results only

Capital structure and treasury management

Borrowings at the end of 2020 were £26.2m (2019: £25.7m) and undrawn facilities were an additional £4m. The debt is borrowed from banks and building societies in the UK. Our approach is to borrow at fixed and variable rates to minimise our overall exposure to interest rate risk. We do not currently use interest rate swaps or other free-standing derivatives to manage risk. Our average interest rate for our loans (including margins) at the reporting period date was 3.55% (2019: 3.43%).

Of the debt drawn at 31 December 2020, £6m is due to mature in December 2021 and a further £9.8m in May 2022. In 2020 following a tender exercise the Board approved a long term (26 year) £20m bond from GB Social Housing which was secured in February 2021 at a rate of 2.9%. This funding has been used to refinance the facilities due to mature.

**WOMEN'S PIONEER HOUSING LIMITED
BOARD REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Disclosure of information to the auditor

At the date of this report, each Board member confirms the following:

- So far as each Board member is aware, there is no relevant information needed by the Association's and group's auditor in connection with preparing their report of which the Association's and group's auditor is unaware
- Each Board member has taken all the steps that they ought to have taken as a Board member in order to make themselves aware of any relevant information needed by the Association's and group's auditor in connection with preparing their report and to establish that the Association's and group's auditor is aware of that information.

Statement of compliance

The Board confirms that the Association has met the Regulator of Social Housing's regulatory expectations in respect of the Governance and Financial Viability Standard.

The group has adopted the National Housing Federation's 'Code of Governance: Promoting Board Excellence for Housing Associations (2015 edition)' and has committed to uphold it and keep to the high standards expected. During 2019 and up to June 2020 there was an area of non-compliance as we extended the tenure of 2 board members (the former Chair and former Vice Chair) by one year beyond the maximum term of 9 years. This was to ensure continuity whilst merger discussions took place. One of these board members resigned from the Board in March 2020 and the other in June 2020.

The Board report was approved by the Board on 25 May 2021 and signed on its behalf by:



**Kim Vernau
Chair**

**WOMEN'S PIONEER HOUSING LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Independent Auditor's Report to the Members of
Women's Pioneer Housing Limited**

Opinion

We have audited the financial statements of Women's Pioneer Housing Limited (the "association") and its subsidiary (the "Group") for the year ended 31 December 2020 which comprise the consolidated and association Statement of Comprehensive Income, the consolidated and association Statement of Financial Position, the consolidated and association Statement of Changes in Reserves, the consolidated Statement of Cashflows and the notes to the financial statements, including 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 the group and association's affairs as at 31 December 2020 and of 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 Co-operative and Community Benefit Societies Act 2014, the Housing Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 group and association 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**WOMEN'S PIONEER HOUSING LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Independent Auditor's Report (continued)

Other information

The other information comprises the information included in the Consolidated financial statements, other than the financial statements and our auditor's report thereon. The board are responsible for the other information contained within the Consolidated financial statements. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 23, the members of the board are the directors of the association 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.

In preparing the financial statements, the directors are responsible for assessing the group's and association'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 group or association 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.

**WOMEN'S PIONEER HOUSING LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Independent Auditor's Report (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the group and association's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of the group and association's industry and regulation.

We understand that the group and association complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A programme of internal audit performed by an independent firm of internal auditors;
- Independent health and safety reviews across identified compliance areas;
- A dedicated health and safety compliance officer;
- A risk assessment framework and register that includes regular review and scrutiny by the Audit & Risk Committee;
- An annual assessment of compliance with housing association regulations; and
- The Board's close oversight through regular board meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the association's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the association:

- FRS 102, the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019, in respect of the preparation and presentation of the financial statements;
- Health and safety regulations, including building and fire safety; and
- Housing association regulations.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Making enquiries with management and the Audit & Risk Committee as to the risks of non-compliance and any instances thereof; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence between regulators and the association.

**WOMEN'S PIONEER HOUSING LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Independent Auditor's Report (continued)

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the group and association's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were:

- Management override of control; and
- Revenue recognition, specifically the manipulation of revenue through fraudulent journal entries.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the association's processes and controls surrounding manual journal entries;
- reviewing and challenging estimates made by management; and
- substantive work on revenue transactions.

The senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities. In particular, both the senior statutory auditor and the audit manager have a number of years' experience in dealing with group's with similar risk profiles.

A further description of our responsibilities is available 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 association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association'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: 28/05/2021

WOMEN'S PIONEER HOUSING LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	GROUP		ASSOCIATION	
		2020	2019	2020	2019
		£	£	£	£
Turnover	3	7,967,311	8,676,555	7,863,306	8,587,208
Operating expenditure	3	(6,485,140)	(7,361,767)	(6,404,300)	(7,304,562)
Operating Surplus before gain on disposal of property, plant and equipment and decrease in valuation of investment properties	3	1,482,171	1,314,788	1,459,006	1,282,646
Gain on disposal of property, plant and equipment	6	-	169,915	3,054	169,915
Increase / (decrease) in valuation of investment properties		121,396	(410,232)	15,000	-
Operating surplus		1,603,567	1,074,471	1,477,060	1,452,561
Interest receivable		6,794	10,342	29,959	42,466
Interest and financing costs	7	(963,969)	(979,395)	(963,969)	(979,395)
Surplus before tax	8	646,392	105,418	543,050	515,632
Taxation		-	(19)	-	-
Surplus for the financial year		646,392	105,399	543,050	515,632
Total comprehensive income for the year		646,392	105,399	543,050	515,632

All amounts relate to continuing activities

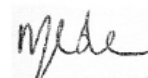
The financial statements were approved and authorised for issue by the Board on 25 May 2021 and signed on its behalf by:



Kim Venau
Chair



Louise Wolfson
Board member



Mark Cole
Secretary

The notes on pages 37 to 58 form part of these financial statements

WOMEN'S PIONEER HOUSING LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	GROUP		ASSOCIATION	
		2020	2019	2020	2019
		£	£	£	£
Fixed assets					
Tangible fixed assets	11	62,383,426	61,573,891	62,383,426	61,573,891
Other tangible fixed assets	12	1,640,127	1,555,007	1,640,127	1,555,007
Investment properties	13	8,488,909	7,796,520	756,679	275,000
Investment in subsidiary	14	-	-	435,500	435,500
		<u>72,512,462</u>	<u>70,925,418</u>	<u>65,215,732</u>	<u>63,839,398</u>
Current assets					
Debtors	15	559,890	974,895	3,460,334	3,773,616
Investments	16	520,000	532,819	520,000	532,819
Cash and cash equivalents		<u>1,541,889</u>	<u>2,115,349</u>	<u>1,307,882</u>	<u>1,871,781</u>
		2,621,779	3,623,063	5,288,216	6,178,216
Creditors: amounts falling due within one year	17	<u>(7,829,314)</u>	<u>(2,094,814)</u>	<u>(7,796,484)</u>	<u>(2,058,068)</u>
Net current (liabilities) / assets		<u>(5,207,535)</u>	<u>1,528,249</u>	<u>(2,508,268)</u>	<u>4,120,148</u>
Total assets less current liabilities		<u>67,304,927</u>	<u>72,453,667</u>	<u>62,707,464</u>	<u>67,959,546</u>
Creditors: amounts falling due after more than one year	18	46,223,991	52,019,125	46,223,991	52,019,125
Total net assets		<u>21,080,936</u>	<u>20,434,542</u>	<u>16,483,473</u>	<u>15,940,421</u>
Capital and reserves					
Non-equity share capital	20	24	22	24	22
Revaluation reserve	21	4,862,028	4,755,632	-	-
Income and expenditure reserve	21	16,218,884	15,678,888	16,483,449	15,940,399
Total reserves		<u>21,080,936</u>	<u>20,434,542</u>	<u>16,483,473</u>	<u>15,940,421</u>

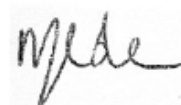
The financial statements were approved and authorised for issue by the Board on 25 May 2021 and signed on its behalf by:



Kim Venau
Chair



Louise Wolfson
Board member



Mark Cole
Secretary

The notes on pages 37 to 58 form part of these financial statements

WOMEN'S PIONEER HOUSING LIMITED
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2020

GROUP	Share Capital £	Retained Earnings £	Revaluation Reserve £	Total £
At 1 January 2020	22	15,678,888	4,755,632	20,434,542
Surplus for the financial year	-	646,392	-	646,392
Transfer to revaluation reserve	-	(106,396)	106,396	-
Total comprehensive income for the year	-	539,996	106,396	646,392
Shares issued	4	-	-	4
Shares Cancelled	(2)	-	-	(2)
At 31 December 2020	24	16,218,884	4,862,028	21,080,936

GROUP	Share Capital £	Retained Earnings £	Revaluation Reserve £	Total £
At 1 January 2019	21	15,163,257	5,165,864	20,329,142
Surplus for the financial year	-	105,399	-	105,399
Transfer to revaluation reserve	-	410,232	(410,232)	-
Total comprehensive income for the year	-	515,631	(410,232)	105,399
Shares issued	1	-	-	1
At 31 December 2019	22	15,678,888	4,755,632	20,434,542

The notes on pages 37 to 58 form part of these financial statements

**WOMEN'S PIONEER HOUSING LIMITED
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2020**

ASSOCIATION	Share Capital £	Retained Earnings £	Total £
At 1 January 2020	22	15,940,399	15,940,421
Surplus for the financial year	-	543,050	543,050
Total comprehensive income for the year	-	543,050	543,050
Shares issued	4	-	4
Shares cancelled	(2)	-	(2)
At 31 December 2020	24	16,483,449	16,483,473

ASSOCIATION	Share Capital £	Retained Earnings £	Total £
At 1 January 2019	21	15,424,767	15,424,788
Surplus for the financial year	-	515,632	515,632
Total comprehensive income for the year	-	515,632	515,632
Shares issued	1	-	1
At 31 December 2019	22	15,940,399	15,940,421

The notes on pages 37 to 58 form part of these financial statements

WOMEN'S PIONEER HOUSING LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flow from operating activities		
Surplus for the financial year	646,392	105,399
Adjustments for:		
Depreciation of tangible fixed assets	907,204	928,982
Amortisation of government grants	(271,863)	(262,607)
Movement in fair value of investment properties	(121,396)	410,232
Interest payable and financing costs	935,911	950,146
Interest receivable and finance income	(6,794)	(10,342)
Taxation expense	-	19
Gain on disposal of property, plant and equipment	-	(169,915)
Decrease in investment	12,819	10,776
Decrease / (increase) in trade and other debtors	415,005	(204,146)
(Decrease) in trade and other creditors	(252,650)	(172,849)
Amortisation of loan set up costs	28,058	29,249
Net cash generated from operating activities	<u>2,292,686</u>	<u>1,614,944</u>
Cash flow from investing activities		
Purchase and construction of housing properties	(2,094,519)	(975,926)
Purchase of other fixed assets	(290,067)	(67,693)
Proceeds from sale of tangible fixed assets	-	395,991
Interest received	6,794	10,342
Net cash used in investing activities	<u>(2,377,792)</u>	<u>(637,286)</u>
Cash flow from financing activities		
Interest paid	(942,580)	(938,896)
Issue / (cancellation) of shares	2	1
New secured loans	500,000	500,000
Repayment of Social Housing Grant	-	(344,479)
Repayment of borrowings	(29,881)	(27,760)
Net Cash from financing activities	<u>(472,459)</u>	<u>(811,134)</u>
Net change in cash and cash equivalents	(557,565)	166,524
Cash and cash equivalents at beginning of year	2,092,850	1,926,326
Cash and cash equivalents at end of year	<u>1,535,285</u>	<u>2,092,850</u>
Cash and cash equivalents at the end of the year comprise:		
Cash and cash equivalents	1,541,889	2,115,349
Bank overdraft and short-term facilities	(6,604)	(22,499)
Cash and cash equivalents at end of year	<u>1,535,285</u>	<u>2,092,850</u>

The notes on pages 37 to 58 form part of these financial statements

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Legal status

Women's Pioneer Housing Limited is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Homes and Communities Agency as a housing provider. The registered address is 227 Wood lane, London W12 0EX, United Kingdom.

2. Accounting policies

Basis of accounting

The financial statements of the Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

The financial statements have been prepared under the historical cost convention as modified by the application of fair value following the valuation of certain properties. They have been prepared on a going concern basis and in accordance with applicable accounting standards in the United Kingdom. They are presented in sterling (£). As a public benefit entity, Women's Pioneer Housing Limited has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

The preparation of the financial information required management to exercise its judgement in applying the group's accounting policies. Areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are explained in the accounting policies below.

Going Concern

The group's and Association's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The group and Association reviews its business plan on an annual basis and considers the impact on any loan covenants and debt requirements. We also conduct stress testing of the plan on a range of scenarios.

From March 2020 the Coronavirus pandemic affected the UK. Social isolating measures were introduced to protect the public and to help prevent the spread of the virus. The group activated the business continuity plan and continually reviewed and revised our services as the public health emergency progressed. The executive and the board have considered potential implications including a fall in rent receipts and operational matters with an increased staff sickness. The group and Association has sufficient financial resources to operate for the foreseeable future and for a period of not less than 12 months from the date of approval of the financial statements and will continue to monitor financial and operational performance on a monthly basis. There is also sufficient headroom to ensure there will be no breach on any loan covenant requirements.

At 31 December 2020 the group has £16m of loans drawn of which £6m is repayable in 2021 and £10m repayable in May 2022. In February 2021 the group completed a refinance exercise and secured a long term (27 year) £20m bond. This funding has been used to refinance the £16m loans which were due to mature.

Therefore we consider it appropriate to continue to prepare the financial statements on a going concern basis.

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

Basis of consolidation

The group financial statements are the result of the consolidation of the financial statements of the Association and its subsidiary. Uniform Accounting policies have been used throughout the group. All intra-group transactions, balances and surpluses are eliminated on consolidation.

Turnover and revenue recognition

Rent	Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Rental income represents the amount receivable, net of any empty properties, for the period.
Service charges	Service charge income and costs are recognised on an accruals basis. The group operates variable service charges on a scheme by scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered they are held as creditors or debtors in the Statement of Financial position.
Revenue grants	Revenue grants are recognised when the performance related conditions are met or when the grant proceeds are received or become receivable if no conditions are imposed.
Amortisation of Government grants	Grants provided to purchase or construct social housing assets are recognised on a systematic basis over the useful economic life of the asset for which the grant is intended to compensate.
Interest Receivable	Interest income is recognised on a receivable basis
Gift aid	Gift aid is recognised on a receivable basis

Taxation

The Association has charitable status and is not subject to corporation tax on surpluses in furtherance of charitable objectives. The profits of its subsidiary are subject to corporation tax but it has elected to distribute its profits to the Association via gift aid.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits,
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met, and
- Where timing differences relate to interests in subsidiaries, associates and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax.

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

Value added tax

The group is registered for VAT but is only partially able to recover VAT incurred on expenditure. The financial statements therefore include VAT suffered on expenditure.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Employee benefits

A liability is recognised to the extent of any employee benefits including unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted cost to the employees of the future holiday entitlement and accrued at the reporting date.

Pensions

The cost of providing retirement pensions and related benefits is charged to management expenses over the period benefitting from employees' services. The group offers a direct contribution Group Personal Pension for all employees and during the year made a contribution of up to 8% on their behalf.

Housing properties

Housing properties are principally properties available for rent and are stated at cost less depreciation. Costs includes the cost of acquiring land and buildings, cost of construction and expenditure in improving or reinvesting in existing properties. The cost of construction may also include appropriate amount for staff costs and other costs of managing development.

Cost of construction also includes capitalised interest calculated, on a proportional basis, using finance costs on borrowing which has been drawn in order to finance the relevant construction. Finance costs are only capitalised where construction is ongoing and has not been interrupted or terminated.

Housing properties in the course of development are stated at cost less any impairment, and are transferred to completed properties when ready for letting.

Works to existing properties, for example as part of the 'more than decent' programme, which result in an increase in net rental stream over the lives of the properties, enhancing their economic benefits, are capitalised as improvements. An increase on the net rental stream may arise through an increase in the rental income, a reduction in future maintenance cost, or a significant extension in the life of the property. Where the works are either repair or replacement with no additional benefit, the costs are charged to the Statement of Comprehensive Income.

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

Housing properties have been split between land and structure costs and a specific set of major components which require periodic replacement. Refurbishment or replacement of such components is capitalised. Freehold land is not depreciated. Depreciation is charged on completed housing properties, excluding the land element, on a straight line basis over the useful economic life of the components as follows:

Component	Useful economic life (years)
Land	Not depreciated
Structure	130
Roof	60
Kitchen	20
Bathroom	30
Heating	25
Electrical	20
Lifts	25
Carpets	8
Other scheme equipment	10-15

Lifts, carpets and other scheme equipment are depreciated through 'Property fittings and equipment' in other fixed assets.

Leasehold properties are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

Investment properties

Investment properties are defined as properties held to earn rentals and for capital appreciation on a commercial basis. The group holds properties rented on the open market.

Investment properties are initially measured at cost and subsequently at fair value. This is determined in accordance with the guidance notes on the valuation of assets issued by the Royal Institute of Chartered Surveyors.

Properties held as investments are revalued annually and the surplus or deficit is recognised in the Statement of Comprehensive Income. No depreciation is provided in respect of investment properties.

Investment properties in the course of construction are stated at cost as there is considered to be no material difference to fair value. Development costs include the cost of acquiring land and the cost of construction.

Other fixed assets

Other fixed assets are stated at historical purchase cost less accumulated depreciation. Costs include the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on a straight-line basis as follows:

- Freehold office structure 25 years
- Computer equipment 5 years
- Office equipment and vehicles 5 years

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

Property Impairment

Annually housing properties are assessed for impairment indicators. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash-generating units for which impairment is indicated to their recoverable amounts. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The group defines a cash-generating unit as a scheme. Where the carrying amount of an asset or cash-generating unit is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount. This is likely to be the value in use of the asset based on its service potential. The resulting impairment loss is recognised in the statement of comprehensive income.

The group has used the depreciated replacement cost as a measure when assessing impairment of social housing properties which are able to be let at their current condition and which are fulfilling the social purpose they were acquired for. For other schemes value in use is defined as the net present value of the future cashflows.

Government grants

Grant received in relation to newly acquired or existing housing properties is accounted for using the accrual model. Grant is carried as deferred income in the Statement of Financial Position and released to income on a systematic basis over the useful economic lives of the asset for which it was received.

Where Social Housing Grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met.

Provisions

Provisions have been included in the financial statements only to the extent that there is a present legal or constructive obligation to transfer economic benefits.

Contingent liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

Debtors & Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income.

The group estimates the recoverable value of rental and other receivables and a provision established when there objective evidence that the group will not be able to collect all the amounts due. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

Long term debtors, loans, and current asset investments

All long term debtors, loans, and current asset investments held by the group, are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price, less any transaction costs (historical cost). Basic financial instruments are subsequently measured at amortised cost when the adjustment is considered material, using the effective interest rate method so that the amount recognised is at a constant on the carrying amount. If the adjustment is not material the financial instruments are stated on the Statement of Financial Position at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Cash and cash equivalents

Cash and cash equivalents in the group's consolidated Statement of Financial Position consist of cash at bank, in hand, and current asset investments with an original maturity of three months or less.

Revaluation reserve

The group maintains a revaluation reserve which represents the gain in value of investment properties compared to original cost.

Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affects the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- Impairment. The group has identified a cash generating unit for impairment assessment purposes at a property scheme level. Factors taken into consideration in assessing indicators of impairment include the economic viability and expected future financial performance of each scheme. The group have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on expected future cashflows from the continuing use of that asset and its ultimate disposal.

Other key sources of estimation uncertainty

Tangible fixed assets (see notes 11 & 12 for carrying amounts)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

**WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

Investment properties (see note 13 for carrying amounts)

The fair value of completed investment properties is determined by using valuation techniques which make judgements based upon the current strength of tenants, remainder of lease term of tenancy, location, and other developments which have taken place in the form of open market lettings, rent reviews, lease renewals, and planning consents.

The fair value of land and investment property under construction is determined by using a residential appraisal approach which determines the market value of land by deducting all the costs of development including build costs and any profit assumptions from the overall value of the unit to derive a balance available for the purchase of the land. Judgement is required in relation to build costs and profit assumptions.

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover, operating costs and operating surplus

GROUP	Turnover	2020 Operating costs	Operating * surplus / (deficit)
	£	£	£
Social Housing lettings (note 4)	7,132,428	(5,896,205)	1,236,223
Other social housing activities			
Heritage Lottery project	18,303	(33,340)	(15,037)
Accommodation managed by others	271,974	(162,169)	109,805
Development services**	30,880	(46,907)	(16,027)
Non-social housing activities			
Market rented lettings	315,116	(123,518)	191,598
Leaseholder service charges	198,610	(223,001)	(24,391)
	<u>7,967,311</u>	<u>(6,485,140)</u>	<u>1,482,171</u>

GROUP	Turnover	2019 Operating costs	Operating * surplus / (deficit)
	£	£	£
Social Housing lettings (note 4)	6,983,522	(5,858,618)	1,124,904
Other social housing activities			
Heritage Lottery project	33,177	(33,177)	-
Accommodation managed by others	264,284	(160,474)	103,810
Abortive merger costs	-	(97,190)	(97,190)
Development services**	846,125	(861,083)	(14,958)
Other	1,396	(3,050)	(1,654)
Non-social housing activities			
Market rented lettings	311,206	(90,218)	220,988
Leaseholder service charges	179,438	(200,550)	(21,112)
Development services	57,407	(57,407)	-
	<u>8,676,555</u>	<u>(7,361,767)</u>	<u>1,314,788</u>

* Operating surplus / (deficit) before gain on disposal of property, plant and equipment and increase / (decrease) in valuation of investment properties

** Included in development services is £30,880 (2019: £846,125) of income and costs relating to the reimbursement of Wood Lane costs by our development partner

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover, operating costs and operating surplus:

ASSOCIATION	Turnover	2020 Operating costs	Operating * surplus / (deficit)
	£	£	£
Housing lettings (note 4)	7,132,428	(5,896,205)	1,236,223
Other social housing Activities			
Heritage Lottery project	18,303	(33,340)	(15,037)
Accommodation managed by others	271,974	(162,169)	109,805
Development services**	30,880	(46,907)	(16,027)
Non-social housing activities			
Market rented lettings	188,676	(42,678)	145,998
Leaseholder service charges	221,045	(223,001)	(1,956)
	<u>7,863,306</u>	<u>(6,404,300)</u>	<u>1,459,006</u>

ASSOCIATION	Turnover	2019 Operating costs	Operating * surplus / (deficit)
	£	£	£
Housing lettings (note 4)	6,983,522	(5,858,618)	1,124,904
Other social housing Activities			
Heritage Lottery project	33,177	(33,177)	-
Accommodation managed by others	264,284	(160,474)	103,810
Abortive merger costs	-	(97,190)	(97,190)
Development services**	846,125	(861,083)	(14,958)
Other	743	(3,050)	(2,307)
Non-social housing activities			
Market rented lettings	197,576	(33,013)	164,563
Leaseholder service charges	204,374	(200,550)	3,824
Development services	57,407	(57,407)	-
	<u>8,587,208</u>	<u>(7,304,562)</u>	<u>1,282,646</u>

* Operating surplus / (deficit) before gain on disposal of property, plant and equipment and decrease in valuation of investment properties

** Included in development services is £30,880 (2019: £846,125) of income and costs relating to the reimbursement of Wood Lane costs by our development partner

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4 Turnover and operating expenditure

GROUP & ASSOCIATION

	2020			2019
	General needs housing	Housing for older people	Total	Total
	£	£	£	£
Rent receivable	4,684,874	1,048,680	5,733,554	5,593,075
Service income	694,696	432,315	1,127,011	1,127,840
Net rental income	5,379,570	1,480,995	6,860,565	6,720,915
Amortised government grants	177,853	94,010	271,863	262,607
Turnover from Social housing lettings	5,557,423	1,575,005	7,132,428	6,983,522
Management	918,667	260,911	1,179,578	1,212,702
Service charge costs	922,193	548,465	1,470,658	1,388,564
Responsive maintenance	935,667	193,950	1,129,617	1,108,302
Planned maintenance	1,017,894	197,571	1,215,465	1,207,571
Major repairs expenditure	101,481	43,193	144,674	189,088
Bad debts	40,242	8,669	48,911	45,790
Depreciation of Housing Properties	514,172	188,097	702,269	701,491
Property Leases	5,033	-	5,033	5,110
Operating expenditure on Social Housing Lettings	4,455,349	1,440,856	5,896,205	5,858,618
Operating surplus on Social housing lettings	1,102,074	134,149	1,236,223	1,124,904
Void losses	77,089	16,751	93,840	78,207

5 Accommodation under management and in development

	GROUP		ASSOCIATION	
	2020	2019	2020	2019
Social Housing				
General needs housing	757	758	757	758
Supported housing and housing for older people	182	182	182	182
Non-Social Housing				
Market rented	17	16	1	1
Total owned and managed	956	956	940	941
Leasehold properties managed	90	90	90	90
Accommodation managed by others	46	46	46	46
Properties under development	9	-	9	-

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6 Gain on disposal of property plant and equipment

	GROUP		ASSOCIATION	
	2020	2019	2020	2019
	£	£	£	£
Proceeds of sales	-	410,000	90,768	410,000
less: Cost of Sales	-	(226,076)	(87,714)	(226,076)
Less: Other costs	-	(14,009)	-	(14,009)
Surplus	-	<u>169,915</u>	<u>3,054</u>	<u>169,915</u>

7 Interest payable and similar charges

	GROUP		ASSOCIATION	
	2020	2019	2020	2019
	£	£	£	£
On loans repayable within five years	388,272	395,636	388,272	395,636
On loans wholly or partly repayable in more than five years	549,547	554,510	549,547	554,510
Costs associated with financing	28,058	29,249	28,058	29,249
Interest capitalised on construction of housing properties	(1,908)	-	(1,908)	-
	<u>963,969</u>	<u>979,395</u>	<u>963,969</u>	<u>979,395</u>

8 Surplus on ordinary activities

	2020	2019
	£	£
The operating surplus is stated after charging:		
Depreciation of housing properties	702,269	701,491
Depreciation of other tangible fixed assets	204,935	227,491
Surplus on sale of other fixed assets	-	169,915
Auditors remuneration (excluding VAT):		
Audit of the group financial statements	22,769	20,645
Audit of subsidiary	6,260	6,830
Fees payable to the association's auditor and its associates for other services to the group:		
Tax compliance services	2,470	1,200
Other services	<u>510</u>	<u>-</u>

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9 Board members and executive directors

	GROUP		ASSOCIATION	
	2020	2019	2020	2019
	£	£	£	£
Aggregate emoluments payable to executive directors	<u>377,324</u>	<u>347,416</u>	<u>377,324</u>	<u>347,416</u>
Emoluments payable to the highest paid director, excluding pension contributions	<u>108,376</u>	<u>106,745</u>	<u>108,376</u>	<u>106,745</u>
Aggregate amount of executive directors pensions	<u>26,315</u>	<u>25,515</u>	<u>26,315</u>	<u>25,515</u>
Aggregate amount of any compensation paid or payable to directors in respect of loss of office or other termination payments in the reporting period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The current Chief Executive is an ordinary member of the Women's Pioneer Group Personal Pension, a defined contribution scheme to which the Association contributes up to 8% of salary. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by Women's Pioneer of £8,026 was paid in addition to the personal contributions of the current Chief Executive (2019: £7,907).

Directors (key management personal) are defined as the Chief Executive and other members of the Senior Management Team, being the Director of Resources, Director of Housing and Director of Property Services.

None of the board members received emoluments. Total expenses reimbursed to Board members amounted to £nil (2019: £588.17).

10 Employee Information

	GROUP		ASSOCIATION	
	2020	2019	2020	2019
	No.	No.	No.	No.
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:				
Administration	12	11	12	11
Housing and support	13	11	13	11
Services	11	12	11	12
	<u>36</u>	<u>34</u>	<u>36</u>	<u>34</u>
Staff costs	£	£	£	£
Wages and Salaries	1,296,832	1,293,481	1,296,832	1,293,481
Social Security costs	123,642	122,769	123,642	122,769
Other pension costs	94,798	91,900	94,798	91,900
	<u>1,515,272</u>	<u>1,508,149</u>	<u>1,515,272</u>	<u>1,508,149</u>
Aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the period:	No.	No.	No.	No.
£60,001 to £70,000	1	-	1	-
£70,001 to £80,000	1	1	1	1
£80,001 to £90,000	2	2	2	2
£90,001 to £100,000	-	-	-	-
£100,101 to £110,000	-	1	-	1
£110,101 to £120,000	1	-	1	-

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11a Tangible Fixed Assets

GROUP	Housing properties		Total
	Housing Properties held for letting	Housing Properties under construction	
	£	£	£
Cost			
At start of the year	71,794,421	571,474	72,365,895
Additions	-	290,377	290,377
Works to existing properties	1,560,387	-	1,560,387
Recharged to development services	-	(30,880)	(30,880)
Reclassified as investment property	(93,177)	(220,366)	(313,543)
Disposals of components	(221,487)	-	(221,487)
At end of the year	<u>73,040,144</u>	<u>610,605</u>	<u>73,650,749</u>
Depreciation			
At start of the year	10,792,004	-	10,792,004
Charge for the year	702,269	-	702,269
Reclassified as investment property	(5,463)	-	(5,463)
Eliminated on disposals of components	(221,487)	-	(221,487)
At end of the year	<u>11,267,323</u>	<u>-</u>	<u>11,267,323</u>
Net Book value at 31 December 2020	<u>61,772,821</u>	<u>610,605</u>	<u>62,383,426</u>
Net Book value at 31 December 2019	<u>61,002,417</u>	<u>571,474</u>	<u>61,573,891</u>
Housing Properties comprise:		2020	2019
		£	£
Freehold land and buildings		58,141,690	57,606,188
Long leasehold land and building		4,241,736	3,967,703
		<u>62,383,426</u>	<u>61,573,891</u>

The aggregate amount of interest and finance cost included in the cost of housing properties is £1,908 (2019: £nil)

The carrying value of tangible fixed assets pledged as security for liabilities is £20,571,675 (2019: £20,362,105).

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11b Tangible Fixed Assets

ASSOCIATION	Housing properties		
	Housing Properties held for letting	Housing Properties under construction	Total
	£	£	£
Cost			
At start of the year	71,794,421	571,474	72,365,895
Additions	-	290,377	290,377
Works to existing properties	1,560,387	-	1,560,387
Recharged to development services	-	(30,880)	(30,880)
Reclassified as investment property	(93,177)	(220,366)	(313,543)
Disposals of components	(221,487)	-	(221,487)
At end of the year	<u>73,040,144</u>	<u>610,605</u>	<u>73,650,749</u>
Depreciation			
At start of the year	10,792,004	-	10,792,004
Charge for the year	702,269	-	702,269
Reclassified as investment property	(5,463)	-	(5,463)
Eliminated on disposals of components	(221,487)	-	(221,487)
At end of the year	<u>11,267,323</u>	<u>-</u>	<u>11,267,323</u>
Net Book value at 31 December 2020	<u>61,772,821</u>	<u>610,605</u>	<u>62,383,426</u>
Net Book value at 31 December 2019	<u>61,002,417</u>	<u>571,474</u>	<u>61,573,891</u>
Housing Properties comprise:		2020	2019
		£	£
Freehold land and buildings		58,141,690	57,606,188
Long leasehold land and building		4,241,736	3,967,703
		<u>62,383,426</u>	<u>61,573,891</u>

The aggregate amount of interest and finance cost included in the cost of housing properties is £1,908 (2019: £nil)

The carrying value of tangible fixed assets pledged as security for liabilities is £20,571,675 (2019: £20,362,105).

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12 Other fixed assets

Group & Association	Other fixed Assets			
	Freehold Offices	Office equipment and vehicles	Properties fittings & equipment	Total
	£	£	£	£
Cost				
At start of the year	478,441	425,577	2,185,675	3,089,693
Additions	-	91,383	198,684	290,067
Disposals	-	-	(39,937)	(39,937)
At end of the year	<u>478,441</u>	<u>516,960</u>	<u>2,344,422</u>	<u>3,339,823</u>
Depreciation				
At start of the year	77,908	265,050	1,191,728	1,534,686
Charge for the year	7,438	59,587	137,910	204,935
Eliminated on disposals	-	-	(39,925)	(39,925)
At end of the year	<u>85,346</u>	<u>324,637</u>	<u>1,289,713</u>	<u>1,699,696</u>
Net Book value at 31 December 2020	<u>393,095</u>	<u>192,323</u>	<u>1,054,709</u>	<u>1,640,127</u>
Net Book value at 31 December 2019	<u>400,533</u>	<u>160,527</u>	<u>993,947</u>	<u>1,555,007</u>

13 Investment properties held for letting

GROUP	Properties held for letting	Properties under construction	Total
	£	£	£
At start of the year	7,561,792	234,728	7,796,520
Reclassification from Housing Properties	87,714	220,366	308,080
Additions	16,600	246,313	262,913
Increase / (loss) from adjustment in value	<u>147,633</u>	<u>(26,237)</u>	<u>121,396</u>
At end of year	<u>7,813,739</u>	<u>675,170</u>	<u>8,488,909</u>
ASSOCIATION			
At start of the year	275,000	-	275,000
Reclassification from Housing Properties	-	220,366	220,366
Additions	-	246,313	246,313
Increase from adjustment in value	<u>15,000</u>	<u>-</u>	<u>15,000</u>
At end of year	<u>290,000</u>	<u>466,679</u>	<u>756,679</u>

The investment properties held for letting have been independently valued by Aspect Surveyors Limited (chartered surveyors). The properties were valued on a Market Value basis in accordance with the RICS Red Book on Valuation Standards using the direct comparison method of valuation appraisal.

The investment properties under construction have been valued by the directors based on appropriate external advice. The value of land is determined by using a residential appraisal approach which determines the market value of land by deducting all the costs of development including build costs and any profit assumptions from the overall value of the unit to derive a balance available for the purchase of the land.

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14 Investment in subsidiary

The group includes the following subsidiary registered in England:

Company	Incorporation	Ownership	Nature of business	Regulated / non-regulated
Women's Pioneer Homes Ltd	Company	100%	Market rent	Non-regulated
ASSOCIATION				
2020				
2019				
£				
Cost				
At start of the year and end of the year			435,500	435,500
Impairment				
At start of the year and end of the year			-	-
Net Book Value at start and end of the year			435,500	435,500

As required by statute, the financial statements consolidate the results of Women's Pioneer Housing Limited and its subsidiary. The Association has the right to appoint members to the board of its subsidiary, thereby exercising control. The Board believe that the carrying value of the investment is supported by their underlying assets.

15 Debtors

	GROUP		ASSOCIATION	
	2020	2019	2020	2019
	£	£	£	£
Rent and service charges receivable	427,182	471,754	423,712	465,199
less: provision for bad and doubtful debts	(220,272)	(162,244)	(219,344)	(161,316)
	206,910	309,510	204,368	303,883
Other debtors	100,326	454,045	100,326	454,045
Prepayments and accrued income	252,654	211,340	231,902	197,470
Amounts due from group undertakings	-	-	2,923,738	2,818,218
	559,890	974,895	3,460,334	3,773,616

Amounts due from group undertakings includes a loan to Women's Pioneer Homes of £2.5m (2019: £2.5m)
The loan is presented as a current asset as the Association can recall the loan giving 21 days notice.

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

16 Current asset investments

	GROUP		ASSOCIATION	
	2020	2019	2020	2019
	£	£	£	£
Cash held on deposit	<u>520,000</u>	<u>532,819</u>	<u>520,000</u>	<u>532,819</u>

17 Creditors: amounts falling due within one year

	GROUP		ASSOCIATION	
	2020	2019	2020	2019
	£	£	£	£
Loans (note 18b)	6,033,702	30,657	6,033,702	30,657
Bank Overdraft	6,604	22,499	6,604	22,499
Trade creditors	246,699	403,278	246,699	403,278
Other Creditors	88,206	100,141	88,206	100,141
Deferred Social Housing Grant (note 19)	271,863	271,863	271,863	271,863
Rents and service charges received in advance	374,803	344,191	352,465	320,761
Other taxation and social security	68,110	57,915	68,110	57,915
Accruals and deferred income	<u>739,327</u>	<u>864,270</u>	<u>728,835</u>	<u>850,954</u>
	<u>7,829,314</u>	<u>2,094,814</u>	<u>7,796,484</u>	<u>2,058,068</u>

18a Creditors: amounts falling due after more than one year

	GROUP		ASSOCIATION	
	2020	2019	2020	2019
	£	£	£	£
Loans (note 18b)	20,179,394	25,702,665	20,179,394	25,702,665
Deferred Social Housing Grant (note 19)	<u>26,044,597</u>	<u>26,316,460</u>	<u>26,044,597</u>	<u>26,316,460</u>
Total	<u>46,223,991</u>	<u>52,019,125</u>	<u>46,223,991</u>	<u>52,019,125</u>

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

18b Loan analysis

	GROUP		ASSOCIATION	
	2020	2019	2020	2019
	£	£	£	£
Loans repayable by instalments				
Within one year	33,702	30,657	33,702	30,657
In one year or more but less than two years	37,133	33,702	37,133	33,702
In two years or more and less than five years	135,668	123,129	135,668	123,129
In five years or more	22,865	71,760	22,865	71,760
	<u>229,368</u>	<u>259,248</u>	<u>229,368</u>	<u>259,248</u>
Loans not repayable by instalments				
Within one year	6,000,000	-	6,000,000	-
In one year or more but less than two years	9,856,000	15,356,000	9,856,000	15,356,000
In two years or more and less than five years	-	-	-	-
In five years or more	10,034,979	10,034,979	10,034,979	10,034,979
	<u>25,890,979</u>	<u>25,390,979</u>	<u>25,890,979</u>	<u>25,390,979</u>
add: loan premium	250,388	262,312	250,388	262,312
less: issue costs	(157,639)	(179,217)	(157,639)	(179,217)
Total loans	<u>26,213,096</u>	<u>25,733,322</u>	<u>26,213,096</u>	<u>25,733,322</u>
Total loans split by:				
Loans repayable within one year (note 17)	6,033,702	30,657	6,033,702	30,657
Loans repayable after one year (note 18a)	20,179,394	25,702,665	20,179,394	25,702,665
Total loans	<u>26,213,096</u>	<u>25,733,322</u>	<u>26,213,096</u>	<u>25,733,322</u>

Loans are secured by specific charges on the Association's individual housing properties.

The interest rate profile of the Association at 31 December 2020 was:

	Total	Variable rate	Fixed rate	Weighted average rate
	£	£	£	%
Instalments Loans	229,368	-	229,368	9.96%
Non-instalment loans	25,890,979	6,000,000	19,890,979	3.48%
	<u>26,120,347</u>	<u>6,000,000</u>	<u>20,120,347</u>	<u>3.55%</u>

At 31 December 2020 the Association has the following borrowing facilities:

	2020	2019
	£	£
Undrawn facilities	<u>4,000,000</u>	<u>4,500,000</u>

WOMEN'S PIONEER HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

19 Deferred Social Housing Grant

	GROUP		ASSOCIATION	
	2020	2019	2020	2019
	£	£	£	£
At start of the year	26,588,323	26,850,930	26,588,323	26,850,930
Released to income in the year	(271,863)	(262,607)	(271,863)	(262,607)
At end of the year	<u>26,316,460</u>	<u>26,588,323</u>	<u>26,316,460</u>	<u>26,588,323</u>
Amount due to be released < 1 year	271,863	271,863	271,863	271,863
Amount due to be released > 1 year	26,044,597	26,316,460	26,044,597	26,316,460
	<u>26,316,460</u>	<u>26,588,323</u>	<u>26,316,460</u>	<u>26,588,323</u>

The total amount of grant received and potentially repayable is £35,388,157 (2019: £35,388,157)
This includes grant amortised to the Statement of Comprehensive Income.

20 Non-equity share capital

	2020	2019
	£	£
Shares of £1 each issued and fully paid:		
At 1 January	22	21
Shares issued during the year	4	1
Shares surrendered during the year	(2)	-
At 31 December	<u>24</u>	<u>22</u>

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

21 Reserves

A description of each reserve is set out below.

Retained earnings

This reserve represents to the cumulative surpluses and deficits

Revaluation reserve

The revaluation reserve relates to the cumulative revaluation of investment property compared to historic cost.

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22 Net Debt Reconciliation

Group & Association	As at 1 January 2020 £	Cashflow £	Other non- cash changes £	As at 31 December 2020 £
Cash at Bank and in hand	2,115,349	(573,460)	-	1,541,889
Overdraft	(22,499)	15,895	-	(6,604)
Total cash and cash equivalents	2,115,349	(557,565)	-	1,535,285
Bank borrowing due within 1 year	30,657	470,119	5,532,926	6,033,702
Bank borrowing due in more than 1 year	25,702,665	-	(5,523,271)	20,179,394
Total borrowings	25,733,322	470,119	9,655	26,213,096
Net debt	23,617,973	1,027,684	9,655	24,677,811

23 Capital Commitments

	2020 £	2019 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	2,589,066	-
Capital Expenditure that has been authorised by the Board but has not yet been contracted for	-	2,907,000
	2,589,066	2,907,000

The association expects these commitments to be financed with the undrawn loan facilities

Capital Commitments will be incurred:

Within one year	2,589,066	-
In one year or more but less than two years	-	2,907,000
In two years or more and less than five years	-	-
In five years or more	-	-
	2,589,066	2,907,000

24a Related Parties

During the year the Board had two resident members. Resident members who serve on the board hold tenancy agreements on normal terms and cannot use their position to their advantage.

Rent charged to Board member Caroline Portsmouth was £6,731 (2019: £6,636) and the amount on her tenancy at the reporting period end was £570 in credit (2019: £570 credit).

Rent charged to Board member Kataryzna Kwilecka was £6,832 (2019: £6,968) and the amount on her tenancy at the reporting period end was £8,027 in credit (2019: £34 in credit).

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24a Related Parties (continued)

Directors (key management personal) are defined as the Chief Executive and other members of the Senior Management Team, being the Director of Resources, Director of Housing, Interim Director of Housing and Director of Property Services. Total emoluments including employers national insurance and employers pension amounted to £415,012 (2019: £382,629).

During the year the Director of Resources was provided with a season ticket loan of £nil (2019: £5,814) which is repaid over a 12 month period. The balance at the reporting end date is £nil (2019: £3,392).

24b Related Parties (transactions with subsidiary)

Women's Pioneer Housing Limited is the Parent entity in the Group and ultimate controlling party. The parent provides management services, other services and has a loan facilities with its subsidiary Women's Pioneer Homes Limited

During the year the Association had the following intra-group transactions with its subsidiary

	2020	2019
	£	£
Management charges	<u>40,000</u>	<u>40,000</u>
Property sales	<u>90,768</u>	<u>-</u>
Other charges	<u>97,920</u>	<u>84,969</u>
Interest charges	<u>23,165</u>	<u>32,123</u>
Gift aid receivable	<u>138,693</u>	<u>145,648</u>
Balance due at 31 December (including intra-group loan)	<u>2,923,738</u>	<u>2,818,218</u>

Management Charges

Intra-group management fees are receivable by the Association from the subsidiary to cover the running costs the Association incurs on behalf of managing the subsidiary and providing services. The management fee is calculated based on an allocated time by staff members providing the following services:

- Housing Management (including arrears & repairs management)
- IT services
- Finance services including purchase ledger and management accounting
- Executive services

Other Charges

Other intragroup charges are payable to the Association from the subsidiary and relate to the cost of providing communal services and repairs to the properties owned by the subsidiary.

Interest Charges

Interest charges relate to a £5m loan facility which the Association has provided to the subsidiary. At 31 December 2020, £2.5m (2019: £2.5m) of this has been drawn down. Interest is charged at a variable rate of LIBOR + 0.45%.

Gift aid receivable

Gift aid approved by the directors of the subsidiary to be distributed to the Association.

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25 Contingent Liabilities

On the 2 January 2019 the Association received £631,500 from a developer in relation to the head office development. The amount is repayable in full if the Association does not fulfil the terms of the contract by providing vacant possession of the office and the building at Browning House.

26 Financial instruments

The Group and Association's financial instruments may be analysed as follows:

	GROUP		ASSOCIATION	
	2020	2019	2020	2019
Financial Assets	£	£	£	£
Financial Assets measured at fair value				
Current asset investments	<u>520,000</u>	<u>532,819</u>	<u>520,000</u>	<u>532,819</u>

Financial assets measured at fair value through the Statement of Comprehensive Income comprise current asset investments.

The Group and Association's income and expenses in respect of the financial instruments are summarised below:

	GROUP		ASSOCIATION	
	2020	2019	2020	2019
Interest income and expense	£	£	£	£
Total interest income for financial assets at amortised costs	6,794	10,342	29,959	42,466
Total interest expense for financial liabilities at amortised costs	<u>963,969</u>	<u>979,395</u>	<u>963,969</u>	<u>979,395</u>

27 Post Balance Sheet Event

On 26th February 2021 the Association completed a refinance exercise and secured a long term (26 years) £20m bond at a rate of 2.9%. This funding will be used to repay existing facilities of which £6m matures in December 2021 and £10m matures in May 2022.