

Rooftop Housing Association
(formerly Evesham and Pershore Housing Association)
Annual Report and Financial Statements

2014/15

Contents

Report of the Board	1
Operating and Financial review	7
Report of the auditor on the financial statements	18
Income and expenditure account	20
Statement of total recognised surpluses and deficits	20
Balance sheet as at 31 March 2015	21
Notes to the financial statements	22
Board, executive and advisors	37

Report of the Board

The Board is pleased to present its report and the audited financial statements for the year ended 31 March 2015. The report and financial statements are prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2012 and the Statement of Recommended Practice (SORP) for Registered Social Housing Providers Update 2010.

Group structure

Rooftop Housing Association (RHA) (formerly Evesham and Pershore Housing Association) was incorporated on 18 May 1993 and is a Registered Provider (RP), a charitable Registered Society and a member of Rooftop Housing Group Limited (RHG). The Group parent is a non-asset holding, non-charitable Registered Society (29661R), registered with the Homes and Communities Agency (HCA) (L4404), providing operational and corporate services including treasury management, information and communication technology, and human resources for the whole Group. The Association changed its name to Rooftop Housing Association on the 15 October 2014.

As a charitable Registered Society, RHA has a shareholding membership policy, where each member holds one fully paid share of £1 in the Association, which is cancelled when their membership ends. Membership is open and subject to a restriction on the number of tenant shareholders. Nothing will be paid by way of surplus or dividend to shareholders.

Senior management team

The senior management team detailed on page 37, under the heading 'Executive officers', served throughout the year from 1 April 2014 to the date of this report unless otherwise stated.

Principal activities

The principal activity of RHA is to provide housing accommodation at affordable rents for people in housing need.

RHA also provides:

- housing for sale through shared ownership schemes
- temporary housing accommodation through supported housing schemes
- housing accommodation through partnerships with specialist providers for those with particular support needs
- development and management of older people schemes in partnership with the ExtraCare Charitable Trust.

In addition RHA has an underlying commitment to tackling social and financial exclusion and building sustainable communities. This is done through many partnerships including with local authorities, police and voluntary groups.

The Board

RHA is governed within the framework set by its rules as a Registered Society. These state that RHA will have a Board and determine its membership. The Board is responsible for overall strategic direction including the determination of key policies and monitoring of compliance with both policies and performance targets. The Board Members contribute to and share responsibility for decisions.

The Board consists of six Members who bring to the Association a wide range of skills, experience and expertise. In making appointments to the Board the Association seeks members with a wide range of skills that it requires to effectively manage its business. The Board can also use its ability to co-opt additional individual members, including executives, should it so wish.

Members of the Board as at the date of this report are listed on pages 37 to 40 together with brief biographical details. Each member of the Board and RHG holds one fully paid share of £1 in RHA. The day-to-day operation of RHA is delegated to the Group Chief Executive and Directors. They do not have the legal status of directors, but they act as executives within the authority delegated by the Board. The executives hold no interest in RHA's share capital and are not members of the Board.

Board Member obligations

Each Board Member shares the responsibility, along with other Board Members, for directing the affairs of the Association and ensuring it is solvent, well-run and delivering the outcomes for which it has been set up.

The role of a Board Member and of the Board as a team includes, to:

Strategy and purpose:

- set out the vision for the Association, define its values, mission and overall direction, then protect and uphold these
- make sure there are strategies and plans in place to deliver the objects set out in the Association's Rules, and that they are being delivered effectively
- make sure the Association complies with its own Rules, and all the laws and regulations that apply to it.

Compliance and integrity:

- make sure the Association complies with registered society law, and with the requirements of the social housing regulator
- ensure that the Association complies with its own Rules and remains true to its purpose and objects
- comply with the requirements of all the legislation and other regulators (if any) that govern the Association's activities
- act with integrity and avoid any personal conflicts of interest or misuse of the Association's funds or assets.

Prudence:

- ensure that the Association is and will remain solvent
- use funds and assets reasonably and only in furtherance of the Association's objects as set out in its governing document
- avoid undertaking activities that might place the Association's funds, assets or reputation at undue risk
- take special care when borrowing funds or investing funds.

Duty of care:

- use reasonable skill and care in working as a Board Member, using personal skills and experience as needed, to ensure that the Association is well-run and efficient
- consider getting external professional advice on all matters where there may be a material risk to the Association, or where Board Members may be in breach of their duties.

General:

- always act in the Association's best interests
- uphold the Association's purpose, objectives and policies
- uphold the values of the Association through high standards of conduct and behaviour and by complying with the organisation's code of conduct, rules, standing orders, probity policy and financial regulations
- contribute to, and share responsibility for, the Board's decisions, including its duty to exercise reasonable care, skill and independent judgement
- prepare for and attend meetings
- participate in reviews of Board performance and measures designed to develop the Board's capacity and effectiveness
- declare any relevant interests and avoid conflicts of interest

- respect the confidentiality of information
- ensure skills are kept up to date and participation in training sessions; and
- uphold the National Housing Federation's Code of Governance.

Audit Committee

The Group parent, RHG, is responsible for arranging all internal and external audit services throughout the Group. The Group Board has delegated initial responsibility for audit functions to an Audit Committee, which comprises Board Members from across the Group. The current membership is:

- Peter Griffiths (Chair), RHG
- Malcolm Robson, RHG
- Sheila Kettleby, RHG, RHA, RHL, G3
- Keith Rolfe, RHG

The members of the Audit Committee are chosen for their appropriate skills, while representing the composition of the Group.

The Audit Committee has responsibility for reviewing the adequacy of all risk and control related statements prior to endorsement by the relevant Boards, reviewing the effectiveness of internal control systems, including management, financial, operational and risk controls so that the Group can be reasonably assured that appropriate and effective risk management arrangements are in place.

Resident involvement

The purpose of Rooftop Housing Group's Resident Panels is to enable Rooftop residents to be at the heart of Rooftop's decision-making processes and help to ensure excellent and value for money services to our residents.

The aim of our resident involvement activity is:

- to be a voice for Rooftop residents within Rooftop's governance structures and working in partnership with Rooftop staff
- to enable residents to scrutinise and shape services
- to monitor and review performance.

To achieve these aims and objectives, there are now three parts to Rooftop's Resident Panel structure with the following purposes:

The Customer Panel: we have up to 20 resident members who meet regularly to discuss services. This panel acts as the main voice of Rooftop residents and the hub for resident involvement activity.

The Resident Excellence Panel: these residents operate our tenant scrutiny to ensure that we provide good quality services. They also lead, plan and support the work of the Customer Panel and are accountable to the Board through the Audit Committee.

The AptQuest Team: these residents seek the views and concerns of all our residents via a regular programme of customer phone surveys.

The main services are provided from the head office in Evesham and a local office based service is provided from our office in Bishop's Cleeve. In addition the Association operates its floating support service from a number of local 'hubs' in sheltered schemes. This variety of operating locations provides local access to our customers.

The above arrangements are considered the most appropriate way of making sure that RHA provides the best possible service to its residents.

Code of governance

The Board has formally adopted the National Housing Federation's Code of Governance and Code of Conduct (2012) within its Governance policy.

The new 2015 National Housing Federation Code of Governance has been published. During 2015/16, the Board has taken steps to address potential non compliances with the April 2015 code.

Currently the Group Board has twelve members and one co-optee. This is intentional as part of the boards' succession planning. A co-optee was appointed to ensure that the Board has appropriate skills.

The Group Chair is currently the Chair of the committee which includes remuneration. This will be addressed within the governance improvement plan for 2015/16.

Statement of the Board's financial responsibilities

The Board is required by law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of RHA and of the surplus or deficit for that period. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and then 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 the going concern basis, unless it is inappropriate to presume that RHA will continue in business.

The Board is responsible for maintaining proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of RHA, and to 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 Private Registered Providers of Social Housing 2012. The Board is also responsible for maintaining a satisfactory system of control over the accounting records and transactions, and for safeguarding the assets of RHA, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Internal controls assurance statement

The Board is the ultimate governing body and is responsible for Rooftop's system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve Rooftop's business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board confirms there is an ongoing process for identifying, evaluating and managing the significant risks faced by Rooftop, that has been in place for the year under review and up to the date of approval of the annual report and accounts, and that this process is regularly reviewed by the Board.

During 2014/15, the Board and/or Audit Committee have received the following evidence to support the effectiveness of the internal controls:

- Rooftop employs independent internal auditors to assess its controls and make recommendations for improvements. To ensure the independence of the internal audit function, a tender process was carried out in 2013/14. New internal auditors were appointed with effect from 1 April 2014.

The internal audit annual plan is set by Audit Committee and is designed to ensure a broad scope of reviews, covering not just key financial systems but also operational performance and control of risk. During 2014/15, Audit Committee received nine assurance reviews including:

- key financial systems – payment of creditors; high level financial control
- operational management – gas servicing; repairs
- risk controls – anti-fraud arrangements; key performance indicators

Each audit gives an overall assessment of the reliance that can be placed on the controls, with four categories (in descending order): full, substantial, limited or no assurance. Of the nine assurance reviews in 2014/15, two were found to provide full assurance (the highest rating) and the other seven to provide substantial assurance (the second highest rating).

Where the auditors make recommendations for improvement, a management response is provided and this is reviewed by Audit Committee. Delivery of those recommendations is then closely monitored through half-yearly follow-up reviews.

- Risks are reviewed by Executive Team and Managers at a quarterly meeting with changes reported to Audit Committee. The Risk Map is reviewed by the Board through the quarterly pack and is available to members and staff on a continual basis.

The Board is aware that Rooftop's external environment is changing and that risk management must adapt to keep pace with this. Rooftop commissioned an independent review by our internal auditors who confirmed that the existing system of risk management is adequate. Following the review, we have begun implementing improvements to further enhance Rooftop's risk management and assurance framework.

- Management reports on operational and financial matters. All board reports include a risk management summary which clearly shows any risks identified.
- Rooftop is a member of the HouseMark benchmarking group. This provides valuable information on the efficiency and effectiveness of Rooftop at achieving its objectives, both compared to other similar organisations and compared to Rooftop's historic performance.
- Quarterly performance pack which includes monitoring reports, performance against goals and projects and key performance indicators.
- Group budgets which are approved by the boards following a review of the annual budget process by the Audit Committee for compliance with the Group budget parameters and financial policies.
- A robust Business Plan based on clear assumptions and sensitivity-tested to ensure Rooftop understands the effects of any potential changes in its environment.
- All policies and strategies are approved by the Board, Audit Committee or Executive Team.
- Fraud and hospitality registers.
- External auditor's reports and management letter.
- Self-assessment against the regulatory standards and code of governance.
- A detailed review of the 2015 Sector Risk Profile published by the Homes and Communities Agency.
- Rooftop was recognised as one of the Best 100 Not-for-Profit organisations to work for.

Rooftop has once again been given the highest possible judgement for Governance and Financial Viability by the Homes and Communities Agency. The most recent judgement was issued in October 2014.

There were no identified weaknesses in internal controls, which resulted in material losses, contingencies or uncertainties that require disclosure in these financial statements.

Employees

Within the Group structure all staff are employed by RHG, the Group parent. RHG is committed to promoting equality of opportunity in employment practices. Applications for employment from persons with black or minority ethnic origin or disability are given full and fair consideration for all vacancies. In the event of an employee becoming disabled, every effort is made to retain them so that their employment with the Group may continue. It is the policy of the Group that training, career development and promotion opportunities should be available to all employees.

The Group has continued its practice of consulting and keeping employees informed on matters that affect them, and on the progress of the Group. This is carried out in a number of ways including: formal consultation with the employee forum, departmental meetings, and a company wide briefing session. In November 2011 the Group was awarded Investors in People Gold accreditation.

Health and safety

The Board is aware of its responsibility on all matters relating to health and safety. They have prepared health and safety policies and ensured all staff have undergone a programme of training on health and safety matters. In addition the Group has established a Safety Committee which is led by the Facilities and Health and Safety Manager.

Insurance

RHA maintains insurance policies for members of the Board and executive directors, against liabilities in relation to RHA.

Political and charitable donations

RHA did not make any political contributions or charitable donations (2014: £0).

Post balance sheet events

The Board considers that there have been no events since the year end that have had a significant effect on RHA's financial position.

Going concern

The Board considers that it has adequate resources to continue in operation for the foreseeable future. For this reason, it continues to adopt the 'going concern' principle in the financial statements.

Annual General Meeting

The Annual General Meeting will be held on 23 September 2015.

External auditor

A resolution to re-appoint Mazars LLP will be proposed at the Annual General Meeting.

Disclosure of information to the auditor

In the case of each of the persons who are Board Members of the Association at the date when this report was approved:

- so far as each of the Board Members is aware, there is no relevant audit information of which the Association's auditor is unaware; and
- each of the Board Members has taken all the steps that he/she ought to have taken as a Board Member to make him/herself aware of any relevant audit information (as defined) and to establish that the Association's auditor is aware of that information.

By order of the Board



Rachel Lathan

Chair

15 July 2015

Operating and Financial review

Our mission

Our mission is to improve the quality of life of people and the communities in which they live. This mission will be achieved by delivery of our five objectives.

We Value...

- our role in communities
- social diversity, equality and social justice
- listening, communicating and involving customers
- value for money and financial security
- sustainability
- our staff
- continuous improvement and innovation.

Our objectives and goals

Our Group has five objectives:

- delivering excellent services
- meeting the housing needs of communities and contributing towards cohesive and inclusive communities
- making the best use of our resources
- G3 operational objective
- encouraging innovation and improvement in all we do.

1. **Excellent services - we will develop, deliver and sustain excellent services to all our customers.**

- Carry out a three year programme of two scrutiny reviews a year
- Ensure customers enjoy excellent access to services and customer care
- Develop existing and new supported housing services.

2. **Community needs - working with partners, we will contribute towards the creation of cohesive and inclusive communities, developing new build and planned maintenance schemes that respond to housing needs identified by national and regional strategies that are environmentally sustainable.**

Objective 2.1: Community needs - Through new homes

- HCA Affordable Homes Guarantee Programme 2015-17
- HCA Programme NAHP (National Affordable Housing Programme) 2015-18
- During the period 2015/18 deliver 140 homes and secure funding through the Homes and Communities Agency, internal resources or other funding sources
- Support the National Armed Forces Community Covenant through the provision of 30 new homes for former military personnel and their families by 2020, working with national specialist support charities
- Assemble a rolling land bank comprising:
 - All sites for contracted HCA schemes (approved budget)

- Additional sites available for immediate development to provide 150 homes (budget £2.5m from within approved 10 year business plan provision for land purchase)
- Strategic land for future years (additional budget of £5 million over 10 years from April 2015 for purchase of options and land)
- Support the provision of a short term safe haven accommodation by 2020 for women and their children who have suffered domestic abuse/violence.

Objective 2.2: Community needs – Through existing homes

- Improve the environmental sustainability and affordability of our homes
- During 2015-16 we are completely reviewing our environmental strategy which is a cross cutting theme in our business plan
- Develop and implement an asset management strategy for our garage portfolios within RHA and RHL by 2015

Objective 2.3: Community needs – Through work in the community

- Provide accommodation and services to support Gypsy Roma Traveller households
- Our Community Investment Goal is to invest a minimum of £100k of people and cash resources annually in our local communities, measuring the outcomes of community initiatives that demonstrate the best social value return
- During 2015-16 the Community Investment strategy is being fundamentally reviewed to include the role of RHG in a 'dementia friendly' society
- Our Financial Inclusion Goal is by 2017 to offer work, family and money advice to all of our residents of working age in receipt of benefits (approximately 1,000).

3. Resources - we will make best use of our financial, property assets, ICT and human resources to support and deliver excellent services and homes for customers and the community.

- Optimise the use of our organisation's people, skills and internal capacity
- Capital Receipts - to generate £15 million net capital receipts
- Asset utilisation – to continually review the performance of our property assets.

4. G3 Operational objective – the objective of G3 is to directly provide charitable support services to vulnerable residents of the Rooftop Group and the wider community, enabling independent living, with an ambition to increase the volume of services by 10% by 2019.

- Business plan viability: implement organisational changes to deliver the revised 2014-2015 five year business plan, together with ambition to grow the volume of services by 10% by 2019. Business development projects would feature under this goal as would the project to 'Implement recommendations Support and Care Working Party'
- 'Active lifestyles: sign up 600 people to the Active lifestyles club by 31.03.2018' This goal relates to the implementation of the Active lifestyles service for older and vulnerable people in Worcestershire.
- 'Housing options: assess and deliver independent living pathways to 1,200 tenants by 31.03.2018.' This goal relates to the assessment process and the establishment of the Independent Living pathway in Worcestershire.

5. Encouraging innovation - our fifth objective strives for continuous improvement through annual team plans and supports all our other objectives and values.

Value for money – making a difference

As a not-for-profit organisation, Rooftop invests its surpluses back into the local community by building new homes, improving existing homes and supporting community initiatives.

We need to make sure that every penny counts – focussing not just on how much we spend, but how and where we spend it – to have the best impact on achieving our mission.

Our approach

Last year, we set targets for Value for Money in ten major areas. These were a mix of cost and performance targets, so that you could see whether the services provided were value for money (rather than whether they were just low cost).

We've been thinking a lot about Value for Money this year, and we've decided to expand the targets we report on so that they show a much wider picture of what we are doing, rather than just focussing on 'traditional' landlord housing management. We've divided these targets into three groups:

- **Return on assets**

This measures the big, headline information about the impact Rooftop is making through its assets. We want these targets to show how well we are using our assets to:

- provide great services which meet our residents' needs
- deliver new homes to help solve the wider housing crisis
- reduce our impact on the environment
- generate a financial return, which can then be reinvested in the other priorities above.

We referred to some of these areas last year, but we didn't set annual targets for them. This year, we will be setting clear and transparent annual targets so that we can be held to account for how we use our assets. These areas are crucial to us and we want you to really challenge us on the difference we make through using our assets well.

- **Cost of specific services**

This is about how we compare to other similar landlords in terms of costs. The areas we are reporting on cover all of our major frontline landlord services, plus our spending on overheads (back office areas such as Human Resources, Finance and Information Technology). These are the same areas we set targets for last year.

- **Service outcomes / social return**

Value for Money can't just be about how cheap things are. For Rooftop, it's important that efficiency savings do not mean that services suffer – that would not be Value for Money. That's why we've set out targets to measure how good the services we provide actually are.

Most of these are the same as last year, but in future we are going to replace 'satisfaction with the home' with 'satisfaction with new homes'.

Satisfaction with the home is similar to other measures we are already reporting on, such as 'overall satisfaction with our services' and 'satisfaction with repairs and maintenance'.

Measuring satisfaction with new homes instead will show more in depth information on how well our development team are doing at providing good quality homes which meet the needs of the people who will live in them.

Building new homes is an important part of what Rooftop does and we felt it wasn't getting enough attention in our previous targets.

Following a major review of our Support & Care activities, we have created a new Options team within our Older People's service. Our goal for this team is to assess and deliver independent living pathways to 1,200 tenants by

March 2018. This is a major part of our strategy to provide services to vulnerable residents to help them live independently, so we have included it in our Value for Money targets. Our initial target for 2015/16 is to carry out 400 assessments. As this is a new service, there is no past information or comparison with other organisations.

Comparison with others – HouseMark

To help us compare the cost and effectiveness of our services, we are members of HouseMark benchmarking. This allows us to compare our own performance over time, and also to compare ourselves to other similar organisations – Local Authority stock transfer organisations (LSVTs) in the Central region with 2500-7500 homes.

The vast majority of our targets are calculated using HouseMark. Three of our targets are internal calculations only and we have no simple way of comparing them to others. However, we still think these targets give us useful information about how we are performing, compared to our plans and compared to previous years.

Our Value for Money goal

Last year, we talked about our Value for Money goal. The goal was:

"To achieve an operating margin excluding shared ownership sales of 45% in year 2017/18 creating an effective operating cost saving of £2 million per annum (when compared to the 2012/13 operating margin of 39.6%) whilst maintaining overall resident satisfaction of over 90% as measured by the STAR survey."

We have continued to make good progress against this goal during the year. Our operating margin has increased to 45.5%, exceeding the target. However, resident satisfaction (at 88.6%) has dropped below 90% for the year, as reported below.

Due to major accounting changes next year we needed to rethink this goal. The changes mean that the accounts will not look the same in 2017/18 as they did in 2012/13, and it would be hard to accurately measure whether we had achieved the original goal or not. We considered redefining the goal or adjusting the accounts to remove the impact of the accounting changes, but this would make the goal less and less transparent. It's important to us that any targets we set can be easily measured and are clear whether or not they have been achieved.

We've also decided that having one goal for Value for Money is too simple for such a broad and wide-ranging area. Value for Money should be a thread running through every goal, project and service, not isolated in one area.

We have therefore ended the Value for Money goal this year and replaced it with the more wide-ranging 15 targets set out below. These will provide a broader picture of Value for Money across Rooftop. Value for Money will become a cross-cutting theme in our Business Plan – something that is everybody's responsibility and which everybody can make a difference to.

Our performance

The results of our VFM targets for 2014/15 and our targets for 2015/16 are shown below:

	2013/14 results (validated by HouseMark)	2014/15 targets	2014/15 results (not yet validated by HouseMark)	Did we beat our target?	Are we improving compared to last year?	Results for the top 25% of our peers 2013/14	How we compare to other organisations (2014/15 results versus 2013/14 peers)	2015/16 targets
Return on Assets								
Overall satisfaction with our services	91.8%	90.0%	88.6%	✘	↓	91.8%	😊	90.0%
New homes built	2.5%	N/A	5.0%	N/A	↑	2.0%	😊	2.6%
Financial return from new development (Internal Rate of Return measure)	9.1%	N/A	8.2%	N/A	↓	N/A	N/A	7.0%
Average energy efficiency rating of our homes	68.9	N/A	69.2	N/A	↑	72.0	😞	70.0
Cash operating margin (excluding shared ownership sales)	49.6%	N/A	54.2%	N/A	↑	N/A	N/A	50.7%
Cost of specific services								
Housing Management (cost per home)	£191	£191	£206	✘	↓	£211	😊	£225
Major works and cyclical maintenance (cost per home)	£1063	£1065	£808	✔	↑	£1171	😊	£1126
Responsive repairs and void works (cost per home)	£521	£521	£495	✔	↑	£533	😊	£522
Estate services (cost per home)	£90	£90	£79	✔	↑	£90	😊	£94
Overhead costs as a percentage of turnover	10.3%	10.3%	9.6%	✔	↑	10.3%	😊	9.8%
Service outcomes / social return								
Percentage of rent collected	99.2%	100%	99.5%	✘	↑	100.1%	😊	99.7%
Average time to re-let empty social homes	12.0 days	14.5 days	12.7 days	✔	↓	18.8 days	😊	14.5 days
Satisfaction with repairs and maintenance	86.3%	90.0%	81.6%	✘	↓	87.8%	😞	83.6%
Satisfaction with the home	90.9%	90.9%	90.8%	✘	↓	90.8%	😊	N/A
Satisfaction with new homes	100%	N/A	88.5%	N/A	↓	100%	😞	95.0%
Number of Independent Living assessments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	400

 Very good (Top 25%)
  Above average
  Below average
  Poor (Bottom 25%)

Return on assets

On the whole our return on assets measures show a generally improving performance, although we are disappointed in the drop in overall satisfaction with our services.

Social returns

The real highlight of the year for Rooftop is the amount of new homes we have built. Every new home we own means we can provide a safe, secure and affordable place to live for someone who really needs it. Building homes is a major priority for Rooftop and our Value for Money targets reflect that.

We have used our assets creatively to enable us to build another 292 homes this year. That's 292 extra roofs over people's heads. We've achieved this by selling some stock (24 units this year in total including Right to Buys) and using the sales proceeds to help bring in additional funding from lenders, government and other partners to build another 292 homes to replace them.

We are disappointed that the overall satisfaction with our services fell during the year, although it still remains better than average. The fall was due to issues with our repairs service, where satisfaction has also fallen. We carry out customer surveys on a daily basis and during the second quarter of the year these showed us that there was increasing dissatisfaction with the repairs service. We investigated this and found that, rather than being about the quality or cost of repairs, it was about the process as there had been delays in arranging and carrying out routine repairs. We have now changed the way repairs are managed between us and our contractor and expect satisfaction scores to rise.

Environmental returns

We continue to invest in improving the energy efficiency of our homes and are moving towards our long-term goal to achieve an average rating of 70 under the Government's Standard Assessment Procedure (SAP). As well as reducing our environmental impact, this helps keep residents' energy bills down, making our homes more affordable to live in. We have improved our score this year, thanks to:

- building 292 new, better homes
- selling 24 older houses, when they become vacant or through Right to Buy
- improving current homes, including improving the heating systems in 30 homes

During the year we also began installing external cladding on 50 solid wall properties. The impact of this work will be seen in next year's report; in total we plan to clad 630 properties in 2015/16 to help us achieve our goal.

The environmental impact we make is now a cross-cutting theme in our Business Plan, relevant to everything we do. We are developing a new Environmental Strategy and will report back on this next year.

Financial returns

The expected financial return from our new developments has fallen slightly compared to last year but beats the targets set in our financial appraisals. Our target will remain at 7%.

Our cash operating margin has improved considerably during the year. This measures how much cash we have left over from each pound of income (for example: rent, service charges, contract income) after deducting all our costs. This measure excludes accounting adjustments, like depreciation, so it reflects how much cash we generate from running our day to day business. Our margin of 54.7% means we have 54.7p left from each pound of income; we then use this cash to invest in improvements to homes (e.g. new kitchens and bathrooms) and build new homes, as well as make repayments on our loans.

In 2015/16 we have reduced our target to 50.7%, into line with previous years. Our budget for 2015/16 includes additional expenditure on repairs and maintenance, plus we have assumed a significant increase in our bad debts as a result of welfare reform and the introduction of Universal Credit.

- **Cost of specific services**

We're delighted that our excellent performance on costs has continued. Once again, the services we have provided are lower cost than the vast majority of similar organisations – we are in the top 25% of organisations in every category.

In four of the five categories we have continued to reduce costs since last year. For frontline housing management, costs rose slightly during the year but we still remain in the top 25%.

2014/15 was the first full year for our Cost Sharing Group with Fortis Living. The Cost Sharing Group is a major focus of our Value for Money efforts. It will ultimately save Rooftop £700,000 a year through economies of scale and reduced VAT costs.

As part of this agreement we transferred our programmed maintenance, gas servicing and grounds maintenance contracts to Fortis Property Care during the year. Fortis Property Care has been our responsive repairs contractor for a number of years with high satisfaction from our residents. Transferring these services has contributed to the improvements in cost for major works and cyclical maintenance, responsive and void works and estate services.

We have continued to reduce overhead costs as a percentage of turnover. Our Board has had a longstanding ambition to reduce this to 10% and this year we achieved it for the first time. The amount that we beat the average by is equivalent to a saving of £0.7 million on overhead costs.

Our targets for next year are based on our detailed annual budget setting process. We expect costs to increase, but we still expect to be better than average in all areas and in the top 25% for major repairs, responsive repairs and overhead costs.

- **Service outcomes / social return**

Our performance on service outcomes is more mixed.

We have increased our percentage of rent collected. We are better than average for this, however we didn't achieve our target of being in the top 25%. We will aim to increase the amount of rent collected next year. Our score for residents' satisfaction with the home is very similar to last year, falling slightly, and we are in the top 25%. Satisfaction with the home will no longer be a target (as mentioned above).

Our performance on average time to re-let empty social homes continues to be exceptional and we remain in the top 25%. As expected, re-let times increased slightly this year as our lettings teams were also managing the lettings of the 292 new properties we built during the year. We expect re-let times to increase slightly again next year, as we will be managing the lettings of our new homes and also re-letting homes where residents transfer to our new homes for older people at Yates Court. This is part of our strategy to make better use of our assets, by enabling older residents to move to more suitable accommodation which will in turn release family accommodation for families on the housing waiting list.

We are disappointed with our scores for satisfaction with repairs and maintenance and satisfaction with new homes. Both these scores dropped this year and place us below average. Satisfaction with repairs was discussed in social returns (above).

The reasons given for dissatisfaction with new homes were car parking, minor design issues and defects. We will make sure our lettings process makes clear the advantages and disadvantages of each new home, including car parking, so that potential residents can make a better informed choice about whether the home is suitable for their needs. The feedback on minor design issues is useful and constantly feeds into design briefs for our future homes. The dissatisfaction with defects relates to properties we have bought from private developers. We will make clearer to developers, through contracts, how quickly any defects with new homes should be put right. We will aim to improve both these scores next year.

Resident-led scrutiny

Value for Money is ultimately about improving outcomes for our residents.

In 2012/13 we set up the Resident Excellence Panel (REP), a resident-led scrutiny group with a focus on improving standards and ensuring we provide Value for Money.

During 2014/15 the REP performed reviews on grounds maintenance and anti-social behaviour. Grounds maintenance was chosen because we had identified dissatisfaction with the service and wanted to make improvements before services were transferred to Fortis Property Care. The review led to new service standards being put in place. Anti-social behaviour was chosen because our HouseMark benchmarking showed that it was an area where we were relatively high cost and satisfaction was relatively low. The review led to changes in the way we manage and classify cases, and changes in our service standards.

During 2015/16 the REP will be carrying out a review on how well Rooftop is responding to welfare reform, as Universal Credit is being introduced into our core areas of Worcestershire and Gloucestershire. The REP will also review our Cost Sharing Group for repairs and maintenance, which will have been in place for 2 years by October 2015.

We have continued to arrange Value for Money workshops for the REP and Customer Panel, which have helped our residents select scrutiny areas and review and monitor our performance. This self assessment has been reviewed by our Customer Panel. Customer Panel members have also helped to develop the way we report Value for Money in our Residents Annual Report.

Optimising future returns on assets

We continue to look for ways to use our assets in different ways to increase the overall financial, social and environmental returns we make.

Examples during 2014/15 include:

- 11 outright sales of vacant properties. The £1.9 million raised from these sales will enable us to build an extra 50 new homes to replace them
- 6 shared ownership sales of vacant properties – helping to create new affordable home ownership as well as raising £0.5 million
- 29 new homes built on our former garage sites at Bishop’s Cleeve, Gloucestershire and Farleigh Road, Pershore
- 85 new homes created as a result of redevelopments or extensions of our existing assets at Yates Court, Evesham; Dorothy Terry House, Redditch; and High Street, Tewkesbury.

Last year, we commissioned Savills to review the performance of our property assets. Savills told us that:

“The overall performance of Rooftop’s properties is good. Financial returns are roughly double those of other providers in the region” – Savills

Savills broke our properties down into the following groups:

Financial return (Net Present Value (NPV) of cashflows per unit over 35 years)	Description	Rooftop average NPV per unit in this group	Percentage of stock
Greater than £30,000	Good	£59,702	98.1%
Between £1 and £30,000	Marginal	£19,323	1.9%
Below £0	Negative	N/A	0%

The marginal 1.9% group of properties includes our keyworker scheme at Worcestershire Royal Hospital. This year we began a full review of our non-core housing properties and we will report back next year.

We have also begun to explore the possibility of swapping small amounts of stock with other landlords, where this would lead to a better use of assets. Although our properties are performing well financially, we still want to make sure the properties we own are the right ones to achieve our wider objectives.

Key highlights during the year

During the year, RHA successfully completed the delivery of homes under the Homes and Communities Agency (HCA) 2011-15 Affordable Homes Programme. We achieved handover of 452 new homes by the deadline of 31 March 2015 against our contracted delivery of 443 homes.

The homes delivered in 2015 include dementia schemes in Coleford and Redditch, an extension to an existing ExtraCare scheme in Evesham, new homes developed on unused garage sites in Bishop's Cleeve and Pershore, a Gypsy and Traveller site in Solihull and various other schemes.

RHA, RHL and G3 are members of a Cost Sharing Group (CSG) which has provided a responsive repairs service to each of the Rooftop members since 1 October 2013. On 1 April 2014, the CSG started to carry out the planned maintenance works for RHA with gas servicing and grounds maintenance works being phased in during the last 12 months.

Financial review

The report and accounts for the year ended 31 March 2015 have been prepared in accordance with applicable accounting standards. The accounting policies have been reviewed and RHA has followed the principles set out in the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers Update 2010.

There were no significant changes to accounting policies during the year.

Income and expenditure account

Turnover has increased to £30.1 million, an increase of £2.4 million since last year, and RHA has generated a surplus of £8 million in 2015 compared to £4.3 million in 2014. The surplus in 2014 was reduced by the payment of £1.2 million as a final settlement of liabilities due to the Local Government (Worcestershire County Council) Pension Scheme.

RHA highlights, five year summary

Income and expenditure account	Actual	Actual	Actual	Actual	Actual
	2015	2014	2013	2012	2011
	£'000	£'000	£'000	£'000	£'000
Turnover	30,146	27,718	27,840	25,556	24,836
Operating costs	(16,204)	(17,580)	(17,114)	(15,900)	(15,863)
Operating surplus	13,942	10,138	10,726	9,656	8,973
Disposals of property	602	887	1,057	1,142	771
Net interest costs	(6,532)	(6,699)	(6,838)	(5,923)	(5,255)
Surplus on operating activities	8,012	4,326	4,945	4,875	4,489

Funding facilities

The core funding is through a £111.2 million facility from Nationwide Building Society. This was renegotiated during 2007 to further reduce margins and improve security requirements. The Nationwide Building Society facility was supplemented in 2006 with an £80 million facility with Lloyds Bank. This was to enable the purchase of

the Bishop's Cleeve estate from Shaftesbury Housing Association and provide the necessary development finance to 2013. Following negotiations with Lloyds Bank during 2011, this facility was reduced by £15 million to £65 million.

In April 2012 RHL repaid £10 million of the inter-company loan to RHA and an unused loan facility of £4 million with Lloyds Bank was transferred from RHL to RHA as it was no longer required by RHL. This increased the Lloyds Bank facility in RHA to £69 million. In March 2013, the remaining unused loan facility of £23.4 million was drawn from the Lloyds Bank facility as it had reached the end of its availability period. A temporary repayment of variable loan of £23.2 million was then made to Nationwide Building Society which can be redrawn up to 31 March 2015. This has now been extended to December 2016.

In June 2014, £40 million of new funding was arranged with Legal & General. The first drawdown of £25 million completed in October 2014 with a second drawdown of £15 million due to take place in August 2015.

With the above funding arrangements in place, RHA has loan facilities totalling £215.3 million at 31 March 2015 of which £38.2 million remains undrawn.

Balance sheet

Housing properties are valued on either an existing use basis (EUV-SH) or market value – tenanted basis (MV-T) depending on whether there are restrictions over disposals. At 31 March 2015 the properties were valued at £335 million, a £34 million increase since last year. This year the increase in value is predominantly due to the delivery of new homes as part of the HCA 2011-15 Affordable Homes Programme.

The total movement in reserves reflects the financial strength of RHA and this has increased to £171 million at 31 March 2015 which is an increase of 43% over the past five years.

Association highlights, five year summary

Balance sheet	Actual	Actual	Actual	Actual	Actual
	2015	2014	2013	2012	2011
	£'000	£'000	£'000	£'000	£'000
Housing properties	334,657	300,314	283,521	274,159	254,726
Other fixed assets	3,981	3,980	3,978	13,970	13,711
Net current assets	7,914	1,587	13,413	3,517	7,873
Net assets	346,552	305,881	300,912	291,646	276,310
Loans (due over one year)	175,109	152,104	153,492	156,789	156,775
Reserves:					
Revaluation	133,654	124,726	123,903	116,883	106,825
Designated	2,271	4,060	4,521	5,726	5,386
Revenue	35,518	24,991	18,996	12,248	7,324
Total reserves	171,443	153,777	147,420	134,857	119,535
Total capital and reserves	346,552	305,881	300,912	291,646	276,310

Operational review

Condition of our homes

RHA recognise the importance of investing in the stock and making sure that the building components are regularly replaced. RHA achieved the Government's Decent Homes Standard for all of its stock in 2008, much earlier than the Government's 2010 deadline. As each year passes, a few homes will fall outside the standard but our 100% stock condition survey ensures that maintenance programmes are directed to renewal of building components that are near the end of their life cycle.

Regulatory performance

We are regulated by the Homes and Communities Agency which carries out an annual assessment of the financial viability of the registered Group, and of its compliance with the viability element of the Governance and Viability Standard. The report is based on the Group's latest Business Plan and supporting Financial Forecast Return approved by the Board in April 2014, the review of the financial statements, standard data returns and the audit management letter.

For the fourth year in a row, the Group has been given the highest possible judgement for the Viability Review which confirms that **'The provider meets the requirements on viability set out in the Governance and Financial Viability Standard and has the capacity to mitigate its exposures effectively'**.

Providing new homes

There are very strong needs for more affordable homes within our area of operation. The financial and housing market continues to exclude those on low incomes, particularly in the villages, where families on low incomes see fewer opportunities for purchasing or renting a home.

During the year RHA continued the programme of targeted sales of vacant properties in the open market which resulted in 17 properties being sold in 2015 comprising 11 outright sales and 6 on a shared ownership basis. The net capital receipts from these sales are being used to help to fund the development of new homes, reinvestment in existing homes and services and aids and adaptations.

A further 13 properties have been sold under Preserved Right to Buy in 2015 (this compares to 20 sales in 2014).

In 2012, RHA started charging affordable rents on new lettings of vacant properties as part of the affordable rent conversions allowed under the HCA 2011/15 Affordable Homes Contract. During 2014, RHA achieved the contracted level of affordable rent conversions, one year in advance of the deadline of 31 March 2015.

The number of social housing units available for letting has increased from 5,628 to 5,918 as at 31 March 2015.



Caroline Dykes
Finance Director

15 July 2015

Report of the auditor on the financial statements

Independent auditor's report to the members of Rooftop Housing Association

We have audited the financial statements of Rooftop Housing Association for the year ended 31 March 2015 which comprise the Income and Expenditure Account, the Statement of Total Recognised Surpluses and Deficits, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of the Board and the auditor

As explained more fully in the Statement of Board's Responsibilities, set out on page 4, the Board is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the Association's members, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008. 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.

Scope of the audit of the financial statements

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

Opinion on financial statements

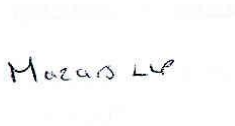
In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2015 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 properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012.

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 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.



Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT

Date 10 August 2015

Income & expenditure account

For the year ended 31 March 2015

		2015	2014
	Notes	£'000	£'000
Turnover	2	30,146	27,718
Operating costs	2	(16,204)	(17,580)
Operating surplus	2	13,942	10,138
Surplus on sale of housing accommodation	4	602	887
Interest receivable	8	289	266
Interest payable and similar charges	9	(6,821)	(6,965)
Surplus on ordinary activities before taxation	7	8,012	4,326
Tax on surplus on ordinary activities	10	-	-
Surplus for the year	18	8,012	4,326

All amounts relate to continuing activities.

Note of historical cost surpluses and deficits

Reported surplus on ordinary activities before taxation	8,012	4,326
Realisation of property revaluation surpluses of previous years	726	1,208
Surplus on ordinary activities before and after taxation	8,738	5,534

Statement of total recognised surpluses and deficits

Surplus for the year	8,012	4,326
Unrealised surplus on revaluation of housing properties	18	9,654
Total recognised surplus relating to the year	17,666	6,357

The notes on pages 22–36 form part of these financial statements.

Balance sheet as at 31 March 2015

	Notes	2015		2014	
		£'000	£'000	£'000	£'000
Tangible fixed assets					
Housing properties		392,592		353,417	
Social Housing Grant		(54,934)		(50,130)	
Other capital grants		(3,001)		(2,973)	
Net book value of housing properties	11	334,657		300,314	
Other fixed assets		-		-	
			334,657		300,314
Fixed asset investments	12		3,981		3,980
Total fixed assets			338,638		304,294
Current assets					
First tranche shared ownership		3,753		1,489	
Debtors	13	4,655		3,622	
Cash at bank and in-hand	14	8,481		4,741	
			16,889		9,852
Creditors: amounts falling due within one year	15	(8,975)		(8,265)	
Net current assets			7,914		1,587
Net assets			346,552		305,881
Creditors: amounts falling due after more than one year	16		175,109		152,104
Capital and reserves					
Share capital	17	-		-	
Revaluation reserve	18	133,654		124,726	
Designated reserves	18	2,271		4,060	
Revenue reserve	18	35,518		24,991	
Total members funds	19		171,443		153,777
Total capital and reserves			346,552		305,881

In view of the constitution of RHA, all shareholdings relate to non-equity interests, as disclosed in note 17. The notes on pages 22-36 form part of these financial statements. The financial statements on pages 20-36 were approved by the Board on 15 July 2015 and were signed on its behalf by:

Secretary



Board Member



Board Member



1. Principal accounting policies

Basis of accounting

The financial statements are prepared in accordance with the applicable Accounting Standards in the United Kingdom and in accordance with the 2010 Statement of Recommended Practice issued by the National Housing Federation of Housing Associations, 'Accounting by Registered Social Housing Providers' and the Accounting Direction for Private Registered Providers of Social Housing 2012.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified to include the valuation of housing properties at existing use value by a registered provider or market value on a tenanted basis.

Cash flow statement

Under Financial Reporting Standard 1, RHA is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and its cash flows appear in the consolidated cash flow statement in the financial statements of the ultimate parent undertaking, Rooftop Housing Group Limited.

Turnover

Turnover represents rental and service charge income, fees, revenue grants receivable from the Homes and Communities Agency, and income from shared ownership.

Proceeds from the first tranche disposals of shared ownership properties are accounted for in turnover in the income and expenditure account in the period in which the disposal occurs. The cost of sales includes the incidental costs of executing the sale and a proportion of the overall costs of the property determined by the percentage of the property sold under the first tranche sale. The cost of sale is adjusted, where necessary, to ensure the surplus on sale is restricted to the overall surplus on the scheme.

Service charges

RHA operates variable and fixed service charges depending on the requirements of the respective tenancy agreements. Where the charge is variable an assessment is made of whether costs have been over or under recovered and an appropriate prepayment or accrual provided for in the accounts.

Right to buy income and sales

Surpluses and deficits arising from the disposal of properties under the Right to Buy legislation are disclosed on the face of the income and expenditure account after the operating result and before interest. On the occurrence of a sale a relevant proportion of the proceeds is clawed back by Wychavon District Council. The surplus or deficit is calculated by comparing the net proceeds received by RHA with the carrying value of the property sold.

Shared ownership properties

Shared ownership properties under construction are proportionally split between current and fixed assets, determined by the percentage of the properties to be sold under the first tranche sales.

Housing properties

Housing properties including shared ownership properties are valued independently annually. The surplus or deficit on revaluation is transferred to a revaluation reserve. The surplus or deficit on revaluation is the difference between the cost of the property less Social Housing or other grant and the amount of the valuation. The cost of the properties is their purchase price together with improvement costs and incidental costs of acquisition, including capitalised interest.

As required by Financial Reporting Standard for Tangible Fixed Assets (FRS15), RHA has reviewed the economic useful lives of its housing properties and depreciates the property costs, less sum of grants, freehold land and residual value.

Depreciation is charged so as to write down the cost (net of Social Housing Grant) of freehold housing properties to their estimated residual value on a straight line basis over their expected useful economic lives as follows:

General Needs	100 years
Sheltered and Supported	100 years
Non-traditional	15 years
Garages	25 years
Leasehold property	Over life of the lease
Shared ownership	100 years

Component accounting

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

Roofs	75 years
Windows	40 years
Doors	40 years
Boilers	15 years
Kitchens	20 years
Bathrooms	30 years
Heating	30 years
Electrics	30 years
Lifts	30 years

Freehold land is not depreciated. The difference between the depreciation charge on the historical cost of properties and that based on the valuation is transferred to the revenue reserve on an annual basis.

Housing properties in the course of construction are stated at cost less Social Housing or other grants received against expenditure and are not depreciated. They are transferred into housing properties when completed.

Land donated, or acquired below market value is included in cost at its valuation, with the donation treated as a capital grant when it relates to a specific project.

Impairment

Impairment is a charge to the income and expenditure account and represents a permanent reduction in the economic value of an asset. It is a requirement of Financial Reporting Standard for Impairment of Fixed Assets and Goodwill (FRS1 I) that all properties with an estimated useful life of more than 50 years have an impairment review. Where there is an indication that impairment has occurred a review of the income stream is carried out. Impaired properties are valued at recoverable amount, being the higher of net realisable economic value and value in use.

Social Housing Grant

Social Housing Grant (SHG) is paid by the Homes and Communities Agency and local authorities against the cost of development and major repairs. SHG may be repayable under certain circumstances, but would normally be recycled, primarily on the sale of property. The amount repayable will normally be the lower of the SHG received and the net proceeds of the sale. SHG received in advance of expenditure incurred on individual schemes is included in creditors.

Recycling of Capital Grant

Upon the sale of a property any attributable SHG is recorded in the Recycled Capital Grant Fund (RCGF) for re-investment in eligible housing properties with a prescribed time-scale. The amounts are repayable if not used within the time-scale.

The RCGF is shown as a creditor until it is spent or repaid.

Disposal Proceeds Fund

The net disposal proceeds as a result of the sale of a property under Social Homebuy are credited to a disposal proceeds fund.

The main objective of the fund is to provide replacement properties for social rent at no greater subsidy cost than properties provided through the Affordable Homes Contract.

Capitalisation of interest

Interest on the loan financing a development is capitalised from the purchase of land or property and/or the start on site up to the date of practical completion. The amount takes into account interest earned on SHG received in advance.

Capitalisation of development overheads

As a result of the introduction of Financial Reporting Standard for Tangible Fixed Assets (FRS15) together with the requirements outlined in the Statement of Recommended Practice, only specific and directly attributable costs are capitalised.

Supported housing schemes managed by agents

RHA owns a number of schemes that are run by specialist agencies. The agents carry the financial risk from operating the scheme and, therefore, the income and expenditure account only includes the income and expenditure that relates solely to RHA. Any other income and expenditure related to the scheme is excluded from the income and expenditure account.

Supporting People (SP) income

SP contracts are entered into with local authorities and are of two types:

- block subsidy is determined on the support needs of each tenant
- block gross is a fixed sum determined by the number of qualifying bed spaces and minimum occupying levels, or number of support hours, as agreed with the local authority.

Investments

Any investment by one Group member to another is shown at historical cost.

Major and cyclical repairs and maintenance

RHA only capitalises major repairs expenditure on housing properties where it increases the net rental stream by:

- extending its useful economic life or
- the improvement enables a higher rental income to be charged.

All other major repairs expenditure is charged to the income and expenditure account as incurred.

Provisions

RHA only provides for contractual and constructive liabilities where it has a present obligation to transfer economic benefits as a result of past events, it is probable that a transfer of economic benefit will result and a reliable estimate can be made of the amount of the obligation.

Pension costs

The Group has traditionally operated two defined benefit pension schemes, contracted out of the state scheme. These were closed to all staff members from April 2014. The Group also operated two money purchase defined contribution schemes and a career average revalued earnings defined benefit scheme (CARE) but from April 2014 the Group only operates one defined contribution scheme. Contributions to pension schemes are determined in accordance with actuarial advice and calculated as a percentage of pensionable salaries. The cost of providing pensions is charged to the income and expenditure account.

Leased assets

Rentals paid under operating leases are charged to the income and expenditure account in the period to which they relate. There are no finance leases.

Value Added Tax (VAT)

The Group is VAT registered but the majority of its income, being housing rents, and right to buy sales, is exempt for VAT purposes and this gives rise to a partial exemption calculation. Expenditure is therefore shown inclusive of VAT and the input VAT recovered is deducted from lettings expenditure. From October 2013 Rooftop Housing Association Limited, Rooftop Homes Limited and G3 (Inspiring Individuals) Limited became members of a cost sharing group which provides property services to the Group.

Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS19.

Deferred tax is not provided for in respect of gains on the sale of non-monetary assets, if the taxable gain will probably be rolled over, or on revaluation gains on housing properties unless there is a binding agreement to sell them at the balance sheet date.

Property revaluation reserve

The housing properties held by RHA are revalued annually. If there is an overall increase in the property value the revaluation reserve is increased. If, however, there is an overall decrease in the value then the revaluation reserve is decreased.

When properties are disposed of, if the revalued property is higher than the original cost, this surplus is transferred from the revaluation reserve to the revenue reserve. This is referred to as a realised revaluation gain.

Replacement equipment reserve

This reserve is established to fund the future replacement cost of equipment at all the supported housing schemes (including older people, young people and other specialist areas) for RHA. RHA equipment is defined as items such as lifts, door entry systems and fire alarm systems.

Furniture and fittings reserve

This reserve is established to fund the future replacement cost of furniture and fittings at all the supported housing schemes including older people, young people and other specialist areas for RHA. Furniture and fittings are defined as items such as carpets, curtains, chairs and washing machines.

Repairs reserve

This reserve is established to fund the communal painting cost at all the supported housing schemes including older people, young people and other specialist areas for RHA.

This reserve also holds funds to pay for some elemental renewals in common areas as identified by the stock condition survey for RHA.

Reinvestment reserve (previously rent restructuring reserve)

The introduction of the national rent restructure guidelines has enabled RHA's rent to be increased at a faster rate than anticipated in the business plan. These higher rent increases have generated additional income. The RHA Board has decided this extra income should be credited to specific reserve. The Board in conjunction with the Customer Panel and consultation with tenants have decided how to use the funds. The transfers from the reserve will occur when each spending initiative has been undertaken.

2. Turnover, operating costs & operating surplus

	2015			2014		
	Turnover	Operating costs	Operating surplus/(deficit)	Turnover	Operating costs	Operating surplus/(deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings						
Housing accommodation	24,134	(11,483)	12,651	22,752	(13,929)	8,823
Supported housing	4,183	(2,467)	1,716	3,957	(2,553)	1,404
Other	119	(3)	116	120	(7)	113
Total	28,436	(13,953)	14,483	26,829	(16,489)	10,340
Other social housing activities						
Shared ownership sales	1,681	(1,364)	317	889	(758)	131
Supporting people	29	(64)	(35)	-	-	-
Non-letting activities	-	(823)	(823)	-	(333)	(333)
Total	30,146	(16,204)	13,942	27,718	(17,580)	10,138

3. Income and expenditure from social housing lettings

	2015			
	General	Supported	Other	Total
	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	23,753	2,637	119	26,509
Charges for support services	-	315	-	315
Service income	318	1,226	-	1,544
Net rental income	24,071	4,178	119	28,368
Other revenue income	63	5	-	68
Total income from social housing lettings	24,134	4,183	119	28,436
Management	2,546	370	2	2,918
Services	1,091	1,152	-	2,243
Routine maintenance	3,401	603	1	4,005
Planned maintenance	1,321	180	-	1,501
Rent losses from bad debts	83	-	-	83
Depreciation of housing properties	3,041	162	-	3,203
Operating costs on social housing lettings	11,483	2,467	3	13,953
Operating surplus on social housing lettings	12,651	1,716	116	14,483
Rent losses from voids	116	54	40	210
				2014
	General	Supported	Other	Total
	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	22,403	2,495	120	25,018
Charges for support services	-	267	-	267
Service income	259	1,182	-	1,441
Net rental income	22,662	3,944	120	26,726
Other revenue income	90	13	-	103
Total income from social housing lettings	22,752	3,957	120	26,829
Management	3,636	322	4	3,962
Services	1,552	1,189	1	2,742
Routine maintenance	3,747	676	2	4,425
Planned maintenance	2,239	204	-	2,443
Rent losses from bad debts	153	-	-	153
Depreciation of housing properties	2,602	162	-	2,764
Operating costs on social housing lettings	13,929	2,553	7	16,489
Operating surplus on social housing lettings	8,823	1,404	113	10,340
Rent losses from voids	129	44	60	233

4. Sale of housing accommodation

	2015 £'000	2014 £'000
Disposal of properties		
Receipts from sale of housing property	2,096	2,825
Book value of properties sold	(1,437)	(1,820)
Other operating costs and costs of disposal	(57)	(118)
Surplus on sale of properties	602	887

5. Directors' emoluments and expenses

The directors are defined as the members of the Board and the executive officers as given on page 37. The directors are paid by Rooftop Housing Group Limited and these details are presented in the parent company accounts.

6. Employee information

RHA does not directly employ any staff, they are all employed by the parent Rooftop Housing Group Limited. The details are provided in the parent company accounts.

7. Surplus on ordinary activities before taxation

	2015 £'000	2014 £'000
The surplus on ordinary activities before taxation is stated after charging		
Depreciation	3,203	2,764
External auditor's remuneration (excluding value added tax)		
- in their capacity as auditor	15	14
- in respect of other services	1	1

8. Interest receivable

	2015 £'000	2014 £'000
From banks	60	76
From loan to another group undertaking	229	190
Total	289	266

9. Interest payable and similar charges

	2015 £'000	2014 £'000
Total interest payable on loans repayable in less than five years	1,042	787
Total interest payable on development and housing loans repayable wholly or partly in more than five years	6,693	6,554
Less: interest capitalised	(914)	(376)
Total	6,821	6,965

The rate used to calculate capitalised interest was 4.7% (2014: 4.7%) being the average rate of borrowing.

10. Taxation

Tax on surplus on ordinary activities

RHA is recognised by the HM Revenue & Customs as a charity for taxation purposes with effect from July 2004. No tax arises on the result for the period. RHA has some £7.5 million (2014: £7.5 million) of tax losses that are available to be carried forward against any future non charitable surpluses.

11. Tangible fixed assets

Housing properties	Freehold land	Social housing properties for lettings	Shared ownership	Housing properties under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2014	536	281,643	8,905	12,077	303,161
Works to existing properties	-	3,128	-	-	3,128
Additions	-	289	-	31,298	31,587
Disposals	-	(1,146)	(667)	-	(1,813)
Transfer between categories	(6)	37,102	2,045	(39,141)	-
Impairment	(178)	-	-	-	(178)
Revaluation	-	(767)	(60)	-	(827)
At 31 March 2015	352	320,249	10,223	4,234	335,058
Social Housing Grant (SHG) and other capital grants					
At 1 April 2014	-	-	-	(2,847)	(2,847)
Received during the year	-	-	-	(4,851)	(4,851)
Disposals	-	19	-	-	19
Transfer between categories	-	(7,297)	-	7,297	-
Revaluation	-	7,278	-	-	7,278
At 31 March 2015	-	-	-	(401)	(401)
Depreciation					
At 1 April 2014	-	-	-	-	-
Charge for year	-	3,145	58	-	3,203
Revaluation	-	(3,145)	(58)	-	(3,203)
At 31 March 2015	-	-	-	-	-
Net book value at 31 March 2015	352	320,249	10,223	3,833	334,657
Net book value at 31 March 2014	536	281,643	8,905	9,230	300,314
Cost or valuation before depreciation at 31 March 2015 is represented by:					
Gross cost	352	266,916	11,850	4,234	283,352
Less SHG and other grants	-	(54,613)	(2,921)	(401)	(57,935)
Revaluation	-	107,946	1,294	-	109,240
Total	352	320,249	10,223	3,833	334,657

The historical cost net book value of completed housing properties as at 31 March 2015 is as follows:

	2015	2014
	£'000	£'000
Cost	278,766	237,290
Less: Social Housing Grant	(57,534)	(50,256)
Depreciation	(25,629)	(22,571)
Historical cost net book value	195,603	164,463

The majority of housing properties were valued as at 31 March 2015 on the basis of existing use value - social housing (EUV - SH). The existing use value for social housing assesses the dwellings on the basis that they would be managed and owned by an organisation committed to the provision of rented accommodation let at an affordable rent, and that the vacant units would be re-let on similar terms rather than sold into the open market. The net book value of properties valued on an EUV-SH basis is £295.5 million (2014: £255.5 million). Where the properties have no restrictions on disposal they were valued on the market value - tenanted basis (MV-T). The MV-T value assesses the dwellings on the basis that they would be subject to any secure or assured tenancies that may prevail together with any other conditions or restrictions to which the properties may be subject. It is assumed that properties becoming void may be sold as opposed to re-let and that a mortgagee in possession may increase rents on existing tenancies to market levels. The net book value of properties valued on a MV-T basis is £34.9 million (2014: £35.0 million).

Total expenditure on works to existing properties:

	2015	2014
	£'000	£'000
Amounts capitalised:		
Replacement of components	2,016	2,070
Improvements	1,112	443
	3,128	2,513
Amounts charged to income & expenditure account	1,501	2,443
Total	4,629	4,956

The EUV - SH valuation method discounts the cash flows from rental and other income less management, maintenance and repair expenditure to their present value. The main assumptions used were:

Discount rate	5.5% - 7.5% (real)
Annual growth in rental income	1.0% (real) long term
Annual increase in expenditure	1.0% (real) long term
Property sales	Forecasts of right-to-buy sales are based on analysis, past experience and current trends.

Savills, Chartered Surveyors, carried out the EUV - SH valuation in accordance with the RICS Valuation - Professional Standards manual and takes into account the performance standards for Registered Providers published by the Homes and Communities Agency.

The MV-T valuation method discounts the cash flows from rental and other income less management, maintenance and repair expenditure to their present value. The main assumptions used were:

Discount rate	7.5% (real)
Annual growth in rental income	1.0% (real) long term
Annual increase in expenditure	1.0% (real) long term
Property sales	Forecasts of sales are based upon analysis of past lettings experience with void properties being sold.

Savills, Chartered Surveyors, carried out the MV-T valuation in accordance with the RICS Valuation - Professional Standards manual.

12. Fixed asset investments

	2015	2014
	£'000	£'000
Loan to other group member	3,981	3,980
Total	3,981	3,980

The loan to the other group member relates to Rooftop Homes Limited. A long term inter-company loan facility of £13 million was provided in April 2004 to enable Rooftop Homes Limited to acquire properties from Rooftop Management Limited and Rooftop Housing Association and fund a five year development programme. The initial drawdown in April 2004 was £5 million to acquire the properties from Rooftop Management Limited and Rooftop Housing Association. Part of this original loan was repaid on the disposal of the Nuneaton properties in 2007. The loan must be repaid in full at the end of 30 years (2034) and interest is charged at a commercial rate.

13. Debtors

	2015	2014
	£'000	£'000
Amounts receivable within one year		
Rents and service charges	1,669	1,625
Less: provision for doubtful debts	(623)	(561)
	<hr/> 1,046	1,064
Social housing grant receivable	2,496	791
Amounts due from other group undertakings	-	1,340
Amounts due from parent undertaking	640	-
Other debtors	254	246
Other taxation and social security	-	39
Prepayment and accrued income	219	142
	<hr/> 4,655	3,622

14. Cash at bank and in-hand

There were no specific charges on RHA's cash at bank and in-hand at 31 March 2015 or 31 March 2014.

15. Creditors: amounts falling due within one year

	2015	2014
	£'000	£'000
Housing loan repayable within one year	1,524	1,388
Social housing grant received in advance	-	38
Recycled capital grant fund	-	70
Disposal proceeds fund	-	28
Trade creditors	3,261	2,102
Right-to-buy sale proceeds due to Wychavon District Council	435	660
Accruals in respect of repairs	422	529
Amounts payable on housing development and major repairs	1,713	1,727
Interest payable	566	575
Other taxation and social security	12	1
Amount due to other group undertakings	27	299
Amount due to parent undertaking	-	156
Other accruals	1,015	692
Total	<hr/> 8,975	8,265

16. Creditors: amounts falling due after more than one year

	2015 £'000	2014 £'000
Housing Loans		
Repayable between one and two years	4,705	1,548
Repayable between two and five years	14,673	12,227
Repayable, otherwise than by instalments, in five years or more	155,731	138,329
Total loans repayable	<u>175,109</u>	<u>152,104</u>

Housing loans are secured by specific charges on certain of RHA's housing properties. The interest rates are fixed between 2.7% and 6.6% or vary with market rates. Of the £215.3 million agreed facility £177.1 million (2014: £153.5 million) has been drawn down by RHA to date. The loan is due for repayment by 2040.

17. Share capital

	2015 £	2014 £
Shares of £1 each issued and fully paid		
At 1 April	17	23
Issued during the year	1	3
Cancelled during the year	-	(9)
At 31 March	<u>18</u>	<u>17</u>

The share capital of RHA consists of shares with a nominal value of £1, each of which carries no rights to dividends, or other income. Shares in issue are not capable of being repaid or transferred. Where a shareholder ceases to be a member, that person's share is cancelled and the amount paid by them then becomes the property of RHA. So all shareholdings relate to non-equity interests and there are no equity interests in RHA.

18. Reserves

	Designated reserves £'000	Revenue reserve £'000	Revaluation reserve £'000	Total £'000
At 1 April 2014	4,060	24,991	124,726	153,777
Surplus for the year	-	8,012	-	8,012
Transfer of realised revaluation gain	-	726	(726)	-
Transfer to designated reserves	257	(257)	-	-
Transfer from designated reserves	(2,046)	2,046	-	-
Net revaluation	-	-	9,654	9,654
At 31 March 2015	<u>2,271</u>	<u>35,518</u>	<u>133,654</u>	<u>171,443</u>

The reinvestment reserve is included in designated reserves. An amount of £1.9 million was transferred out of the reserve during the year and the balance on the reinvestment reserve at 31 March 2015 is £0 million. Designated reserves include the replacement equipment reserve, the furniture and fittings reserve and the repairs reserve.

19. Reconciliation of movement in members' funds

	2015 £'000	2014 £'000
Surplus for the year	8,012	4,326
Revaluation adjustment	9,654	2,031
Total gains recognised in the year	<u>17,666</u>	<u>6,357</u>
Balance at 1 April	153,777	147,420
Balance as at 31 March	<u>171,443</u>	<u>153,777</u>

20. Capital commitments

	2015 £'000	2014 £'000
Capital expenditure contracted for in respect of development expenditure, but not provided for in the financial statements.	11,245	32,669
Capital expenditure authorised by the Board, but not contracted for in respect of development expenditure.	30,340	32,975
Total	<u>41,585</u>	<u>65,644</u>
RHA expects to finance the above expenditure by:		
Social Housing Grant receivable	4,805	8,333
Property sales proceeds	3,657	9,358
Use of cash surplus plus loans already arranged	33,123	47,953
Total	<u>41,585</u>	<u>65,644</u>

The contracted capital expenditure commitment is based on all developments currently on site. The commitment for capital expenditure authorised but not contracted for is based on all the remaining approved development schemes that are in the business plan.

21. Units

			2015	2014
	Owned and managed	Managed by others	Total	Total
Under development at the end of the year				
Units for rent	21	-	21	78
Under management at the end of the year				
General needs housing	4,766	-	4,766	4,622
Supported housing and housing for older people	326	387	713	698
Residential care homes	-	91	91	-
Intermediate rent	21	-	21	21
Leasehold properties	109	-	109	103
Low cost home ownership accommodation	218	-	218	184
Units for rent	5,440	478	5,918	5,628
Total units social housing	5,461	478	5,939	5,706
Retained freeholds and estate charges	281	-	281	282

22. Contingent liabilities and financial commitments

As part of the transfer agreement with Wychavon District Council, RHA provided various indemnities to the Council in respect of obligations that RHA had assumed on the transfer. In the view of the Board there is little likelihood of any liability arising in respect of these indemnities, and so no provision is reflected in these financial statements. RHA has no other outstanding contingent liabilities or financial commitments.

23. Related party transactions

During the year interest of £228,600 (2014: £190,500) was paid by another Group member, Rooftop Homes Limited (RHL). A management fee of £5,573,424 (2014: £7,316,988) was charged by the immediate parent undertaking, Rooftop Housing Group Limited. Property charges of £135,705 (2014: £103,346) were paid by another group member, G3 (Inspiring Individuals) Limited (G3).

Transactions with tenant Board Members are at arms length on normal commercial terms and they cannot use their position to their advantage. In August 2012 RHA became the sole corporate trustee of the Walker Hospital Trust. The Walker Hospital Trust is a charity which owns three properties and is a member of the National Association of Almshouses.

From October 2013 RHA became a shareholder in Fortis Property Care Limited which provides property services to the Group including responsive repairs, planned maintenance, grounds maintenance and gas servicing. The services are provided at cost and the amount charged to RHA during the year was £4,417,195 (2014: £2,560,693) and the balance owing at 31 March 2015 was £241,014 (2014: £0).

24. Legislative provisions

Rooftop Housing Association Limited is a wholly owned subsidiary of Rooftop Housing Group Limited. Rooftop Housing Group Limited is a Registered Society registered in England. RHA is incorporated under the Co-operative and Community Benefit Societies Act 2014, and is registered with the Homes and Communities Agency under the Housing and Regeneration Act 2008.

Board, executive and advisors

Registered office	70 High Street Evesham WR11 4YD
Board	<ul style="list-style-type: none">- Rachel Lathan (Chair)- Martin Holland (Vice Chair)- Hilary Hobart- Paul Kellard (started 17/9/14)- Sheila Kettleby- Robin Richmond- Emma Wilson (co-optee)
Executive officers	<ul style="list-style-type: none">- Ian Hughes, Group Chief Executive- Caroline Dykes, Finance Director- Sheila Morris, Secretary and Human Resources Director- David Hannon, Development Director- Juliana Crowe, Housing and Communities Director- Catherine Kevis, Support and Care Director (left 5/12/14)
External auditor	Mazars LLP 45 Church Street Birmingham B3 2RT
Bankers	Barclays Bank Plc 54 High Street Worcester WR1 2QQ
Internal auditors	Beever and Struthers St George's House 215-219 Chester Road Manchester M15 4JE
Principal solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B2 2ES
Other legal advisors	Trowers & Hamlins 3 Bunhill Row London EC1Y 8YZ

Lenders

Nationwide Building Society
Kings Park Road
Moulton Park
Northampton NN3 6NW

Lloyds Banking Group
25 Gresham Street
London
EC2V 7HN

Legal and General Investment Management
One Coleman Street
London
EC2R 5AA

Funding advisors

Capita Asset Services
64 Gresham Street
London
EC2V 7NQ

Insurance brokers

Zurich Municipal
Zurich House
Ballsbridge Park
Dublin 4
Ireland

Taxation advisors

Baker Tilly LLP
City Plaza
Birmingham
B2 5AF

Valuers

Savills Plc
19/20 City Business Centre
6 Brighton Road
Horsham
West Sussex
RH13 5BB

Performance analysis

HouseMark Ltd
8 Riley Court
Millburn Hill Road
University of Warwick Science Park
Coventry CV4 7JJ

Biographies of Board Members

Rachel Lathan (Tenant and Chair of RHA)

Rachel has been an RHA tenant for some years and lives in Badsey with her husband and young family. She balances a demanding family life with her job in sales and her involvement with Rooftop. Rachel first became an involved resident with Rooftop when she joined the newly formed Resident Action Team in 2010 and has risen rapidly to the position of RHA Chair. She was 'Tenant of the Year' finalist in the 2012 Tenant Participation Advisory Service Awards. Rachel has completed many public speaking engagements. She has successfully completed a Governance Training course accredited through Derby University. Rachel is an active member of the local community and believes passionately in providing excellent housing.

Martin Holland, FCIH (Vice Chair of RHA and Chair of RHL)

Martin has worked in the housing sector for over 40 years and has experience in local authorities and the private sector as well as housing associations. Martin retired from his role as Chief Executive at Shropshire Housing Group in 2013, where he had worked since the early nineties. He has also been involved with the National Housing Federation as Regional Chair. Martin was appointed to the Board of the Rural Housing Advisory Group, advising the Homes and Communities Agency and Department for Communities and Local Government on rural housing issues in 2011.

Hilary Hobart (Vice Chair of RHL)

Hilary trained as an accountant in a firm of Chartered Accountants in Liverpool, which specialised in auditing organisations in regulated sectors. She gained a passion for housing and subsequently left the partnership to hold various finance posts and ultimately the post of Finance Director within the Liver Housing Group (now part of the Your Housing Group). In 1999 she moved to the Midlands to become the Finance Director & Company Secretary of the Accord Housing Group. She left the sector to be part of a management buy out of an IT infrastructure company and also became a voluntary Board Member of Ashram Housing Association for a period of two years. After a successful exit from her company and a four year career break to look after her twin boys, Hilary became a self-employed Finance Director for innovative start-up companies funded by venture capital investments. She is now employed by one of them on a part time basis, which gives her the opportunity to fulfil her role as a school governor for her local primary school.

Paul Kellard (Tenant)

Paul, born in Chester, has a career background in the Armed Forces and the Ministry of Defence. He currently works in Health and Social Care and was recently appointed to the post of Care Co-ordinator in a residential nursing home. He has been a Rooftop tenant for more than 20 years and, in recent years, he has been involved with the Rooftop Customer Panel and Resident Excellence Panel. Paul successfully completed a governance training course accredited through Derby University. Paul volunteers with the Alzheimer's Society as a fund raiser and Dementia Friends Champion. He believes passionately in providing excellent housing to create strong communities, especially to an ageing population.

Sheila Kettley (Tenant and Vice Chair of G3)

Sheila, born in North London, has had a career background in banking, stockbroking, architecture and surveying. Her most recent position was as a Credit Control Manager. She and her husband were also publicans, based in various parts of the country, their last public house being in Eckington, Worcestershire. Sheila has been a Rooftop tenant for over 10 years and has been involved with the Rooftop Customer Panel since 2008. Sheila chairs the Community Fund Group and the Communications Panel, sub-groups of the Customer Panel, and serves on the Complaints Review Panel. She is also a Rooftop volunteer and sits on the judging panel of the annual Rooftop Garden Competition for residents. Sheila successfully completed a Governance Training course accredited through Derby University. She has been a member of the Audit Committee since 2011.

Robin Richmond, MBA FCA (Chair of G3)

Originally from London, Robin's background is in finance, including property development with Arlington Securities plc. Since leaving Doncasters plc in 1999, Robin has been engaged in project work and has held a number of non-executive directorships, including Worcestershire Mental Health NHS Partnership Trust, Heart of England Housing and Care, and the Orbit Group. Robin is currently a Trustee of Midlands Air Ambulance Charity. Married with five children, Robin's outside interests include books, music and spending time with his family.

Emma Wilson (Co-optee)

Emma is a registered nurse with experience of working as a senior manager in both primary and secondary care in London and Worcestershire, with accountability for the provision and delivery of nursing services. She now works part-time as an advanced nurse practitioner in general practice, in addition to studying for an MSc in Advancing Practice at University of Worcester. After a move back home to Pershore from London with her two young children in 1997, she was aware of the need for good, affordable social housing and feels fortunate to have been a tenant of RHA for five years. Her children are now at university and she lives locally with her husband.