

Rooftop Homes  
Limited

Annual report  
and financial statements

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2009/2010

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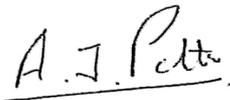
# Chair's report

The twelve months ended 31 March 2010 have been a significant and important period in the development of Rooftop Homes Limited (RHL). During this time the handover of the first 96 of a total of 228 units of keyworker accommodation at Shrewsbury Hospital took place. The remaining 132 units will be delivered by December 2010. This purpose designed development for the Royal Shrewsbury and Telford NHS Trust is the third scheme of this type provided by RHL and more than doubles RHL's capacity in this niche sector.

During the year the Board commissioned a review of all of RHL's garage sites and forecourts in order to identify those suitable for development to provide Social Housing and as a result it has been agreed to sell eleven sites to Evesham and Pershore Housing Association (EPHA) to enable much needed homes to be built.

A major review of the RHL portfolio was also initiated during the year and this ongoing exercise will ensure that the portfolio continues to be managed effectively in future years.

In conclusion, I would like to thank the Directors and staff of Rooftop Housing Group (RHG) for their support and effort in contributing to a very successful year for RHL.



**Andrew Potter**

**Chair**

21 July 2010

# Report of the Board

The Board is pleased to present its report and the audited financial statements for the year ended 31 March 2010. The report and financial statements are prepared in accordance with the Industrial and Provident Societies Act 1965 to 2002, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006 and the Statement of Recommended Practice (SORP) for Registered Social Landlords 2008.

## Group structure

RHL was incorporated on 13 November 2003 and is a Registered Social Landlord (RSL), an Industrial and Provident Society and a member of Rooftop Housing Group Limited (RHG). The Group parent is a non-asset holding, non-charitable Industrial and Provident Society (29661R), registered with the Tenant Services Authority (L4404), providing operational and corporate services including treasury management, information and communication technology and human resources for the whole Group

## Senior management team

The senior management team detailed on page 31, under the heading 'Executive officers', served throughout the year from 1 April 2009 to the date of this report unless otherwise stated.

## Principal activities

The principal activity of RHL is to provide social housing: the letting, management and maintenance of dwellings for people in housing need, together with appropriate care and support services. The housing that falls within the Tenant Services Authority's definition of social housing, includes shared ownership, keyworker and residential care activities. It also owns and operates intermediate and market rented stock and a significant portfolio of residential garages and garage courts within the Group.

## The Board

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

The Board consists of 11 non-executive Board Members including ten drawn for their professional, commercial and local experience plus one tenant member. The Board Members 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. Members of the Board as at the date of this report are listed on pages 31 to 34 together with brief biographical details. Each member of the Board and RHG holds one fully paid share of £1 in RHL which is cancelled on cessation of membership.

The day-to-day matters of RHL are 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 RHL's share capital and are not members of the Board. The Board meets formally on a two monthly basis. The Board has reviewed their effectiveness and how to further improve governance. Part of this review includes a trial restructuring of the Board and membership and this trial is currently ongoing.

#### **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 :

- Garth Raymer (Chair), RHG
- Allan Brace, EPHA,RHL,RHG,G3
- John Hill , RHG
- Leslie Edwards, RHL, EPHA
- Kim Fowkes RHL, EPHA
- Helen Gore, G3

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, managing key risks facing the Group and reviewing all internal control processes so that the Group can be reasonably assured that appropriate and effective risk management arrangements are in place.

#### **Service Review Group**

The Group parent, RHG, is responsible for undertaking all service reviews across the Group. To improve these reviews a formal committee of the parent has been established. The current membership is:

- John Hill (Chair)
- Helen Burgoyne
- Kim Fowkes
- John Stanley
- Ian Hughes (Group Chief Executive)
- Charles Brotherton (Finance Director)
- Vacant (Customer Panel)
- Vacant (Customer Panel)

The main purpose of the working party is to lead the Group's goal to deliver continuous improvement in services to residents through a rolling five year programme of service reviews designed to maintain the delivery of excellent services.

#### **Code of Governance**

The Board has formally adopted the National Housing Federation's Codes within the Governance policy (Excellence in Governance, Excellence in Service Delivery and Accountability and Excellence in Standards of Conduct) and confirms that RHL complies with the codes in all material respects.

### **Resident involvement**

The Board believes that it is vital to get its customers involved in the decisions made about the services that it provides.

To make the most of customer involvement the Group:

- has established a Resident Action Team;
- has active customer and service review panels;
- holds regular customer events;
- sends out quarterly magazines and an annual report of performance;
- consults customers directly on specific issues;
- operates a 'mystery shopper' scheme; and
- operates a comprehensive website.

The main services are provided from the head office in Evesham. The keyworker schemes at Worcester, Shrewsbury and Weston-Super-Mare have on-site management services, whilst the intermediate and market rent portfolios at Tewkesbury, Worcester, Biddulph and Nuneaton are jointly managed with local agents. This variety of operating locations provides local access to our customers.

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

### **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 RHL 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 RHL 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 RHL, and to enable it to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006. The Board is also responsible for maintaining a satisfactory system of control over the accounting records and transactions, and for safeguarding the assets of RHL, 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 the system of internal control and for reviewing its effectiveness. The system of internal control is designed to

manage rather than eliminate the risk of failure to achieve business objectives, and 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 the Group, 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 the year, the Board and/or Audit Committee have received the following evidence to support the effectiveness of the internal controls:

- Reports on risk management are presented to every Audit Committee meeting. The top scoring risks are viewed on screen electronically for discussion at every meeting. The Risk Map is reviewed formally by the Board on an annual basis.
- Internal audit reports including the annual report 2009/10. Each internal audit report gives an overall assessment on the reliance that can be placed on the controls; these are classified as substantial, reasonable, limited or no assurance. All of the systems reviewed by internal audit during 2009/10 were assessed as substantial or reasonable assurance with the exception of one which was assessed as limited assurance. The Board actively monitors all recommendations and controls.
- Management reports on operational and financial matters. All board reports include a risk management summary which clearly shows any new risks identified.
- 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 proposals for compliance with the Group budget parameters and financial policies by the Audit Committee.
- Development appraisal assumptions.
- All policies and strategies are approved by the Board or Audit Committee.
- Fraud and hospitality registers.
- External auditors reports and management letter.
- Tenant Services Authority (TSA) Viability review (green light).
- Annual Self Assessment Compliance Statement (SACS) review.

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 its employment practice. Applications for employment from persons with black or minority ethnic origin or disabilities 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 a formal consultation with the employee forum, departmental meetings and a core brief.

### **Health and safety**

The Board is aware of its responsibilities in 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**

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

### **Political and charitable donations**

RHL did not make any political contributions, or charitable donations (2009: £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 RHL'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 15 September 2010.

### **External auditors**

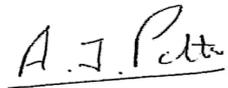
A resolution to re-appoint Mazars LLP will be proposed at the Annual General Meeting.

### **Disclosure of information to auditors**

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 are aware, there is no relevant audit information of which the company's auditors are unaware; and
- each of the board members has taken all the steps that he/she ought to have taken as a director to make him/herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

By order of the Board



**Andrew Potter**  
**Chair**

21 July 2010

# Financial review

The report and accounts for the year ended 31 March 2010 have been prepared in accordance with applicable accounting standards. The accounting policies have been reviewed and RHL has adopted the Statement of Recommended Practice (SORP) 2008.

RHL was newly registered in November 2003 and commenced trading in April 2004 upon the transfer of properties from Evesham and Pershore Housing Association Limited (EPHA) and Rooftop Management Limited (RML), other members of the Rooftop Housing Group.

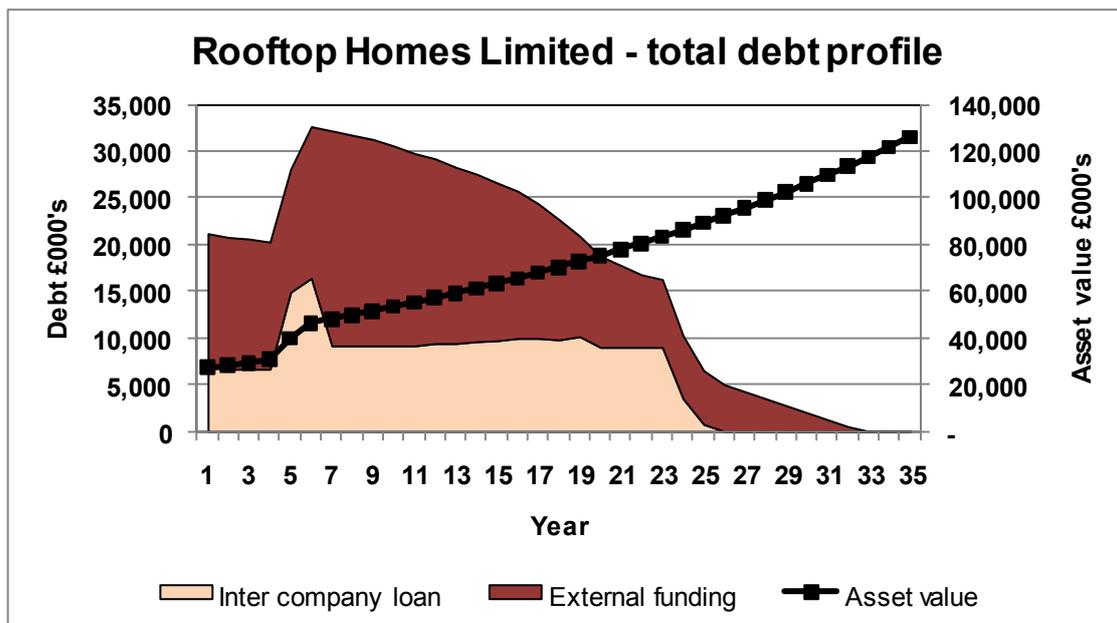
## Funding facilities

The original funding facility for RHL was by a £20 million loan from Nationwide Building Society and £13 million inter-company loan from EPHA. Of this total £33 million facility an initial £13 million was drawn to fund the purchase of the properties from EPHA and RML: £8 million from Nationwide Building Society and £5 million from the EPHA inter-company loan.

During 2008 Nationwide Building Society confirmed the facility would not be able to be used for funding the Shrewsbury keyworker scheme. Under the terms of the loan the £11.2 million undrawn facility was transferred to EPHA. This transaction was completed in July 2009.

To ensure adequate funding for the Shrewsbury keyworker scheme a £14 million loan facility was arranged during 2008 with Lloyds Banking Group. These funds provide the long term funding for the Shrewsbury keyworker scheme and other development plans. In addition, to ensure sufficient development funding exists for future plans, the inter-company loan facility was increased to £20 million.

With the above funding arrangements in place, RHL will have loan facilities totalling £42.8 million, of which £18.5 million is drawn at 31 March 2010. The remaining facilities are sufficient to achieve the business plan aim of 600 homes by 2014.



## Performance

The Board has adopted six key indicators to measure the performance of RHL and determine how well it is performing over time and against its peers. The keyworker activity is the most significant element of the business and the performance of this area and comparison to target is as follows :

	Target	2010	2009	2008	2007
(i) Voids available for letting as % of stock	6.5%	<b>1.2%</b>	1.3%	3.1%	2.7%
(ii) Re-let interval weeks	4.0	<b>4.2</b>	3.7	2.6	2.3
(iii) % of urgent repairs completed	97.7%	<b>97.2%</b>	92.3%	88.4%	90.8%
(iv) Rent collected as % rent due	100.0%	<b>98.8%</b>	100.6%	98.8%	102.4%
(v) Rent arrears as % of rent due	1.0%	<b>5.5%</b>	2.3%	3.0%	2.0%
(vi) % rent lost through voids	2.0%	<b>2.9%</b>	6.8%	1.4%	1.9%

With the exception of rent arrears RHL performance is close to target although it has only outperformed on the proportion of properties empty and available for letting. Although the collection rate fell to 98.8% and consequently the arrears levels have increased the average collection rate over the past four years is 100.1%.

## Income and expenditure account

The intention of RHL is to generate revenue surpluses that can be re-invested in the housing stock.

### Association highlights, five year summary

	Budget	Actual	Actual	Actual	Actual
	2011	2010	2009	2008	2007
	£'000	£'000	£'000	£'000	£'000
Turnover	2,222	<b>1,702</b>	1,485	1,468	1,491
Operating costs	(1,297)	<b>(1,080)</b>	(955)	(797)	(833)
Operating surplus	925	<b>622</b>	530	671	658

## Income and expenditure account

The turnover has been averaging just under £1.5 million while the number of stock units has remained fairly constant. This changed with the phased handover of the Shrewsbury scheme during 2009. The Shrewsbury scheme will be completed in the 2010/11 year, hence the budgeted turnover increasing further. The operating surplus reduced in 2009 as previous surpluses were re-invested in planned property improvements.

During 2009 the board reviewed its Nuneaton portfolio. The initial plans were to refurbish the homes for outright sale. However, with the difficulties in the housing and credit markets the board decided to rent these out on an intermediate rent basis. The long term plan remains the disposal of these properties.

During the year the board received detailed reports reviewing all its portfolios. These confirmed they all remain viable although further work will be undertaken in 2011 on the market rent portfolios.

### Balance sheet

The housing properties are valued on the basis of market value at £25.8 million. This is an increase of £6.7 million over the past 12 months. This is the net effect of construction works at the Royal Shrewsbury and Telford NHS Trust keyworker scheme and increased value of existing properties.

### Association highlights, five year summary

Balance sheet		Actual	Actual	Actual	Actual	Actual
		2010	2009	2008	2007	2006
		£'000	£'000	£'000	£'000	£'000
Housing properties		25,810	19,150	18,055	16,816	16,722
Net current (liabilities)/assets		(1,746)	(1,429)	50	1,055	439
Net assets		24,064	17,721	18,105	17,871	17,161
Loans (due over one year)		18,239	12,825	11,749	12,648	13,685
Provision for deferred taxation		158	98	63	83	44
Reserves:	Revaluation	5,086	4,244	5,745	4,732	3,366
	Designated	337	347	351	296	114
	Revenue	244	207	197	112	(48)
	Total reserves	5,667	4,798	6,293	5,140	3,432
Total capital and reserves		24,064	17,721	18,105	17,871	17,161

The balance sheet growth reflects the construction of the Shrewsbury keyworker scheme (£12 million total cost). The reduction in property values (£1.5 million) experienced in 2009 have largely been reversed, hence the increase in the revaluation reserve to over £5 million. The increase in net current liabilities in the year is as a result of the retention payment on the Shrewsbury keyworker scheme.

The Association is committed to using its balance sheet strength to ensure its ongoing development aspirations can be delivered. The funders have set a 65% maximum gearing limit within which RHL must operate. This gearing calculation excludes the inter-company loan and the gearing ratio is only 28% at the end of March 2010. This is a reduction over previous years due to the development of the Shrewsbury scheme, which has initially been funded by the inter-company loan.

### Cashflow

As a 100% debt funded organisation it is vitally important to generate cash surpluses. This has once again been successfully achieved. The operating results have been very good and I am pleased to report RHL demonstrates robust financial health.



**Charles Brotherton**  
Finance Director  
21 July 2010

# Operational review

## **Our mission**

All member associations within the Rooftop Housing Group are committed to improving the quality of life of people and the communities in which they live. This mission is to be achieved by providing excellent housing and related services, improving existing homes, providing new homes and working with a range of partners to benefit their communities.

The most significant event of the year was the admission to the Group of a specialist unregistered housing association, G3 (Inspiring Individuals) Limited (G3) based in Gloucester. G3 joined the Group on 1 October 2009 bringing a wealth of experience in providing support and accommodation to young people in Gloucestershire. Within Rooftop, the board of G3 has taken overall responsibility for all support and care services including direct provision to our young and older residents as well as support services provided by other specialist organisations on our behalf. The business case for the merger allows the Group to achieve a separation of estate management services, strengthens governance of support services and will generate economies of scale in response to national financial constraints.

The Group undertook a number of reviews during the year. Our overall Development Strategy was given a clear regional focus upon local authorities in Worcestershire and Gloucestershire allied to implementation of our Community Strategy. Several front line services were reviewed against the requirements of the Audit Commission Key Lines of Enquiry to maintain the Housing Excellence status awarded to us in June 2008. A fundamental review of our internal financial regulations and contract standing orders was completed. The Group board reviewed Pension Scheme options for future entrants and made changes to our schemes following consultation with employees. The boards considered their own structures and have implemented a governance improvement plan designed to streamline and renew membership over the next three years.

In response to the effects of the global financial crisis and prospect of a change in Government, the Group undertook a major review of its objectives and goals using a strategic planning software tool (Clearview) that helps us to critically review the sociological, technical, environmental and political factors affecting our business and to look again at our strengths, weaknesses, opportunities and threats. Objectives are delivered through achievement of corporate goals. Each of the goals will be achieved through a number of projects that are managed using Clearview.

The three objectives and goals are:

**1. Services: We will develop, deliver and sustain excellent services to all our customers.**

- Carry out a five year programme of service reviews to maintain excellent services as defined by the Audit Commission (New goal)
- By March 2014, ensure that all Rooftop customers enjoy excellent access to services, in person and through digital technology, delivering best practice in customer care (New goal)
- Develop existing and new Supported Housing services and partnerships to maintain support income at 7% of group turnover and develop overall supported activity including lettings income to 25% of group turnover by March 2015 (New goal)
- Equalities and diversity - to ensure the delivery of excellent services to all of our customers (current goal)
- Develop new Supported Housing services and partnership agreements to increase customer numbers by 15% (goal finishing 2010/11)
- Maintain excellent services as defined by the Audit Commission (goal finishing in 2010/12)

**2. Community needs: Working with partners, we will contribute toward the creation of cohesive and inclusive communities; developing new build and refurbishment schemes that respond to housing needs identified by national and regional strategies that are environmentally sustainable.**

- (EPHA) Provide new affordable homes for an average of 150 waiting list applicants per annum over the next five years (New goal)
- Improve the environmental sustainability and affordability of our homes, achieving an average SAP rating of 70 by 2015 (67 sector average score) (New goal)
- Create a sustainable business unit within EPHA that develops and manages a minimum of 66 pitches/homes for the gypsy and traveller community in the South Midlands and North Gloucestershire area by 2014 (New goal)
- To deliver an annually agreed programme of projects to meet the Community Strategies of our local authority partners (New goal starting 2012)
- Deliver the approved Rent Restructuring Reserve projects by March 2015 (New goal)
- Expand RHL's portfolio to 600 homes by March 2014 (current goal modified)
- Achieve 150 EPHA Homes under the National Affordable Housing programme (NAHP) to meet the needs of 750 households between April 2008 and March 2013 (of which 550 will be for rent) (goal finishing 2011/12)
- To actively participate in community development, striving to ensure that our contributions are highly regarded (goal finishing 2010/11)

**3. Making best use of resources: We will make best use of our financial, ICT and human resources to support and deliver excellent services and homes for customers and the community.**

- Optimise use of our people, skills and internal capacity by implementation of the HR Strategy and an annual plan of improved business processes (New goal)
- Demonstrate improving Value for Money measured by the HouseMark efficiency framework. By March 2015 this should deliver efficiency gains valued at £3 million, or 5% of operating costs whichever is the greater, of which 50% should be cashable gains (New goal)
- Capital Receipts - To generate £70 million net capital receipts from shared ownership sales of existing homes by March 2015, providing £40 million for reinvestment in new homes, £30 million for reinvestment in existing homes and services (New goal)
- Use our new build, maintenance and environmental investment capacity to deliver training, employment and local enterprise opportunities for at least 100 unemployed people within South Worcestershire and North Gloucestershire (New goal)
- Deliver Value for Money specifically through the joint procurement initiative for asset management aiming to achieve efficiency gains of 12% by March 2013 and through efficiency gains on other activities averaging 2.5% per annum (goal finishing 2010/11)
- Maintaining compliance with Tenant Services Authority regulatory requirements (goal finishing 2011/12)
- Make best use of Information Technology (goal finishing in 2010/11)

Twelve new goals have been added during the review. Eight existing goals will continue until projects linked to them are complete and generally the goals have been tightened to ensure delivery within our five year plan. For 2009/10, 11 out of the 14 goals were completely on target and our goal for environmental sustainability was revised to ensure it is deliverable within our expected level of resources.

The new goals recognise that the affordable housing environment is going to be increasingly challenged by public sector financial cut backs that will result in increasing demand for the services we provide. Maintaining excellent services, investment in our stock of homes particularly retrofitting to enhance environmental sustainability and continuing a supply of new homes are significant challenges. The Group is responding by making efficient use of our resources and exploring whether we can generate capital receipts through shared ownership sales of certain categories of existing homes.

Other significant events for RHL during the year include:

- Having signed a lease and project agreement with Shrewsbury NHS Trust on 31 March 2009, we completed 96 new homes during 2009/10 out of a total of 228 being built for nurses and doctors. The total cost of this scheme is over £12 million, of which £9.3 million has now been paid.
- A number of garage sites have been earmarked for residential redevelopment and transferred to our sister association EPHA to provide more affordable homes for the community.
- A systematic review of the financial viability of each property in the RHL portfolio has been undertaken as part of annual strategic review. As an example, the review of Worcestershire Royal Hospital assessed that loan finance would be repaid by 2038, eleven years earlier than our lease generating a net present value of £700k.

### Partnerships

The Association has been working with NHS Trust partners in Worcester, Weston-Super-Mare and Shrewsbury to develop and manage new and existing homes for their key staff. The needs of key workers for suitable affordable housing are now widely recognised by central and regional government strategies. The operating activities of RHL are broadly split into four streams: keyworker accommodation, residential care, market and intermediate rent and garages. The key operational issues for RHL are collecting rent, maintaining the properties and making sure that the properties are re-let quickly when they become vacant.

### Regulatory performance

We are regulated by the Tenant Services Authority (TSA) the government agency that regulated all affordable housing providers in England during 2009/10. The 2009 Regulatory Judgement indicates the Group achieves the equivalent of green lights in all three areas: financial viability, governance, and management. The TSA has also carried out a Viability Review (VR) that forms the basis of the Group's green light for viability in the Regulatory Judgement. This is based on the submission of the 30 year debt capacity model.

The boards carried out a self assessment of compliance with the TSA Regulatory Code that concluded the Group is fully compliant. The TSA acknowledged that the Group operates a robust framework of self assessment. Together with our residents the Group fully embraced the TSA consultation upon the new framework of national standards that will apply from April 2010 and is now progressing towards the determination of our own local standards for publication in October 2010.

In 2009/10 the National Housing Federation published three new codes, Excellence in Service Delivery and Accountability, Excellence in Governance and Excellence in Standards of Conduct. Board members have reviewed the codes to confirm compliance and have formally adopted all three.

### Maintenance programmes

RHL recognise the importance of investing in the stock and making sure that the building components are regularly replaced. An updated 100% stock condition survey was undertaken in 2004 and RHL now has thorough information for planning maintenance programmes and making sure that the government's Decent Homes standard is achieved. The investment in the stock during recent years has resulted in 100% of the homes meeting this standard.



**Ian Hughes**  
**Group Chief Executive**  
21 July 2010

# Report of the auditors on the financial statements

## **Independent auditors' report to the members of Rooftop Homes Limited**

We have audited the financial statements of Rooftop Homes Limited for the year ended 31 March 2010, which comprise the income and expenditure account, balance sheet and the related notes. These financial statements have been prepared under the historical cost convention, as modified for the revaluation of housing properties, and in accordance with the accounting policies set out therein.

This report is made solely to the Rooftop Homes Limited's members, as a body, in accordance with the relevant legislation. Our audit work has been undertaken so that we might state to the Rooftop Homes Limited'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 Rooftop Homes Limited, and Rooftop Homes Limited's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditors**

The Board's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom generally accepted accounting practice), are set out in the report of the Board.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and International Standards on Auditing (UK and Ireland).

We report to you, our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006. We also report to you if, in our opinion, the report of the Board is not consistent with the financial statements, if Rooftop Homes Limited has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises the Chair's report, report of the Board, and financial and operating reviews. We consider the implications for our report, if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Our responsibilities do not extend to any other information.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the board members in the preparation of the financial statements, and of whether the accounting policies are appropriate to Rooftop Homes Limited's circumstances, consistently applied, and adequately disclosed.

We planned and performed our audit to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom generally accepted accounting practice, of the state of affairs of Rooftop Homes Limited as at 31 March 2010, and of the deficit of Rooftop Homes Limited for the year then ended and have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing Act 1996 and the Registered Social Landlords General Determination 2006.

Mazars LLP

**Mazars LLP**

**Chartered Accountants and Statutory Auditor**

**Dudley, West Midlands, DY1 4PY.**

## Income & expenditure account

For the year ended 31 March 2010

	Notes	2010 £'000	2009 £'000
<b>Turnover</b>	2	<b>1,702</b>	1,485
Operating costs	2	<b>(1,080)</b>	(955)
<b>Operating surplus</b>	2	<b>622</b>	530
Deficit/surplus on sale of property	4	<b>(15)</b>	28
Interest receivable	8	-	34
Interest payable and similar charges	9	<b>(627)</b>	(633)
<b>Deficit on ordinary activities before taxation</b>	7	<b>(20)</b>	(41)
Tax on deficit on ordinary activities	10	<b>(59)</b>	(49)
<b>Deficit for the year</b>	18	<b>(79)</b>	(90)

All amounts relate to continuing activities.

### Note of historical cost surpluses and deficits

<b>Reported deficit on ordinary activities before taxation</b>	<b>(20)</b>	(41)
Realisation of property revaluation surpluses	<b>36</b>	36
Difference between a historical cost depreciation charge and the actual depreciation charge of the period calculated on the revalued amount	<b>70</b>	60
<b>Historical cost surplus on ordinary activities before taxation</b>	<b>86</b>	55

<b>Historical cost surplus for the period retained after taxation</b>	<b>27</b>	6
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### Statement of total recognised surpluses and deficits

Deficit for the year		<b>(79)</b>	(90)
Unrealised surplus/deficit on revaluation of housing properties	18	<b>948</b>	(1,405)
<b>Total recognised surplus/deficit relating to the period</b>		<b>869</b>	(1,495)

The notes on pages 20-30 form part of these financial statements.

## Balance sheet as at 31 March 2010

		2010		2009	
	Notes	£'000	£'000	£'000	£'000
<b>Tangible fixed assets</b>					
Housing properties	11		<b>25,810</b>		19,150
<b>Total fixed assets</b>			<b>25,810</b>		19,150
<b>Current assets</b>					
Debtors	12	<b>157</b>		111	
Cash at bank and in-hand	13	<b>76</b>		1,065	
		<b>233</b>		1,176	
<b>Creditors:</b>					
amounts falling due within one year	14	<b>(1,979)</b>		(2,605)	
<b>Net current liabilities</b>			<b>(1,746)</b>		(1,429)
<b>Net assets</b>			<b>24,064</b>		17,721
<b>Creditors:</b>					
amounts falling due after more than one year	15		<b>18,239</b>		12,825
<b>Provision for liabilities and charges</b>	16		<b>158</b>		98
<b>Capital and reserves</b>					
Share capital	17	-		-	
Revaluation reserve	18	<b>5,086</b>		4,244	
Designated reserves	18	<b>337</b>		347	
Revenue reserve	18	<b>244</b>		207	
Total members funds	19		<b>5,667</b>		4,798
<b>Total capital and reserves</b>			<b>24,064</b>		17,721

In view of the constitution of Rooftop Homes Limited, all shareholdings relate to non-equity interests, as disclosed in note 17.

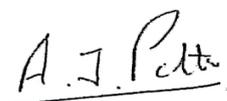
The notes on pages 20-30 form part of these financial statements.

The financial statements on pages 18-30 were approved by the Board on 21 July 2010 and were signed on its behalf by:

**Secretary**



**Board Member**



**Board Member**



## 1. Principle accounting policies

### Basis of accounting

The financial statements are prepared in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the 2008 Statement of Recommended Practice issued by the National Housing Federation of Housing Associations 'Accounting by Registered Social Landlords'. The financial statements comply with the Accounting Requirements for Registered Social Landlords General Determination 2006.

### 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 social landlord or market value.

### Turnover

Turnover represents rental and service charge income from all properties including market rented and keyworker accommodation. In addition any shared ownership sales income would be included in turnover.

Proceeds from the first tranche disposals of shared ownership properties would be 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 cost 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 would be adjusted, where necessary, to ensure the surplus on sale is restricted to the overall surplus on the scheme.

### Service charges

RHL 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.

### Housing properties

Housing properties including keyworker accommodation and market rent 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.

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:

Keyworker	100 years
Residential care	30 years
Garages	25 years
Leased property	Over life of lease

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 grant 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.

The market rent properties are investment properties in accordance with SSAP 19 and are not depreciated but are revalued periodically with the valuation being reflected in the accounts.

### 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.

### 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 Social Housing Grant (SHG) received in advance.

**Capitalisation of development overheads**

As a result of the introduction of Financial Reporting Standard for Tangible Fixed Assets (FRS 15) together with the requirements outlined in the Statement of Recommended Practice for Registered Social Landlords, only specific and directly attributable costs are capitalised.

**Supported housing schemes managed by agents**

RHL owns a residential care scheme run by a specialist agency. 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 RHL. Any other income and expenditure related to the scheme is excluded from the income and expenditure account.

**Investments**

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

**Major and cyclical repairs and maintenance**

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

- i extending its useful economic life or
- ii the improvement enables a higher rental income to be charged (for example, first time central heating, double glazing and in-curtiledge parking)

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

**Provisions**

RHL 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. Contributions to pension schemes are calculated as a percentage of pensionable salaries of the employees, determined in accordance with actuarial advice. The cost of providing pensions is charged to the income and expenditure account.

With G3 (Inspiring Individuals) Limited joining the Group there is also a money purchase defined contribution scheme. Contributions to the pension scheme are calculated as a percentage of pensionable salaries of the employees as agreed by the Board. 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, 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.

**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 FRS 19.

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.

**Repairs reserve**

The aim of the reserve is to build up a sufficient fund to pay for the elemental renewals when they are due, as identified in the stock condition survey.

**Property disposal reserve**

When RHL disposes of a property, the value is written out of the balance sheet and the disposal proceeds are credited to the bank account. Any surplus between the proceeds and value is credited to the property disposal reserve.

This fund is to be used in creating another income producing asset. This can either be a new property, or an extension/improvement to an existing property where the rents can be increased.

**Replacement equipment reserve**

This reserve is established to fund the future replacement cost of furniture and equipment at keyworker accommodation.

## 2. Turnover, operating costs & operating surplus

	2010			2009		
	Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Social housing lettings</b>						
Keyworker	975	(642)	333	827	(553)	274
Supported housing	239	(82)	157	216	(81)	135
Other	301	(161)	140	267	(217)	50
<b>Total</b>	<b>1,515</b>	<b>(885)</b>	<b>630</b>	<b>1,310</b>	<b>(851)</b>	<b>459</b>
<b>Non social housing activities</b>						
Market renting	187	(195)	(8)	175	(104)	71
<b>Total</b>	<b>1,702</b>	<b>(1,080)</b>	<b>622</b>	<b>1,485</b>	<b>(955)</b>	<b>530</b>

### 3. Income and expenditure from social housing lettings

	Key worker £'000	Supported £'000	Other £'000	2010 Total £'000
Rent receivable net of identifiable service charges	633	239	301	1,173
Service income	341	-	-	341
<b>Net rental income from social housing lettings</b>	<b>974</b>	<b>239</b>	<b>301</b>	<b>1,514</b>
Other revenue income	1	-	-	1
<b>Total income from social housing lettings</b>	<b>975</b>	<b>239</b>	<b>301</b>	<b>1,515</b>
Management	106	8	26	140
Services	314	-	18	332
Routine maintenance	92	-	23	115
Planned maintenance	-	-	7	7
Rent losses from bad debts	3	-	4	7
Depreciation of housing properties	127	74	83	284
<b>Operating costs on social housing lettings</b>	<b>642</b>	<b>82</b>	<b>161</b>	<b>885</b>
<b>Operating surplus on social housing lettings</b>	<b>333</b>	<b>157</b>	<b>140</b>	<b>630</b>
<b>Rent losses from voids</b>	<b>29</b>	<b>-</b>	<b>38</b>	<b>67</b>
	Key worker £'000	Supported £'000	Other £'000	2009 Total £'000
Rent receivable net of identifiable service charges	513	216	267	996
Service income	313	-	-	313
<b>Net rental income from social housing lettings</b>	<b>826</b>	<b>216</b>	<b>267</b>	<b>1,309</b>
Other revenue income	1	-	-	1
<b>Total income from social housing lettings</b>	<b>827</b>	<b>216</b>	<b>267</b>	<b>1,310</b>
Management	88	7	23	118
Services	290	-	24	314
Routine maintenance	65	-	24	89
Planned maintenance	42	-	64	106
Rent losses from bad debts	3	-	1	4
Depreciation of housing properties	65	74	81	220
<b>Operating costs on social housing lettings</b>	<b>553</b>	<b>81</b>	<b>217</b>	<b>851</b>
<b>Operating surplus on social housing lettings</b>	<b>274</b>	<b>135</b>	<b>50</b>	<b>459</b>
<b>Rent losses from voids</b>	<b>18</b>	<b>-</b>	<b>32</b>	<b>50</b>

## 4. Sale of property

	2010 £'000	2009 £'000
<b>Property disposals</b>		
Receipts from sale of housing property	60	92
Book value of properties sold	(55)	(49)
Other operating costs and costs of disposal	(20)	(15)
<b>(Deficit)/surplus on sale of properties</b>	<b>(15)</b>	<b>28</b>

## 5. Directors' emoluments and expenses

The directors are defined as the members of the Board and the executive officers as given on page 31. The Board Chair received an annual allowance of £7,178 and the other members each received an annual allowance of £3,730.

The executive officers are employed and paid by Rooftop Housing Group Limited and these details are presented in the parent company accounts.

## 6. Employee information

RHL 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. Deficit on ordinary activities before taxation

	2010 £'000	2009 £'000
<b>The deficit on ordinary activities before taxation is stated after charging</b>		
Depreciation	284	220
External auditors' remuneration (including value added tax)		
- in their capacity as auditors	2	2

## 8. Interest receivable

	2010 £'000	2009 £'000
Bank interest	-	34
<b>Total</b>	<b>-</b>	<b>34</b>

## 9. Interest payable and similar charges

	2010 £'000	2009 £'000
Total interest payable on loans repayable in less than five years	69	67
Total interest payable on development and housing loans repayable wholly or partly in more than five years	287	420
Total interest payable on loans from another group undertaking	489	183
Less: interest capitalised	(218)	(37)
<b>Total</b>	<b>627</b>	<b>633</b>

The rate used to calculate capitalised interest was 6.0% being the actual cost of borrowing on the fixed interest inter-company loan from EPHA.

## 10. Taxation

	2010 £'000	2009 £'000
<b>Current tax:</b>		
UK corporation tax on deficit for the period	-	19
Adjustment in respect of previous periods	(1)	(5)
<b>Total current tax</b>	<u>(1)</u>	<u>14</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	56	9
Adjustment in respect of prior periods	4	4
Effect of change in tax rate on opening liability	-	22
<b>Total deferred tax</b>	<u>60</u>	<u>35</u>
Tax on deficit on ordinary activities	<u>59</u>	<u>49</u>
<b>Factors affecting tax charge for the period</b>		
The tax assessed for the period is higher (2009; higher) than the standard rate of corporation tax in the UK of 28% (2009 - 28%) as explained below:		
<b>Deficit on ordinary activities before tax</b>	<u>(20)</u>	<u>(41)</u>
Deficit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	(6)	(12)
Effects of:		
Expenses not deductible for tax purposes	77	29
Capital allowances in excess of depreciation	(67)	(2)
Marginal relief received	-	(6)
Capital gains chargeable for the period	7	21
Income not taxable for tax purposes	(21)	-
Unrelieved tax losses and other deductions	10	-
Adjustment in respect of previous periods	(1)	(5)
Other timing differences	-	(11)
<b>Current tax charge for the period</b>	<u>(1)</u>	<u>14</u>

RHL is recognised by the HM Revenue & Customs as an investment company for taxation purposes.

## 11. Tangible Fixed Assets

Housing properties	Properties under construction	Social housing properties for lettings	Investment properties	Total
Cost or valuation	£'000	£'000	£'000	£'000
At 1 April 2009	3,267	13,082	2,801	19,150
Additions	6,051	-	-	6,051
Transfer between categories	(4,528)	4,528	-	-
Disposals	-	(55)	-	(55)
Revaluation	-	658	6	664
<b>At 31 March 2010</b>	<b>4,790</b>	<b>18,213</b>	<b>2,807</b>	<b>25,810</b>
<b>Depreciation</b>				
At 1 April 2009	-	-	-	-
Disposals	-	-	-	-
Revaluation	-	(284)	-	(284)
Charge for the year	-	284	-	284
<b>At 31 March 2010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value at 31 March 2010</b>	<b>4,790</b>	<b>18,213</b>	<b>2,807</b>	<b>25,810</b>
Net book value at 31 March 2009	3,267	13,082	2,801	19,150
<b>Cost or valuation at 31 March 2010 is represented by:</b>				
Gross cost	4,790	15,108	1,851	21,749
Revaluation	-	3,105	956	4,061
<b>Total</b>	<b>4,790</b>	<b>18,213</b>	<b>2,807</b>	<b>25,810</b>

The net book value of social housing properties held on a long lease is £3.1 million (2009; £2.9 million). The historical cost net book value of completed housing properties as at 31 March 2010 is as follows:

	2010 £'000	2009 £'000
Cost	16,959	12,450
Less: depreciation	(1,031)	(816)
<b>Historical cost net book value</b>	<b>15,928</b>	<b>11,634</b>

RHL's housing stock and other assets have been valued on the basis of market value, subject to leases and tenancies (as appropriate). This assumes that: in the case of the private rented stock that properties could be sold on the open market with vacant possession following termination of the assured shorthold tenancies; in the case of the keyworker properties and residential care home the capitalised net income arising from the various lease arrangements; and the garages on the basis of capitalised net income assuming continued existing use. The garages valuation also takes into account the redevelopment potential at a number of sites.

Varying assumptions such as discount rate have been used reflecting the characteristics and methodology applicable in each case.

Savills, Chartered Surveyors, carried out the valuation in accordance with the RICS Appraisal and Valuation Standards (5th Edition) manual.

The valuer is 'external' and the valuation is as at 31 March 2010. It should be noted that future growth in both capital and rental values may not occur and values can fall as well as rise.

## 12. Debtors

	2010 £'000	2009 £'000
Amounts receivable within one year		
Rents and service charges	96	108
Less: provision for doubtful debts	(22)	(14)
	<u>74</u>	<u>94</u>
Amounts due from parent undertaking	60	-
Other debtors	2	4
Prepayments and accrued income	21	13
<b>Total</b>	<u>157</u>	<u>111</u>

## 13. Cash at bank and in-hand

There were no specific charges on RHL's cash at bank and in-hand at 31 March 2010 or 31 March 2009.

## 14. Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Housing loan repayable within one year	191	178
Trade creditors	120	205
Interest payable	2	6
Corporation tax	-	19
Amounts payable on housing developments	346	1,458
Amounts due to parent undertaking	-	53
Amounts due to another group undertaking	757	459
Other accruals	563	227
<b>Total</b>	<u>1,979</u>	<u>2,605</u>

## 15. Creditors: amounts falling due after more than one year

	2009 £'000	2009 £'000
<b>Housing Loans</b>		
Repayable between one and two years	206	193
Repayable between two and five years	701	653
Repayable, otherwise than by instalments, in five years or more	6,060	6,314
Loan from another group undertaking, repayable in five years or more	11,272	5,665
<b>Total loans repayable</b>	<u>18,239</u>	<u>12,825</u>

Housing loans are secured by specific charges on certain of RHL's housing properties and by a floating charge over the remaining assets. The interest rates are fixed between 6.3% and 6.4% or vary with market rates. Of the £8.8 million facility agreed with Nationwide Building Society, and £20 million facility agreed with EPHA, £7.2 million and £11.3 million has been drawn down respectively (2009; £7.3 million and £5.7 million).

The total long term loan facility for RHL is currently £42.8 million which includes a £14 million facility arranged with Lloyds TSB and when fully drawn the loan is due for repayment in 2040.

## 16. Provisions for liabilities and charges

	2010 £'000	2009 £'000
<b>Deferred taxation</b>		
At 1 April	98	63
Charge for the period	60	35
<b>At 31 March</b>	<b>158</b>	<b>98</b>
The deferred taxation provision comprises:		
Other timing differences	(10)	7
Accelerated capital allowances	168	91
<b>At 31 March</b>	<b>158</b>	<b>98</b>

## 17. Share capital

	2010 £	2009 £
Shares of £1 each issued and fully paid		
At 1 April	11	11
Issued during the year	-	1
Cancelled during the year	(2)	(1)
<b>At 31 March</b>	<b>9</b>	<b>11</b>

The share capital of RHL consists of shares with a nominal value of £1 each, 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 RHL. Therefore, all shareholdings relate to non-equity interests and there are no equity interests in RHL.

## 18. Reserves

	Designated reserves	Revenue reserve	Revaluation reserve	Total
	£'000	£'000	£'000	£'000
At 1 April 2009	347	207	4,244	4,798
Deficit for the year	-	(79)	-	(79)
Transfer of realised revaluation gain	-	36	(36)	-
Transfer to designated reserves	5	(5)	-	-
Transfer from designated reserves	(15)	15	-	-
Transfer of depreciation adjustment on revalued amounts	-	70	(70)	-
Net revaluation	-	-	948	948
<b>At 31 March 2010</b>	<b>337</b>	<b>244</b>	<b>5,086</b>	<b>5,667</b>

## 19. Reconciliation of movement in members' funds

	2010 £'000	2009 £'000
Deficit for the period	(79)	(90)
Revaluation adjustment	948	(1,405)
<b>Total surplus/(deficit) recognised in the year</b>	<b>869</b>	<b>(1,495)</b>
Balance at 1 April	4,798	6,293
<b>Balance as at 31 March</b>	<b>5,667</b>	<b>4,798</b>

## 20. Capital commitments

	2010 £'000	2009 £'000
Capital expenditure contracted for in respect of development expenditure, but not provided for in the financial statements.	2,823	9,125
Capital expenditure authorised by the Board, but not contracted for in respect of development expenditure.	-	-
<b>Total</b>	<b>2,823</b>	<b>9,125</b>

RHL expects to finance the above expenditure by:

Social Housing Grant receivable	-	-
Internal/external subsidies	-	-
Sales proceeds from shared ownership	-	-
Loans to be received but already agreed	2,823	9,125
<b>Total</b>	<b>2,823</b>	<b>9,125</b>

The capital expenditure commitment is in respect of the Shrewsbury keyworker scheme.

## 21. Legislative provisions

RHL is incorporated under the Industrial and Provident Societies Act 1965, and is registered with the Tenant Services Authority under the Housing Act 1996.

## 22. Units

	<b>Owned and managed</b>	<b>2010 Managed by others</b>	<b>Total</b>	2009 Total
Under development at the end of the year				
<b>Units for rent</b>	<b>132</b>	-	<b>132</b>	228
Under management at the end of the year				
Keyworker	173	76	249	153
Intermediate rent	7	-	7	7
Residential care homes	-	46	46	46
<b>Total units social housing</b>	<b>180</b>	<b>122</b>	<b>302</b>	206
Market renting	30	15	45	45
<b>Total units non-social housing</b>	<b>30</b>	<b>15</b>	<b>45</b>	45
<b>Total units</b>	<b>342</b>	<b>137</b>	<b>479</b>	479

## 23. Contingent liabilities and financial commitments

In the view of the Board there is little likelihood of any liability arising in respect of any indemnities and, therefore, no provision is reflected in these financial statements.

RHL has no outstanding commitment to maintenance and servicing contracts.

## 24. Related party transactions

During the year interest of £488,948 (2009; £182,750) was charged by another Group member, Evesham and Pershore Housing Association Limited. A management fee of £258,522 (2009; £223,981) was charged by the immediate parent undertaking, Rooftop Housing Group Limited.

Transactions with Board Members are at arms length on normal commercial terms and they cannot use their position to their advantage.

## 25. Ultimate and immediate parent undertaking

Rooftop Homes Limited is a wholly owned subsidiary of Rooftop Housing Group Limited. Rooftop Housing Group Limited is an Industrial and Provident Society registered in England.

## Board, executive, advisors and registered office

### Registered office

70 High Street  
Evesham  
WR11 4YD

### Board

- Andrew Potter (Chair from 23 July 2009)
- Deep Sagar (Vice Chair)
- Keith Barnes
- Allan Brace
- Councillor Ron Davis
- Leslie Edwards
- Kim Fowkes
- Councillor John Smith
- John Stanley
- Nicky Marson (Former Chair left 22 July 2009)
- Rebecca Mollart (left 23 March 2010)

### Executive officers

- Ian Hughes, Group Chief Executive
- Charles Brotherton, Finance Director
- Sheila Morris, Secretary and Human Resources Director
- David Hannon, Development Director
- Juliana Crowe, Director of Housing and Communities
- Catherine Kevis, Support and Care Director (started 1 Oct 2009)

### External auditors

Mazars LLP  
The Broadway  
Dudley  
DY1 4PY

### Bankers

Barclays Bank Plc  
54 High Street  
Worcester  
WR1 2QQ

### Internal auditors

TIAA Ltd  
54-56 Gosport Business Centre  
Gosport  
PO13 0FQ

### Principal solicitors

Trowers & Hamlins  
Sceptre Court  
40 Tower Hill  
London  
EC3N 4DX

### Other legal advisors

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B2 2ES

**Other legal advisors**

Needham & James LLP  
25 Meer Street  
Stratford Upon Avon  
Warwickshire  
CV37 6QB

**Lenders**

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

Lloyds Banking Group  
PO Box 908  
125 Colmore Row  
Birmingham  
B3 2DS

**Funding advisors**

BWNL  
3 Juniper Lodge  
70 Brent View Road  
London  
NW9 7EF

**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

**Housing inspection**

HQN Ltd  
8-9 York Place  
Scarborough  
North Yorkshire  
YO11 2NP

**Performance analysis**

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

## Biographies of Board Members

### **Andrew Potter BSc (Independent) (Nominee to RHG)**

Andrew is Chair of Rooftop Homes Limited (RHL) and a non-designatory Board Member of Evesham and Pershore Housing Association (EPHA). He joined the electricity supply industry as a graduate trainee in 1972. After various posts in South Western Electricity, including personnel, training, customer service and marketing, he joined Midlands Electricity prior to privatisation. He served as a Board Member of Sandwell Training and Enterprise Council and was a founder Board Member of Tipton City Challenge Limited, which undertook major urban regeneration projects with both public and private sector partners. He recently retired as Managing Director (Engineering Services) at Aquila Network Services Limited, which was responsible for the safe operation, construction and maintenance of the electricity distribution network throughout the West Midlands.

### **Deep Sagar (Independent) (Nominee to RHG)**

Deep is Vice Chair of RHL and a Board Member of EPHA. He combines management consultancy with governance positions. Previously he worked internationally, mainly for Coca-Cola and Unilever-Best Foods, in general management, marketing and sales. He has studied English, economics and management and attended Cambridge and Delhi universities. His board memberships include LEASE, Riverside Home Ownership and Turnstone Support.

### **Keith Barnes (Independent)**

Keith has studied at Oxford for an undergraduate Diploma in Computing and has recently graduated from the Open University. He has also completed training as a Student Associate at Pershore High School. Keith has had experience in warehouse and office administration at management level and now works in Evesham in a part time capacity. He also serves as Parent Governor at The Vale of Evesham (SEN) School as Chairman to the Premises Committee, where he was formerly Vice Chair of the Board of Governors, and is also a LA Governor at Pershore High School. Keith also serves on the Executive Committee for the Worcestershire Association of Governors and the Joint Consultation Committee of Education with the local authority.

### **Allan Brace MSc, FCA (Independent)**

Allan is Vice Chair of EPHA and is a Board Member of G3 (Inspiring Individuals) Limited (G3). He is also a member of the Audit Committee. After serving articles in London with a fore-runner of Ernst & Young to become a chartered accountant, Allan studied for a Business Master's degree at Warwick University. Following industrial management experience with Henry Boot, BOC, Simon and GEI, he was a senior post holder at Pershore Group of Colleges, appointed as Director of Finance and Administration and Clerk to the Corporation. He now works part time as a consultant in finance and property management issues.

### **Councillor Ron Davis (Independent)**

Ron is Managing Director of a local finance company. Formerly he was Managing Director of a Malvern motor company, a regional manager with United Dominions Trust and was a Qualified Associate of the Chartered Institute of Banking. He is a former Parish Council Chairman and is active in local charities and organisations. He is a founder member of Pershore Round Table, and Bredon Hill Rotary Club where he is a past president. He is also a District and Parish Councillor.

### **Leslie Edwards (Independent)**

Leslie is a member of the Audit Committee. For most of his working life Leslie has worked in horticulture and civil and mechanical engineering. He was a Parish Councillor for 16 years and has been involved in a great many community projects. These have included helping to found and run the Pershore Paddlers Club (swimming for the disabled) for 26 years. He has also been a Youth and Scout leader, and has been involved with the British Legion at branch, club and service levels. Leslie is now Vice Chairman of the Pershore and District Older Peoples Forum, and an active member of the Worcestershire Partnership Forum, looking after the health and welfare of older people.

**Kim Fowkes (Tenant)**

Kim is a housewife and mother and has lived in Evesham for a number of years. She has been a resident of EPHA for most of her time in Evesham. She joined the board of EPHA in May 2001 and is Vice Chair of EPHA's Customer Panel. She has involvement with repairs and planned maintenance reviews and is a member of the Audit Committee. She has recently been appointed as team leader of the Residents Action Team. In recent years Kim has been a member of the judging panel for the National Housing Federation's 'iN Business for Neighbourhoods' awards and 'What We Are Proud Of' awards.

**Councillor John Smith OBE (Independent)**

John retired from the Midlands Electricity Board where he was a repairs and distribution manager for the privatised section (Power House) until he took early retirement in June 1996. He was a founder member of EPHA and was closely involved in the original stock transfer. A Town, District and County Councillor, he was Chairman of Worcestershire County Council 2007/2008 and still serves as a County Councillor for the Evesham area. He also served as Chairman of Wychavon District Council until May 2003. He is a Trustee of the John Martin Charity, a Governor of Evesham High School, a Trustee of Wallace House Management Committee, a member of the Hampton Educational Charity, a Trustee of Deacle and Prince Henry's Education Foundation, a Trustee of the Rudge Charity, a member of Evesham Arts Centre Management Committee, President of Evesham Sea Cadet Unit, and a member of the Friends of Evesham Community Hospital and Evesham Rotary Club.

**John Stanley JP (Independent)**

John is Chair of EPHA. He took early retirement after a 32 year career with IBM, where he held a number of senior management positions in the UK and Europe. He is a Magistrate and sits on the Bromsgrove and Redditch Bench and is an Independent Appeals Panel Chairman for Worcestershire County Council.

**Nicky Marson BA (Independent)  
(Nominee to RHG) (Left July 2009)**

Nicky was Chair of Rooftop Homes Limited (RHL), a Board Member of Evesham and Pershore Housing Association (EPHA) and member of the Audit Committee. She is a solicitor who retired from full time practice in 2004 where she specialised in residential and commercial property. Nicky undertakes consultancy work on a part-time basis.

**Rebecca Mollart (Independent)  
(Left March 2010)**

Rebecca is a freelance consultant providing training and academic services to the housing sector. Prior to this, Rebecca was Deputy Director at the Centre for Housing and Support (CHS), where she was responsible for further and higher education, the CHS Code of Practice, good practice and consultancy services. Previously, Rebecca was Training Manager at the Chartered Institute of Housing (CIH), responsible for national and in-house training programmes. She is a Member of the Chartered Institute of Housing, the Chartered Institute of Personnel and Development and the Institute for Learning. Rebecca has a teaching qualification and a postgraduate diploma in housing.



