

Evesham and Pershore  
Housing Association

Annual report  
and financial statements

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2009/2010

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# Chair's report

Evesham and Pershore Housing Association (EPHA) continues to meet the growing needs of affordable housing in our local communities. This is particularly challenging given the constrained financial environment. However, we have continued to provide additional homes, undertaking regeneration and excellent standards of service and value for money.

The Association carried out a full STATUS satisfaction survey during the year. The results were outstanding, with 87% of our residents stating they were satisfied or very satisfied with our services. This performance puts us amongst the top quartile of associations. The same great result was achieved for Value for Money.

However, we are always striving to improve and have a programme of involvement, through engagement with our residents concerning our compliance with the Tenant Services Authority (TSA) national standards and developing our local standards. This involvement with residents continues to develop through the spending of the rent restructure reserve which has been mentioned in previous years. Our residents have directly influenced the spending of this £4.5 million fund. This includes £100,000 set aside in a Community Fund which the residents, through the Customer Panel, decide how to spend.

The Association's largest development, the ExtraCare Village in Gloucester, started in 2009 and will be completed in November 2010. This £30 million scheme provides 169 homes in a mixture of rented and shared ownership accommodation along with a central village, retail and service amenity complex plus a centre for the local Chinese Elders. This is a great scheme to provide high quality secure living for older people in conjunction with our partners, the ExtraCare Charitable Trust.

Our development opportunities have been much wider than the ExtraCare Village. We completed a scheme in the centre of Bengeworth and started regeneration schemes in Broadway, Bengeworth and Hampton. These involve the redevelopment of either car parking areas or non-traditional properties into brand new high quality energy efficient homes for people in housing need.

From a purely financial perspective the Association generated a surplus for the first time since joining the Rooftop Group. This is a tremendous achievement and reflects the hard work of all staff, directors and members in ensuring the Association makes best use of its resources.

This has been my first year as Chair of the Association and I am very proud of what has been achieved.



**John Stanley**  
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, the Accounting Requirements for Registered Social Landlords General Determination 2006 and the Statement of Recommended Practice (SORP) for Registered Social Landlords 2008.

## Group structure

EPHA was incorporated on 18 May 1993 and is a Registered Social Landlord (RSL), a charitable 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.

As a charitable Industrial and Provident Society, EPHA 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. Applications are particularly welcome from residents and business people from the communities that EPHA serves. Nothing will be paid by way of surplus or dividend to shareholders.

## Senior management team

The senior management team detailed on page 36, 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 EPHA is to provide housing accommodation at affordable rents for people in housing need.

EPHA 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 persons schemes in partnership with the ExtraCare Charitable Trust.

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

## The Board

EPHA is governed within the framework set by its rules as an Industrial and Provident Society. These state that EPHA will have a Board and determine its membership. The Board is responsible for overall strategic direction of EPHA, 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 11 members, six drawn for their professional, commercial and local knowledge, three are tenant members, and Wychavon District Council nominates two members.

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 36 to 39 together with brief biographical details. Each member of the Board and RHG holds one fully paid share of £1 in EPHA. The day-to-day operation of EPHA 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 EPHA's share capital and are not members of the Board. The Board meets formally on a two monthly cycle. The Board has reviewed their effectiveness and how to further improve governance. Part of this review includes a trial restructuring of the Boards 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 EPHA complies with the codes in all material respects.

#### **Resident involvement**

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

To make the most of resident 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. A local office based service is provided from our own office in Bishop's Cleeve and the Wychavon District Council office in Pershore. 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 EPHA provides the best possible service to its residents.

#### **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 EPHA 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 EPHA 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 EPHA, 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 EPHA, 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 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 core brief.

### **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**

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

### **Political and charitable donations**

EPHA 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 EPHA'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 is 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 board member 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



**John Stanley**

**Chair**

21 July 2010

# Financial review

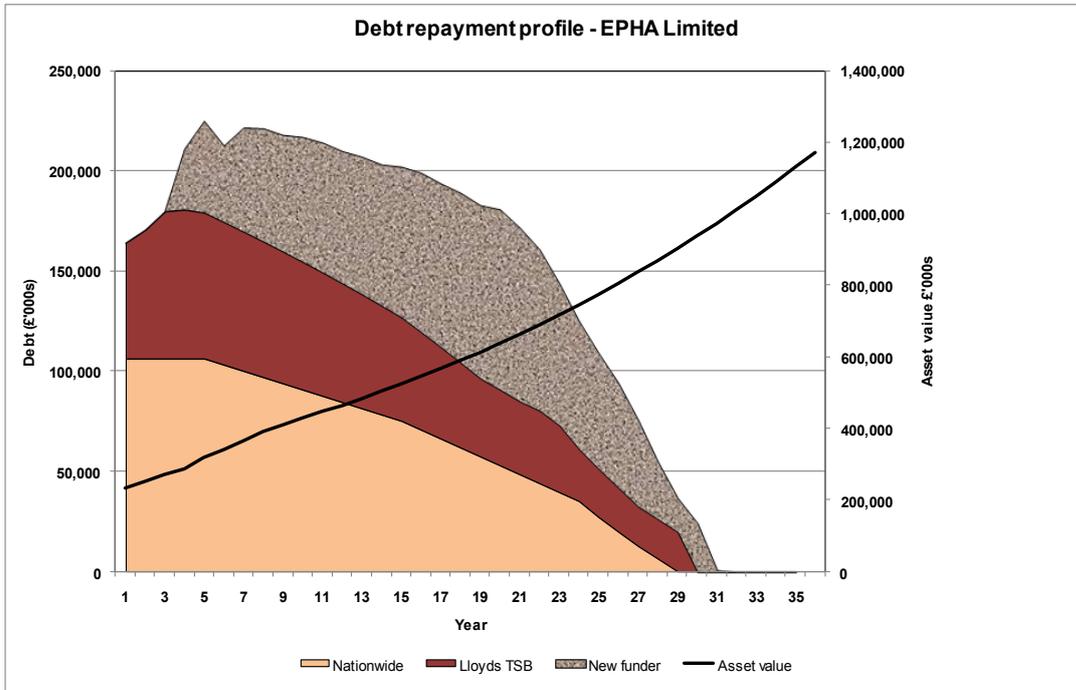
The report and accounts for the year ended 31 March 2010 have been prepared in accordance with applicable accounting standards. The accounting policies have been reviewed and EPHA has adopted the Statement of Recommended Practice (SORP) 2008.

The Association is a 'mature' Large Scale Voluntary Transfer (LSVT) association. It no longer borrows money to fund revenue activities but rather only borrows to invest in more housing properties. The funders have set a 70% gearing limit, which means the borrowing of the Association cannot exceed 70% of the housing property values. A key aim is to provide properties for those in housing need and the Association will, therefore, develop the maximum number of properties each year within this gearing limit.

## Funding facilities

The core funding is through a £111.2 million facility from Nationwide Building Society. This was re-negotiated 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 TSB. This was to enable the purchase of the Bishop's Cleeve estate from Shaftesbury Housing Association and provide the necessary development finance to 2012/13.

The problems in the financial markets and 'credit crunch' in 2007 and 2008 have resulted in a number of funders withdrawing from the market whilst those remaining have increased margins. Against this difficult environment the Association is well placed with £46 million of undrawn facilities. These facilities are sufficient to fund the Association's development plans to 2012/13, although the availability period needs to be extended accordingly. A further £34 million will need to be arranged to ensure sufficient funds exist to fund the ten year development programme to 2019.



### Income and expenditure account

Turnover has increased by 4.0% to £21.5 million and a surplus generated for the first time since EPHA has been part of RHG. This surplus was generated after charging £1.6 million of property depreciation and a surplus of £0.2 million from shared ownership sales. Traditionally EPHA has set low rents and under the national rent restructuring guidelines the Association has been able to increase rents to a higher level than originally envisaged in the business plan. This additional income has been credited to the rent restructuring reserve. A new comprehensive consultation exercise was undertaken with residents in 2008 upon how to spend this fund. The results of this exercise were endorsed by the Customer Panel and approved by the Board in 2010 and there are now clear spending plans for this fund over the next four years. At 31 March 2010 this reserve stood at £4.3 million.

### Association highlights, five year summary

| Income and expenditure account                   | Budget   | Actual          | Actual   | Actual   | Actual   |
|--|----------|-----------------|----------|----------|----------|
|  | 2011     | 2010            | 2009     | 2008     | 2007     |
|  | £'000    | £'000           | £'000    | £'000    | £'000    |
| <b>Turnover</b>                                  | 20,730   | <b>21,499</b>   | 20,683   | 19,792   | 17,808   |
| <b>Operating costs</b>                           | (15,485) | <b>(15,972)</b> | (15,244) | (14,133) | (13,854) |
| <b>Operating surplus</b>                         | 5,245    | <b>5,527</b>    | 5,439    | 5,659    | 3,954    |
| <b>Disposals of property</b>                     | (49)     | <b>(101)</b>    | (65)     | 44       | 24       |
| <b>Net interest costs</b>                        | (6,470)  | <b>(5,386)</b>  | (6,340)  | (6,493)  | (5,803)  |
| <b>Surplus/(deficit) on operating activities</b> | (1,274)  | <b>40</b>       | (966)    | (790)    | (1,825)  |

The most dramatic change over the last 12 months has been lower interest costs despite increased borrowing. This reduction relates to the continued low level of LIBOR (London Inter Bank Offer Rate) and maintaining all new loans drawn on a variable rate of interest. These lower interest costs have saved EPHA over £1 million which resulted in an overall surplus on operating activities.

The operating surplus has increased by 40% since 2007 to £5.5 million. The level of operating surplus in 2009 was slightly lower than expected due to higher responsive maintenance costs and a higher bad debt provision. There are a large number of factors affecting the responsive maintenance costs but the most significant is the increased expenditure on empty properties following residents eviction or transfer to a nursing home. Work undertaken in the year on responsive maintenance have reduced costs by over £300,000. The other unwelcome consequence of this high level of evictions is the significantly increased bad debt provision. This situation is a reflection of the current difficult economic and financial climate with some residents finding it very difficult to meet their financial obligations. The Association has responded positively to these changes including the creation of a dedicated Income Management Team. These positive actions have resulted in an improvement in the operating surplus. The operating surplus is budgeted to reduce slightly in 2010/11 due to not budgeting for any shared ownership sales.

### Review of balance sheet

The 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 2010 the properties were valued at £238million, a £32 million increase over last year.

The increase largely reflects the additions to the housing stock and the construction of the ExtraCare Village in Gloucester. The difference between the value of the stock and its cost is reflected in the revaluation reserve, which increased by £22 million and currently stands at £116 million.

### Association highlights, five year summary

| <b>Balance sheet</b>              | <b>Actual</b>   | Actual   | Actual   | Actual   | Actual   |
|-----------------------------------|-----------------|----------|----------|----------|----------|
|                                   | <b>2010</b>     | 2009     | 2008     | 2007     | 2006     |
|                                   | <b>£'000</b>    | £'000    | £'000    | £'000    | £'000    |
| <b>Housing properties</b>         | <b>238,152</b>  | 206,000  | 190,349  | 180,168  | 160,305  |
| <b>Other fixed assets</b>         | <b>11,243</b>   | 5,634    | 4,376    | 5,117    | 5,398    |
| <b>Net current assets</b>         | <b>1,139</b>    | (2,365)  | 949      | (2,089)  | (1,107)  |
| <b>Net assets</b>                 | <b>250,534</b>  | 209,269  | 195,674  | 183,196  | 164,596  |
| <b>Loans (due over one year)</b>  | <b>144,880</b>  | 126,733  | 117,500  | 105,000  | 100,000  |
| <b>Reserves: Revaluation</b>      | <b>115,884</b>  | 93,752   | 88,869   | 88,912   | 74,402   |
| <b>Designated</b>                 | <b>5,494</b>    | 5,721    | 4,050    | 3,962    | 2,580    |
| <b>Revenue</b>                    | <b>(15,724)</b> | (16,937) | (14,745) | (14,678) | (12,386) |
| <b>Total reserves</b>             | <b>105,654</b>  | 82,536   | 78,174   | 78,196   | 64,596   |
| <b>Total capital and reserves</b> | <b>250,534</b>  | 209,269  | 195,674  | 183,196  | 164,596  |

The value of the Association's housing properties has increased by 49% over the past four years. This reflects the growth of properties from acquisitions like the Midland Heart portfolio in 2009 and new build schemes such as the ExtraCare Village. This increase is also reflective of the increasing value of the housing stock.

The Association is committed to using its balance sheet strength to ensure its ongoing development aspirations can be delivered. The funders have set a 70% maximum gearing limit within which EPHA must operate. Despite the significant growth over the past four years the gearing ratio in 2010 at 61% is actually slightly lower than the 62% in 2006. The revenue reserve deficit has reduced for the first time since EPHA was part of the Rooftop Housing Group. The cumulative revenue reserve deficit has reduced by £1.1 million. This deficit reserve reflects the accounting treatment of non-cash transactions rather than weak finances. The total property depreciation charge over the past four years amounts to £6.6 million and this is reflected in the revenue reserve deficit. The total movement in reserves reflects the financial strength of EPHA and this has increased to over £100 million at 31 March 2010 which is an increase of over 60% over the past four years.

### Cash flow

EPHA aims to generate sufficient income from operating activities to service the interest costs with the capital expenditure being funded by loans or grants. This objective was again achieved and will remain a key aim for the future. The operating results have continued to be very good and I am pleased to report that EPHA continues to demonstrate robust financial health, especially in the current difficult financial and economic climate.



**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 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, from 1 April 2010, the board of G3 has taken overall responsibility for all support and care services including direct provision to EPHA's 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:-

### **I. 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 20011/12)
- 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.

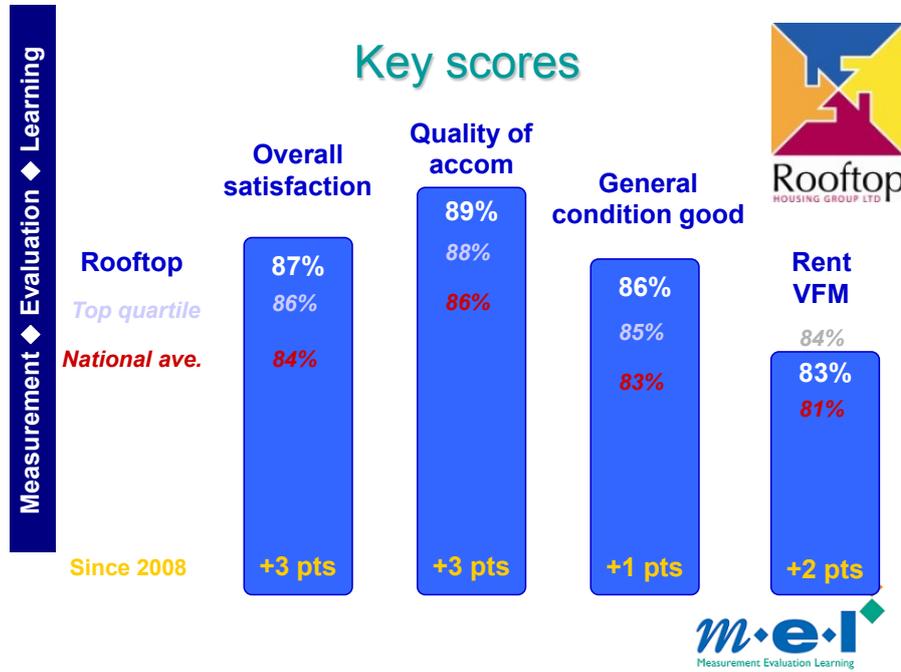
The new goals recognise that the affordable housing environment is going to be increasingly challenged by public sector financial cut backs that will result in increasing demand for the services we provide. Maintaining excellent services, investment in our stock of homes particularly retrofitting to 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.

Several other significant events occurred during the year.

- The board of EPHA agreed to extend our responsive repairs contracts with PCP and Sol until March 2012 taking full advantage of the competitive pricing, good quality and increasing resident satisfaction with these contractors.
- We took transfers of stock from two other landlords. British Red Cross transferred homes in Malvern and Redditch. Dimensions provided homes in various locations throughout our core area of Worcestershire and Gloucestershire. In each case, reinvestment in the stock is now included in our asset management strategy and future budgets ensuring residents can live in good quality homes.
- We acquired a Gypsy and Traveller site at Bromsgrove from the District Council and obtained committed grant funding to completely refurbish and extend the accommodation on the site. The Group has recruited an experienced Manager to lead this initiative which is the first step towards our new goal to create a sustainable business unit for this specialist area of housing need within our operating area.
- Following relocation of residents, redevelopment of our only estate of post war prefabricated bungalows in Evesham has commenced with grant funding from the HCA.
- Extensive consultation has been completed with residents upon proposals to completely redevelop another estate of prefabricated concrete homes, also in Evesham. Planning and grant approvals have been obtained but progress now depends upon funding not being affected by funding cut backs.
- Residents were closely involved in the TSA's consultation upon the future framework of regulatory standards.

#### **Customer satisfaction**

A STATUS survey of resident satisfaction was undertaken in November 2009. The survey indicated 87% overall satisfaction with our services, an increase of 3% from our last survey result. Our performance on resident satisfaction is top quartile or above for many indicators when benchmarked with peer organisations.



**Condition of our homes**

EPHA 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. The survey database has been regularly updated and a comprehensive review was undertaken in 2009 to ensure that our 40 year cash flows provide adequate resources.

The Group is committed to improve the homes beyond the Decent Homes Standard. A number of additional improvement programmes totalling over £6 million are being funded from our rent restructuring reserve. These programmes were chosen by EPHA residents during a major consultation exercise.

### **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.

### **Operational performance**

The TSA collects data on a range of performance indicators and these are published on their website and also inform the TSA assessment of management performance. We subscribe to the HouseMark benchmarking service who collect data to enable us to compare our performance against similar large scale voluntary transfer associations.

Outcomes at 31 March 2009 include:

- Management costs per property are better than average at £570 per property per annum.
- Spend on responsive repairs and voids is below average at £525 per property per annum.
- The average cost of repairs is below average at £89 per job but we do more repairs per property than most housing associations.
- The re-let period for voids was upper quartile at just over 2.5 weeks.
- Emergency repairs are above average at 98.8% and routine repairs are upper quartile at 99.2%.  
Completion times for urgent repairs remain upper quartile at 99.0%.
- Rent arrears at 3.2% of the annual rent debit are just below average levels.

We publish our annual performance statistics for EPHA in our Resident's Annual Report.

The Board has adopted six key indicators to measure the performance of EPHA and determine how well it is performing over time and against its peers. The indicators are calculated in accordance with TSA guidelines and the results for the last five years are as follows:

|   | Upper<br>Quartile | 2010         | 2009  | 2008   | 2007  | 2006  |
|---|-------------------|--------------|-------|--------|-------|-------|
| (i) Voids available for letting as % of stock | 0.8%              | <b>0.5%</b>  | 0.8%  | 0.7%   | 0.2%  | 0.4%  |
| (ii) Re-let interval days                     | 22.7              | <b>21.5</b>  | 18.1  | 13.8   | 16.5  | 22.4  |
| (iii) % of urgent repairs completed           | 98.6%             | <b>97.1%</b> | 99.0% | 98.7%  | 96.8% | 94.8% |
| (iv) Rent collected as % rent due             | 99.9%             | <b>99.8%</b> | 99.5% | 100.1% | 99.3% | 101%  |
| (v) Rent arrears as % of rent due             | 2.8%              | <b>3.3%</b>  | 3.2%  | 2.5%   | 2.4%  | 2.0%  |
| (vi) % rent lost through voids                | 1.0%              | <b>0.7%</b>  | 0.6%  | 0.7%   | 0.6%  | 0.6%  |

### Providing new homes

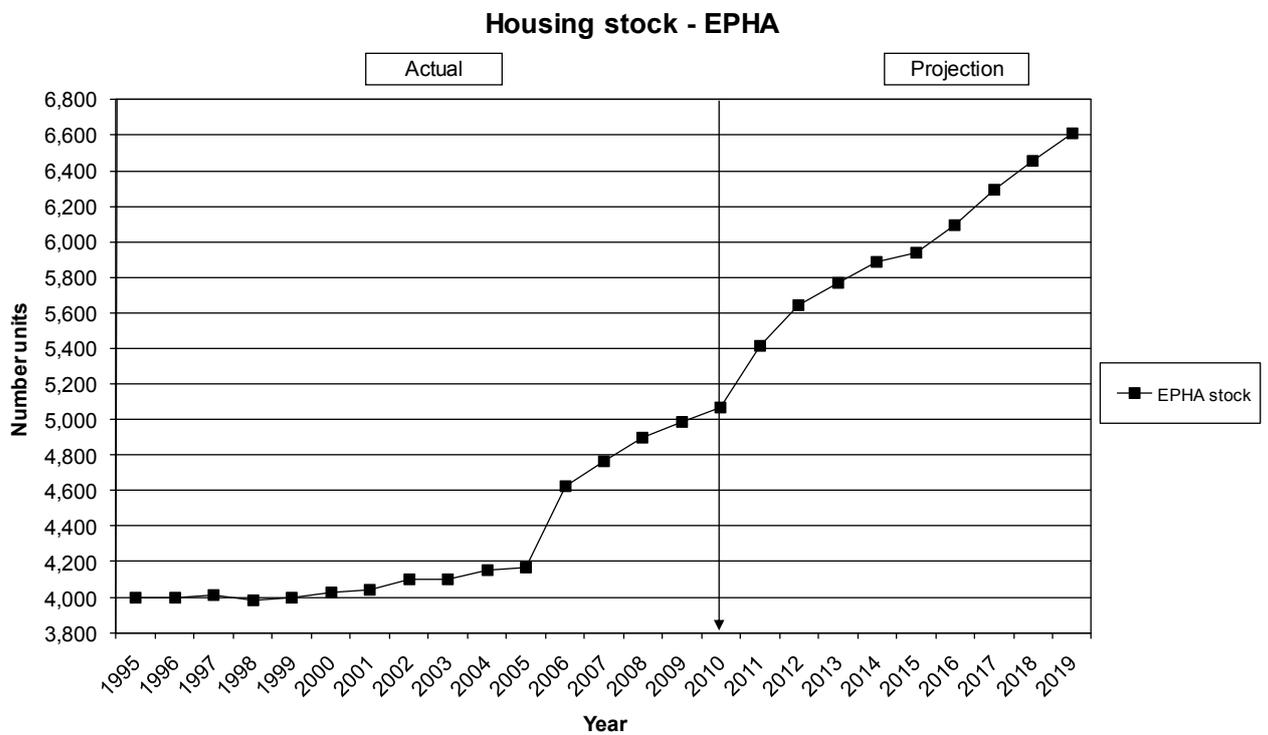
There are very strong needs for more affordable homes within our area of operation. The financial and housing market continues to exclude those on low incomes, particularly in the villages, where families on low incomes see fewer opportunities for purchasing or renting a home.

The Group has taken advantage of funding from the Homes and Communities Agency to expand our stock during 2009/10 recognising that grant funding is likely to reduce significantly in future years. We published and launched a guide to the provision of rural housing based upon our experiences over many years but particularly in the village of Eckington where challenges successfully overcome included the excavation of a Roman centurion body and relocating slow worms!

EPHA also acquired stock from other landlords during the year, including British Red Cross and Dimensions leading to further reinvestment and remodelling in future years. We have continued to promote shared ownership opportunities and have successfully sold all homes offered on this basis.

**Housing stock**

The continued steady growth of the Association and the forecast to 2019 is demonstrated in the following graph. Shared ownership provision will double with the completion of EPHA's ExtraCare village in Gloucester in November 2010 and will continue to be an important part of our service delivery.



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

# Report of the auditors on the financial statements

## **Independent auditors' report to the members of Evesham and Pershore Housing Association Limited**

We have audited the financial statements of Evesham and Pershore Housing Association 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 Association's members, as a body, in accordance with the relevant legislation. 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.

## **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 the Association 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 regarding directors' remuneration and transactions with the Association 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, the 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 the Association'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 the Association as at 31 March 2010, and of the surplus of the Association 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<br>£'000   | 2009<br>£'000 |
|---|-------|-----------------|---------------|
| <b>Turnover</b>   | 2     | <b>21,499</b>   | 20,683        |
| Operating costs   | 2     | <b>(15,972)</b> | (15,244)      |
| <b>Operating surplus</b>  | 2     | <b>5,527</b>    | 5,439         |
| Deficit on sale of housing accommodation                        | 4     | <b>(101)</b>    | (65)          |
| Interest receivable   | 8     | <b>491</b>      | 226           |
| Interest payable and similar charges                            | 9     | <b>(5,877)</b>  | (6,566)       |
| <b>Surplus/(deficit) on ordinary activities before taxation</b> | 7     | <b>40</b>       | (966)         |
| Tax on surplus/(deficit) on ordinary activities                 | 10    | -               | -             |
| <b>Surplus/(deficit) for the year</b>                           | 18    | <b>40</b>       | (966)         |

All amounts relate to continuing activities.

### Note of historical cost surpluses and deficits

|   |            |       |
|---|------------|-------|
| <b>Reported surplus/(deficit) on ordinary activities before taxation</b>  | <b>40</b>  | (966) |
| Realisation of property revaluation surpluses of previous years   | <b>122</b> | 21    |
| Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount | <b>824</b> | 424   |
| <b>Surplus/(deficit) on ordinary activities before and after taxation</b>   | <b>986</b> | (521) |

### Statement of total recognised surpluses and deficits

|   |               |               |
|---|---------------|---------------|
| Surplus/(deficit) for the year                          | <b>40</b>     | (966)         |
| Unrealised surplus on revaluation of housing properties | 18            | <b>23,078</b> |
| <b>Total recognised surplus relating to the year</b>    | <b>23,118</b> | 4,362         |

The notes on pages 23–35 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   |       | <b>270,996</b>  |                | 236,596  |         |
| Social Housing Grant   |       | <b>(31,348)</b> |                | (29,855) |         |
| Other capital grants   |       | <b>(1,496)</b>  |                | (741)    |         |
| <b>Net book value of housing properties</b>                    | 11    | <b>238,152</b>  |                | 206,000  |         |
| Other fixed assets   | 11    | -               |                | -        |         |
|  |       |                 | <b>238,152</b> |          | 206,000 |
| <b>Fixed asset investments</b>                                 | 12    |                 | <b>11,243</b>  |          | 5,634   |
| <b>Total fixed assets</b>                                      |       |                 | <b>249,395</b> |          | 211,634 |
| <b>Current assets</b>  |       |                 |                |          |         |
| Stock  |       | -               |                | -        |         |
| First tranche shared ownership                                 |       | <b>4,873</b>    |                | 452      |         |
| Debtors  | 13    | <b>1,711</b>    |                | 1,177    |         |
| Cash at bank and in-hand                                       | 14    | <b>968</b>      |                | 272      |         |
|  |       |                 | <b>7,552</b>   |          | 1,901   |
| <b>Creditors: amounts falling due within one year</b>          | 15    | <b>(6,413)</b>  |                | (4,266)  |         |
| <b>Net current assets/(liabilities)</b>                        |       |                 | <b>1,139</b>   |          | (2,365) |
| <b>Net assets</b>  |       |                 | <b>250,534</b> |          | 209,269 |
| <b>Creditors: amounts falling due after more than one year</b> | 16    |                 | <b>144,880</b> |          | 126,733 |
| <b>Capital and reserves</b>                                    |       |                 |                |          |         |
| Share capital  | 17    | -               |                | -        |         |
| Revaluation reserve  | 18    | <b>115,884</b>  |                | 93,752   |         |
| Designated reserves  | 18    | <b>5,494</b>    |                | 5,721    |         |
| Revenue reserve  | 18    | <b>(15,724)</b> |                | (16,937) |         |
| Total members funds  | 19    |                 | <b>105,654</b> |          | 82,536  |
| <b>Total capital and reserves</b>                              |       |                 | <b>250,354</b> |          | 209,269 |

In view of the constitution of EPHA, all shareholdings relate to non-equity interests, as disclosed in note 17. The notes on pages 23-35 form part of these financial statements.

The financial statements on pages 21-35 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 on a tenanted basis.

## Turnover

Turnover represents rental and service charge income, fees, revenue grants receivable from local authorities and the Homes and Communities Agency (formerly the Housing Corporation) 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

EPHA 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 are clawed back by Wychavon District Council. The surplus or deficit is calculated by comparing the net proceeds received by EPHA 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.

As required by Financial Reporting Standard for Tangible Fixed Assets (FRS 15), EPHA has reviewed the economic useful lives of its housing properties and depreciates the property costs, less sum of grants, freehold land and residual value.

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.

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  |
| Shared ownership        | 100 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 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.

**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 (FRS11) 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.

**Other fixed assets and depreciation**

Tangible fixed assets other than Housing Properties are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of those assets at the following annual rates:

|                        |                        |
|------------------------|------------------------|
| Office furniture       | 25%                    |
| Office equipment       | 20%-33%                |
| IT networking          | 10%                    |
| Computer equipment     | 20%-33%                |
| Leasehold improvements | Over life of the lease |

A full year's depreciation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

**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 National Affordable Housing Programme (NAHP).

**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 for Registered Social Landlords, only specific and directly attributable costs are capitalised.

**Supported housing schemes managed by agents**

EPHA 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 EPHA. Any other income and expenditure related to the scheme is excluded from the income and expenditure account.

**Supporting People (SP) income**

SP funding was introduced on 1 April 2003 and replaced Supported Housing Management Grant. SP contracts are entered into with local authorities and are of two types:

- i. Block subsidy is determined on the support needs of each tenant.
- ii. 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**

EPHA 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-curtledge parking)

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

**Provisions**

EPHA 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 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.

**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.

**Replacement equipment reserve**

This reserve is established to fund the future replacement cost of furniture and equipment at all the sheltered and supported housing schemes.

**Rent restructure reserve**

The introduction of the national rent restructure guidelines has enabled EPHA's rent to be increased at a faster rate than anticipated in the business plan. These higher rent increases have generated additional income. The EPHA board has decided this extra income should be credited to this specific reserve.

**Savings reserve**

The creation of the Group structure generated revenue savings for EPHA in addition to the tax savings. The value of these savings is transferred to this reserve, until the EPHA board has decided how to spend the funds.

**Property disposal reserve**

When EPHA 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.

## 2. Turnover, operating costs & operating surplus

|  | 2010     |                 |                              | 2009     |                 |                              |
|--|----------|-----------------|------------------------------|----------|-----------------|------------------------------|
|  | Turnover | Operating costs | Operating surplus/ (deficit) | Turnover | Operating costs | Operating surplus/ (deficit) |
|  | £'000    | £'000           | £'000                        | £'000    | £'000           | £'000                        |
| <b>Social housing lettings</b>         |          |                 |                              |          |                 |                              |
| Housing accommodation                  | 17,903   | (13,272)        | 4,631                        | 16,556   | (11,955)        | 4,601                        |
| Supported housing                      | 2,108    | (1,385)         | 723                          | 1,943    | (1,530)         | 413                          |
| Other                                  | 107      | (6)             | 101                          | 111      | (32)            | 79                           |
| Total                                  | 20,118   | (14,663)        | 5,455                        | 18,610   | (13,517)        | 5,093                        |
| <b>Other social housing activities</b> |          |                 |                              |          |                 |                              |
| Shared ownership sales                 | 818      | (634)           | 184                          | 1,500    | (957)           | 543                          |
| Supporting people                      | 563      | (525)           | 38                           | 573      | (649)           | (76)                         |
| Non-letting activities                 | -        | (150)           | (150)                        | -        | (121)           | (121)                        |
| Total                                  | 21,499   | (15,972)        | 5,527                        | 20,683   | (15,244)        | 5,439                        |

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

|   | 2010             |                    |                |                |
|---|------------------|--------------------|----------------|----------------|
|   | General<br>£'000 | Supported<br>£'000 | Other<br>£'000 | Total<br>£'000 |
| Rent receivable net of identifiable service charges | 17,679           | 1,493              | 107            | 19,279         |
| Charges for support services                        | -                | 131                | -              | 131            |
| Service income                                      | 159              | 481                | -              | 640            |
| <b>Net rental income</b>                            | <b>17,838</b>    | <b>2,105</b>       | <b>107</b>     | <b>20,050</b>  |
| Other revenue income                                | 65               | 3                  | -              | 68             |
| <b>Total income from social housing lettings</b>    | <b>17,903</b>    | <b>2,108</b>       | <b>107</b>     | <b>20,118</b>  |
| Management  | 2,514            | 323                | 3              | 2,840          |
| Services  | 1,065            | 480                | 1              | 1,546          |
| Routine maintenance                                 | 3,505            | 332                | 2              | 3,839          |
| Planned maintenance                                 | 4,604            | 144                | -              | 4,748          |
| Rent losses from bad debts                          | 36               | -                  | -              | 36             |
| Depreciation of housing properties                  | 1,548            | 106                | -              | 1,654          |
| <b>Operating costs on social housing lettings</b>   | <b>13,272</b>    | <b>1,385</b>       | <b>6</b>       | <b>14,663</b>  |
| <b>Operating surplus on social housing lettings</b> | <b>4,631</b>     | <b>723</b>         | <b>101</b>     | <b>5,455</b>   |
| <b>Rent losses from voids</b>                       | <b>94</b>        | <b>47</b>          | <b>56</b>      | <b>197</b>     |
|   | 2009             |                    |                |                |
|   | General<br>£'000 | Supported<br>£'000 | Other<br>£'000 | Total<br>£'000 |
| Rent receivable net of identifiable service charges | 16,324           | 1,334              | 111            | 17,769         |
| Charges for support services                        | -                | 109                | -              | 109            |
| Service income                                      | 131              | 496                | -              | 627            |
| <b>Net rental income</b>                            | <b>16,455</b>    | <b>1,939</b>       | <b>111</b>     | <b>18,505</b>  |
| Other revenue income                                | 101              | 4                  | -              | 105            |
| <b>Total income from social housing lettings</b>    | <b>16,556</b>    | <b>1,943</b>       | <b>111</b>     | <b>18,610</b>  |
| Management  | 2,360            | 248                | -              | 2,608          |
| Services  | 702              | 661                | -              | 1,363          |
| Routine maintenance                                 | 3,698            | 338                | 4              | 4,040          |
| Planned maintenance                                 | 3,483            | 176                | 28             | 3,687          |
| Rent losses from bad debts                          | 336              | -                  | -              | 336            |
| Depreciation of housing properties                  | 1,376            | 107                | -              | 1,483          |
| <b>Operating costs on social housing lettings</b>   | <b>11,955</b>    | <b>1,530</b>       | <b>32</b>      | <b>13,517</b>  |
| <b>Operating surplus on social housing lettings</b> | <b>4,601</b>     | <b>413</b>         | <b>79</b>      | <b>5,093</b>   |
| <b>Rent losses from voids</b>                       | <b>77</b>        | <b>37</b>          | <b>42</b>      | <b>156</b>     |

## 4. Sale of housing accommodation

|   | 2010<br>£'000 | 2009<br>£'000 |
|---|---------------|---------------|
| <b>Disposal of properties</b>               |               |               |
| Receipts from sale of housing property      | 677           | 35            |
| Book value of properties sold               | (697)         | (31)          |
| Other operating costs and costs of disposal | (81)          | (69)          |
| <b>Deficit on sale of properties</b>        | <b>(101)</b>  | <b>(65)</b>   |

## 5. Directors' emoluments and expenses

The directors are defined as the members of the Board and the executive officers as given on page 36. The Board Chair received an annual allowance of £7,178 during the period 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

EPHA 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

|  | 2010<br>£'000 | 2009<br>£'000 |
|--|---------------|---------------|
| <b>The surplus/(deficit) on ordinary activities before taxation is stated after charging</b> |               |               |
| Depreciation   | 1,654         | 1,483         |
| External auditors' remuneration (including value added tax)                                  |               |               |
| - in their capacity as auditors  | 16            | 16            |
| - in respect of taxation   | -             | -             |
| - in respect of other services   | 1             | 1             |

## 8. Interest receivable

|  | 2010<br>£'000 | 2009<br>£'000 |
|--|---------------|---------------|
| From banks                             | 2             | 43            |
| From loan to another group undertaking | 489           | 183           |
| <b>Total</b>                           | <b>491</b>    | <b>226</b>    |

## 9. Interest payable and similar charges

|  | 2010<br>£'000 | 2009<br>£'000 |
|--|---------------|---------------|
| Total interest payable on loans repayable in less than five years  | 1             | 3             |
| Total interest payable on development and housing loans repayable wholly or partly in more than five years | 6,359         | 6,712         |
| Less: interest capitalised   | (483)         | (149)         |
| <b>Total</b>   | <b>5,877</b>  | <b>6,566</b>  |

The rate used to calculate capitalised interest was 4.7% (2009; 5.5%) being the average rate of borrowing.

## 10. Taxation

### Tax on deficit on ordinary activities

EPHA 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. EPHA has some £7.5 million (2009; £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           |
| At 1 April 2009  | 536           | 196,594                                | 3,146            | 10,476                                | 210,752         |
| Additions  | -             | 294                                    | -                | 13,315                                | 13,609          |
| Disposals  | -             | (533)                                  | (99)             | -                                     | (632)           |
| Transfer between categories  | -             | 2,594                                  | 221              | (2,815)                               | -               |
| Revaluation  | -             | 20,708                                 | 137              | -                                     | 20,845          |
| <b>At 31 March 2010</b>  | <b>536</b>    | <b>219,657</b>                         | <b>3,405</b>     | <b>20,976</b>                         | <b>244,574</b>  |
| <b>Social Housing Grant (SHG) and other capital grants</b>                       |               |  |                  |                                       |                 |
| At 1 April 2009  | -             | -                                      | -                | (4,752)                               | (4,752)         |
| Received during the year   | -             | (43)                                   | -                | (2,205)                               | (2,248)         |
| Transfer between categories  | -             | (425)                                  | (110)            | 535                                   | -               |
| Revaluation  | -             | 468                                    | 110              | -                                     | 578             |
| <b>At 31 March 2010</b>  | <b>-</b>      | <b>-</b>                               | <b>-</b>         | <b>(6,422)</b>                        | <b>(6,422)</b>  |
| <b>Depreciation</b>  |               |  |                  |                                       |                 |
| At 1 April 2009  | -             | -                                      | -                | -                                     | -               |
| Charge for year  | -             | 1,632                                  | 22               | -                                     | 1,654           |
| Revaluation  | -             | (1,632)                                | (22)             | -                                     | (1,654)         |
| <b>At 31 March 2010</b>  | <b>-</b>      | <b>-</b>                               | <b>-</b>         | <b>-</b>                              | <b>-</b>        |
| <b>Net book value at 31 March 2010</b>   | <b>536</b>    | <b>219,657</b>                         | <b>3,405</b>     | <b>14,554</b>                         | <b>238,152</b>  |
| Net book value at 31 March 2009  | 536           | 196,594                                | 3,146            | 5,724                                 | 206,000         |
| <b>Cost or valuation before depreciation at 31 March 2010 is represented by:</b> |               |  |                  |                                       |                 |
| Gross cost   | <b>536</b>    | <b>134,984</b>                         | <b>3,504</b>     | <b>20,976</b>                         | <b>160,000</b>  |
| Less SHG and other grants  | -             | <b>(26,000)</b>                        | <b>(422)</b>     | <b>(6,422)</b>                        | <b>(32,844)</b> |
| Revaluation  | -             | <b>110,673</b>                         | <b>323</b>       | -                                     | <b>110,996</b>  |
| <b>Total</b>   | <b>536</b>    | <b>219,657</b>                         | <b>3,405</b>     | <b>14,554</b>                         | <b>238,152</b>  |

The historical cost net book value of completed housing properties as at 31 March 2010 is as follows:

|                                       | 2010            | 2009     |
|---------------------------------------|-----------------|----------|
|                                       | £'000           | £'000    |
| Cost                                  | <b>138,488</b>  | 135,889  |
| Less: Social Housing Grant            | <b>(26,422)</b> | (25,844) |
| Depreciation                          | <b>(6,689)</b>  | (5,859)  |
| <b>Historical cost net book value</b> | <b>105,377</b>  | 104,186  |

The amount capitalised in the year in respect of works to existing properties is £0.15 million (2009; £0.5 million). The amount charged to the income and expenditure account in respect of works to existing properties is £4.7 million (2009; £3.7 million).

The majority of housing properties were valued as at 31 March 2010 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 £186.4 million (2009; £166.6 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 £36.6 million (2009; £33.1 million).

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                                | 5.0% - 6.5% (real)   |
| Annual growth in rental income over 35 years | Increases to achieve target rents in accordance with the rent plan and 0.5% (real) thereafter. |
| Annual increase in expenditure               | 0.5% (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 Appraisal and Valuation Standards (5th Edition) manual and takes into account the performance standards for Registered Providers published by the Tenant Services Authority.

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                  | 5.5% - 7.75% (real)   |
| Annual growth in rental income | Assured rents 0.5% (real). Secure (fair) rents increase in accordance with rent plan.                   |
| Annual increase in expenditure | 0.5% (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 Appraisal and Valuation Standards (5th Edition) manual.

Certain properties are subject to the right-to-buy and, under a sharing agreement with Wychavon District Council, a proportion of 68% (2009; 68%) of the sale proceeds are paid to the Council.

## 12. Fixed asset investments

|                            | 2010          | 2009         |
|----------------------------|---------------|--------------|
|                            | £'000         | £'000        |
| Loan to other group member | 11,243        | 5,634        |
| <b>Total</b>               | <b>11,243</b> | <b>5,634</b> |

The loan to the other group member relates to Rooftop Homes Limited. A long term intercompany loan facility of £13 million was provided in April 2004 to enable Rooftop Homes Limited to acquire properties from Rooftop Management Limited and Evesham and Pershore Housing Association Limited 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 Evesham and Pershore Housing Association. Part of this original loan was repaid on the disposal of the Nuneaton properties in 2007. The advances have increased during 2010 to enable Rooftop Homes Limited to fund the Shrewsbury keyworker scheme. The facility was increased to £20 million in May 2009 and the balance outstanding of the loan is repayable at the end of 30 years (2040) and interest is charged at a commercial rate.

## 13. Debtors

|   | 2010         | 2009         |
|---|--------------|--------------|
|   | £'000        | £'000        |
| <b>Amounts receivable within one year</b> |              |              |
| Rents and service charges                 | 952          | 939          |
| Less: provision for doubtful debts        | (397)        | (535)        |
|   | <u>555</u>   | <u>404</u>   |
| Amounts due from other group undertakings | 764          | 459          |
| Amounts due from parent undertaking       | 152          | 187          |
| Other debtors                             | 240          | 127          |
|   | <u>1,711</u> | <u>1,177</u> |

## 14. Cash at bank and in-hand

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

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

|   | 2010         | 2009         |
|---|--------------|--------------|
|   | £'000        | £'000        |
| Social housing grant received in advance                    | 958          | -            |
| Recycled capital grant fund                                 | 1            | 1            |
| Disposal proceeds fund                                      | 145          | 69           |
| Trade creditors   | 2,309        | 1,879        |
| Right-to-buy sale proceeds due to Wychavon District Council | 225          | 66           |
| Accruals in respect of repairs                              | 419          | 370          |
| Amounts payable on housing development and major repairs    | 1,282        | 864          |
| Interest payable  | 570          | 522          |
| Other taxation and social security                          | 13           | 11           |
| Other accruals  | 491          | 484          |
| <b>Total</b>  | <u>6,413</u> | <u>4,266</u> |

The movement in the year on the disposal proceeds fund is the sale of one property under Social Homebuy.

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

|   | 2010           | 2009           |
|---|----------------|----------------|
|   | £'000          | £'000          |
| Housing Loans   |                |                |
| Repayable, otherwise than by instalments, in five years or more | <u>144,880</u> | <u>126,733</u> |

Housing loans are secured by specific charges on certain of EPHA's housing properties and by a floating charge over the remaining assets. The interest rates are fixed between 3.8% and 6.6% or vary with market rates. Of the £191.2 million facility agreed, £144.9 million (2009: £126.7 million) has been drawn down by EPHA to date. When fully drawn the loan is due for repayment by 2040.

## 17. Share capital

|   | 2010      | 2009      |
|---|-----------|-----------|
|   | £         | £         |
| Shares of £1 each issued and fully paid |           |           |
| At 1 April                              | 19        | 21        |
| Issued during the year                  | -         | 1         |
| Cancelled during the year               | (2)       | (3)       |
| <b>At 31 March</b>                      | <b>17</b> | <b>19</b> |

The share capital of EPHA 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 EPHA. So all shareholdings relate to non-equity interests and there are no equity interests in EPHA.

## 18. Reserves

|   | Designated<br>reserves | Revenue<br>reserve | Revaluation<br>reserve | Total          |
|---|------------------------|--------------------|------------------------|----------------|
|   | £'000                  | £'000              | £'000                  | £'000          |
| At 1 April 2009   | 5,721                  | (16,937)           | 93,752                 | 82,536         |
| Surplus for the year                                    | -                      | 40                 | -                      | 40             |
| Transfer of realised revaluation gain                   | -                      | 122                | (122)                  | -              |
| Transfer to designated reserves                         | 627                    | (627)              | -                      | -              |
| Transfer from designated reserves                       | (854)                  | 854                | -                      | -              |
| Transfer of depreciation adjustment on revalued amounts | -                      | 824                | (824)                  | -              |
| Net revaluation   | -                      | -                  | 23,078                 | 23,078         |
| <b>At 31 March 2010</b>                                 | <b>5,494</b>           | <b>(15,724)</b>    | <b>115,884</b>         | <b>105,654</b> |

The rent restructuring reserve is included in designated reserves. An amount of £0.5 million was transferred into the reserve during the year and the balance on the rent restructuring reserve at 31 March 2010 is £4.3 million.

## 19. Reconciliation of movement in members' funds

|                                    | 2010           | 2009          |
|------------------------------------|----------------|---------------|
|                                    | £'000          | £'000         |
| Surplus for the year               | 40             | (966)         |
| Revaluation adjustment             | 23,078         | 5,328         |
| Total gains recognised in the year | 23,118         | 4,362         |
| Balance at 1 April                 | 82,536         | 78,174        |
| <b>Balance as at 31 March</b>      | <b>105,654</b> | <b>82,536</b> |

## 20. Capital commitments

|   | 2010          | 2009   |
|---|---------------|--------|
|   | £'000         | £'000  |
| Capital expenditure contracted for in respect of development expenditure, but not provided for in the financial statements. | <b>24,708</b> | 29,416 |
| Capital expenditure authorised by the Board, but not contracted for in respect of development expenditure.                  | <b>27,776</b> | 43,822 |
| <b>Total</b>  | <b>52,484</b> | 73,238 |
| EPHA expects to finance the above expenditure by:   |               |        |
| Social Housing Grant receivable   | <b>18,796</b> | 23,254 |
| Internal/external subsidies   | -             | 1,000  |
| Sales proceeds shared ownership   | <b>13,822</b> | 13,977 |
| Loans to be received but already agreed   | <b>19,866</b> | 35,007 |
| <b>Total</b>  | <b>52,484</b> | 73,238 |

The Association commenced its largest ever development scheme in 2009. The ExtraCare Village in Gloucester has a contract value of £20 million and £16.7 million has been spent to date. This scheme is funded through a combination of grant (£3 million), shared ownership sales (£11 million) and loan.

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

|  | <b>Owned and<br/>managed</b> | <b>2010<br/>Managed<br/>by others</b> | <b>Total</b> | 2009<br>Total |
|--|------------------------------|---------------------------------------|--------------|---------------|
| Under development at the end of the year       |                              |                                       |              |               |
| <b>Units for rent</b>                          | <b>29</b>                    | <b>169</b>                            | <b>198</b>   | 181           |
| Under management at the end of the year        |                              |                                       |              |               |
| General needs housing                          | <b>4,318</b>                 | <b>11</b>                             | <b>4,329</b> | 4,353         |
| Supported housing and housing for older people | <b>337</b>                   | <b>191</b>                            | <b>528</b>   | 428           |
| Staff / warden accommodation                   | -                            | -                                     | -            | 2             |
| Intermediate rent                              | <b>11</b>                    | -                                     | <b>11</b>    | 11            |
| Leasehold properties                           | <b>103</b>                   | -                                     | <b>103</b>   | 102           |
| Low cost home ownership accommodation          | <b>78</b>                    | -                                     | <b>78</b>    | 77            |
| Managed on behalf of another landlord          | <b>16</b>                    | -                                     | <b>16</b>    | 16            |
| <b>Units for rent</b>                          | <b>4,863</b>                 | <b>202</b>                            | <b>5,065</b> | 4,989         |
| <b>Total units social housing</b>              | <b>4,892</b>                 | <b>371</b>                            | <b>5,263</b> | 5,170         |
| <b>Retained freeholds and estate charges</b>   | <b>285</b>                   | -                                     | <b>285</b>   | 293           |

## 22. Contingent liabilities and financial commitments

As part of the transfer agreement with Wychavon District Council, EPHA provided various indemnities to the Council in respect of obligations that EPHA 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. EPHA has no other outstanding contingent liabilities or financial commitments.

## 23. Related party transactions

During the year interest of £488,948 (2009: £182,750) was paid by another Group member, Rooftop Homes Limited. A management fee of £5,554,885 (2009: £5,231,524) was charged by the immediate parent undertaking, Rooftop Housing Group Limited.

Property charges of £43,755 (2009: £0) were paid by another group member, G3 (Inspiring Individuals) Limited.

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

## 24. Legislative provisions

Evesham and Pershore Housing Association Limited is a wholly owned subsidiary of Rooftop Housing Group Limited. Rooftop Housing Group Limited is an Industrial and Provident Society registered in England. EPHA is incorporated under the Industrial and Provident Societies Act 1965, and is registered with the Tenant Services Authority under the Housing Act 1996.

## Board and advisors

### Registered office

70 High Street  
Evesham  
WR11 4YD

### Board

- John Stanley (Chair from 30 September 2009)
- Allan Brace (Vice Chair) (Chair until 30 September 2009)
- Keith Barnes
- Councillor Ron Davis
- Leslie Edwards
- Kim Fowkes
- Rebecca Mollart
- Andrew Potter
- Deep Sagar
- Councillor John Smith
- Nicky Marson (left 22 July 2009)

### 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

## Biographies of Board Members

### **John Stanley JP (Independent) (Nominee to RHG)**

John is Chair of Evesham and Pershore Housing Association (EPHA) and a Board Member of Rooftop Homes Limited (RHL). 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.

### **Allan Brace MSc, FCA (Independent) (Nominee to RHG)**

Allan is Vice Chair of EPHA and is a Board Member of RHL and 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.

### **Keith Barnes (Tenant)**

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.

### **Councillor Ron Davis (Wychavon nominee)**

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 (Tenant)**

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 (NHF) 'iN Business for Neighbourhoods awards' and 'What We Are Proud Of' awards.

**Rebecca Mollart (Independent)**

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.

**Andrew Potter BSc (Non-designatory)**

Andrew is Chair of RHL. 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)**

Deep is Vice Chair of RHL. 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.

**Councillor John Smith OBE (Wychavon nominee)**

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.

**Nicky Marson BA (Independent) (Left July 2009)**

Nicky was, until July 2009, a Board Member of EPHA and RHG and Chair of RHL. 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.

