



THAMES
VALLEY
HOUSING

20 FINANCIAL REPORT 17

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CHAIR'S & CHIEF EXECUTIVE'S INTRODUCTIONS



As ever, supporting our residents to improve their skills and life chances has been a key priority in our frontline services, and we are incredibly proud to have supported 321 residents into work and training.



David Clayton-Smith
BA (Hons), CDipAF
TVHA Chair,
(resigned July 2017),
Common Board Member

It is widely acknowledged that 2016 was a tumultuous year: the UK referendum vote to leave the European Union, a new Prime Minister re-orientating government priorities, and the election of Donald Trump as US President. The potential impact on the world economy, and for the UK, is uncertain and subject to considerable debate and speculation.

However, there have been glimmers of light through all of this for our sector, with the government's stated objective of seeking to address the housing crisis. Their White Paper, published by the Department for Communities and Local Government (DCLG) in early 2017, containing proposals on how to increase the supply of affordable housing, and shifting emphasis away from just home ownership was welcome.

June 2017's snap general election may have had some unexpected results, but it was clear that housing remains near the top of the agenda for voters across the electorate, and we're looking forward to working with Government to provide more and better homes for people that need them.

In the midst of the storm, Thames Valley Housing has been striving not only to protect ourselves, but to achieve more for our residents, communities and staff than ever before. In 2016, our Board approved a new Customer Experience Strategy, which is the lynch pin of our approach to our services in the future. This is all about making every interaction our residents have with us positive and easy.

We'll achieve this by taking a service design approach - championed in the tech industries but new to the housing sector - that puts residents' experiences and needs at the centre of service, rather than focusing on internal process and traditional ways of doing things. We have invested in bringing new people and skills in-house to see this work through, including a senior level Chief Information Officer and Service Design Team.

In addition to the pressure of external factors on our sector, this year we were very disappointed that our planned merger with Genesis Housing Association did not proceed. We have since set a new and ambitious direction for Thames Valley Housing.

The regulatory result of the merger collapse was an In-Depth Assessment undertaken by the Homes and Communities Agency. Following this, we maintained the highest possible rating for Governance and Financial Viability, confirmation that we are in the strongest possible position to pursue our plans.



June 2017's snap general election may have had some unexpected results, but it was clear that housing remains near the top of the agenda for voters across the electorate, and we're looking forward to working with Government to provide more and better homes for people that need them.



Geeta Nanda OBE, BSc, PG
DIP Housing, CIH
Executive Common Board
Member and TVH CEO

Our resilience is shown further with an impressive operating surplus of £42m against a turnover of £109m. Our exceptional sales income continues to subsidise the development of affordable homes for those on lower incomes.

At the end of the year, we have delivered 331 homes for rent, 147 for shared ownership and 58 for sale through Opal, our joint venture with Galliford Try. We met our programme targets for developing new homes during 2016/17. In 2016/17, 456 new homes were also started on site, and we have an overall pipeline of future homes in development of 1,250. Our ambition for five years' time is to be providing circa 1,000 homes per year.

As ever, supporting our residents to improve their skills and life chances has been a key priority in our frontline services, and we are incredibly proud to have supported 321 residents into work and training.

In January we started a new pilot programme called Level Up, focusing on wellbeing as well as traditional employability skills in Hounslow, as we broaden our offer of support to residents in an uncertain economic climate. Feedback so far has been incredibly positive, and we look forward to telling you more about the progress of this next year.

Geeta Nanda

A NOTE FROM THE CHIEF EXECUTIVE

In September 2017, I'll be leaving Thames Valley as Chief Executive after nine and a half fantastic years, to take over as Chief Executive at Metropolitan Housing Association.

As you can see from this report, TVH is in great shape, with a tremendous team of staff at the helm who I will be very sad to leave. From September, our Executive Director of Housing, John Baldwin, will be stepping in as interim Chief Executive until my permanent replacement is found. Rita Akushie, our Group Finance Director, will also be taking over my role overseeing Fizzy on an interim basis.

We've spent the first part of 2017 honing our corporate objectives and new strategies, ensuring we're being ambitious and striving to fulfil our vision and mission of building great homes and communities into the future. John and Rita are perfectly placed to make sure we carry on with the job of seeing these through in the coming months. Ben Denton and our Board are, I know, ready to take TVH into the future, and from success to success.

Top right: Geeta Nanda and Ben Denton (TVHA Chair as of July 2017)



PROFILES OF BOARD MEMBERS AND EXECUTIVE MANAGEMENT



BEN DENTON
Chair
(Appointed July 2017)



RITA AKUSHIE
Group Finance Director
(Appointed April 2017)



JOHN BALDWIN
Housing and
Neighbourhood
Services Director



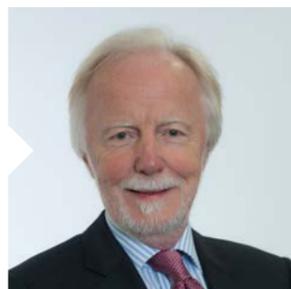
PAUL BRIDGE*
Chair of Thames Valley
Charitable Housing
Association Limited



EMMA CARIAGA
Chair of Group Investment
Committee



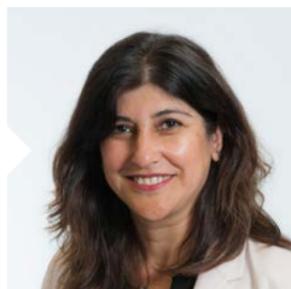
KATHRYN DAVIS*
Chair of Group Treasury
Committee



BRIAN HENDON*
Chair of Group Audit
and Risk Committee



GRAINIA LONG
Chair of Customer
Services Committee



GEETA NANDA
Chief Executive



DAVID CLAYTON-SMITH
Chair
(Resigned July 2017)

BOARD MEMBERS

BEN DENTON, MRICS, BSc (Hons), Dip BA
Chair

Ben has served on the Board for five years, having served as Deputy Chair since 2014. He was appointed Chair in 2017. He is a Member of the Group Investment Committee and Group Treasury Committee. Ben is Group Director of Strategy and Business Development at Keepmoat Limited. Prior to that, he was the Executive Director for Growth, Planning and Housing at Westminster City Council and before that he was a shareholder of First Base Limited. Ben is also Chair of Westminster Community Homes.

RITA AKUSHIE, FCA, FCT, BA (Hons)
Group Finance Director

Rita joined Thames Valley Housing as Group Finance Director and was appointed to the Board in April 2017. She is a qualified chartered accountant and also a qualified corporate treasurer. She has over 27 years' experience in finance, treasury and business improvement. She has worked for a number of London Housing Associations and has been a Finance Director for the past 18 years. She is a Member of the Group Treasury Committee and a Director of Fizzy Enterprises, Opal and Evolution vehicles.

JOHN BALDWIN, BA MCIH
Housing and Neighbourhood
Services Director

John joined Thames Valley Housing as Housing and Neighbourhood Services Director in 2008. He was appointed to the Board in November 2014 and is a Member of the Customer Services Committee. He has worked in the housing sector for over 25 years with roles including policy, supported housing and general needs. He has been Assistant Director for Westside Housing and Director of Housing Management at Notting Hill Housing Trust. John previously served as Chair of Harlington and Rectory Housing Association. John is a Director of Fizzy associate LLPs.

PAUL BRIDGE, BA, MSc

Chair of Thames Valley Charitable Housing
Association Limited

Paul has served on the TVCHA Board for five years and the TVHA Board since November 2014. He is a Member of the Group Investment Committee and the Group Audit and Risk Committee. He is the Chief Executive at Civitas Housing Advisors Limited the investment advisor to Civitas Social Housing PLC the first Real Estate Investment Trust launched in 2016. Prior to this Paul held senior roles in a number of organisations notably Chief Executive of Homes for Haringey and as a Group Director of Hyde Housing Association.

EMMA CARIAGA, BSc (Hons), DipTP
Chair of Group Investment Committee

Emma has served on the Board for five years. She is Chair of the Group Investment Committee and a Member of the Governance, Remuneration and Nominations Committee. Emma is a Director at The British Land Company plc. Prior to this she worked for Land Securities. Emma is a trustee of the youth mental health charity STEM4 and a Board Member of Pathways to Property (Reading Real Estate Foundation).

KATHRYN DAVIS, MA (HONS) (OXON)

Chair of Group Treasury Committee
Kathryn was appointed to the Board on 1 July 2014 and is Chair of the Group Treasury Committee and a Member of the Group Audit and Risk Committee. A qualified solicitor, until 2013 Kathryn was a corporate partner at city law firm Slaughter and May, which she joined in 1987 and where she advised mainly FTSE 100/250 companies on a wide range of corporate, commercial and financing issues, both transactional and non-transactional. Kathryn is an Independent Member of The Lord Chancellor's Advisory Sub-Committee on Justices of the Peace for Central and South London and a Member of the Council, trustee and non-executive director of The Girls' Day School Trust, where she sits on the Estates Committee and the Senior Appointments and Remuneration Committee.

BOARD MEMBERS

BRIAN HENDON, FCA

Chair of Group Audit and Risk Committee
 Brian has served on the Board for seven years and is the Senior Independent Director. He is Chair of the Group Audit and Risk Committee and a Member of Group Treasury Committee. Brian is a Non-Executive Director of Royal Berkshire NHS Foundation Trust and also holds positions as Non-Executive Chairman in various private sector companies. Brian is a Chartered Accountant and has worked in the USA and UK in various Finance Director and Managing Director roles.

GRAINIA LONG, BA; MSC MCH MCIH

Chair of Customer Services Committee
 Grainia has served on the Board for two years and is Chair of the Customer Services Committee and a Member of the Governance, Remuneration and Nominations Committee. She is Chief Executive of the ISPCC, the national child protection charity in Ireland. Prior to this she spent eight years at the Chartered Institute of Housing, first as National Director in Northern Ireland and then as Chief Executive. She has also worked for Shelter and the Equality Commission for Northern Ireland. She has been an Advisor

to the Commission on the Future of Housing in Northern Ireland, a Member of the Lyons Commission on Housing and is currently a ministerial appointee to the Board of the Northern Ireland Human Rights Commission.

GEETA NANDA, OBE, BSc, PG DIP HOUSING, CIH
Chief Executive

Geeta joined Thames Valley Housing as Chief Executive in 2008. She was appointed to the TVHA Group Board in April 2011 and the Fizzy Enterprises Board, the joint venture subsidiary in May 2013. Geeta has worked in the housing sector for over 25 years in housing associations, local government and research. Previously she was Group Director of Operations at Notting Hill Housing Trust and has served on the Boards of several housing associations and charities. Currently, Geeta is a Board Member of McCarthy and Stone, the retirement development housebuilder.

PROFILES OF EXECUTIVE MANAGEMENT



GEETA NANDA, OBE, BSc, PG DIP Housing, CIH
Chief Executive



RITA AKUSHIE, FCA, FCT, BA (Hons)
Group Finance Director



JOHN BALDWIN, BA MCIH
Housing and Neighbourhood Services Director



JOHN BARRY
Interim Corporate Services Director
(Appointed February 2017)

John moved to the role of Interim Corporate Services Director in February 2017. He brings with him over 30 years of experience in social housing. He previously worked for Thames Valley Housing as a senior project manager, leading on a number of ICT and performance improvement projects.



GUY BURNETT
Group Development Director

Guy joined Thames Valley Housing in 2003. He has worked in the housing sector for 25 years, as well as in private sector organisations specialising in residential development and regeneration. Guy is a Director of both Opal and Fizzy joint venture and associate LLPs.



PATRICIA ETTER
Group Company Secretary

JANE LONG
Interim Corporate Services Director
(Resigned February 2017)

JULIAN TURNER
Finance Director
(Resigned February 2017)

CORPORATE GOVERNANCE AND BOARD COMMITTEES

TVHA and TVCHA operate a Common Board (the “Board”) to govern both associations. The Board considers all matters and makes all decisions affecting both associations. In order to protect the charitable objects of TVCHA and to preserve the integrity of TVCHA as a separate legal entity, where a conflict of interest arises between the two associations, three pre-designated Board Members subordinate their duty to TVHA below their duty to TVCHA and act wholly on TVCHA’s behalf for consideration of the relevant decision. These pre-designated Board Members choose whether or not to include other Board Members in a decision, depending on the diversity of interest.

The Board has adopted a Code of Conduct which reflects the requirements set out in the National Housing Federation’s (NHF) Code of Conduct 2012. The Board has adopted the NHF Code of Governance 2015. The Board received an annual report on compliance in May 2017. Following review of the report, the Board confirms that it fully complies with the NHF Code of Governance and Code of Conduct and with the Homes and Communities Agency (HCA) Governance and Financial Viability Standard. The Regulator carried out an In-Depth Assessment of TVHA and TVCHA in February 2017 and confirmed the Group’s G1/V1 rating.

The Board is responsible for the leadership of the Group and for ensuring that where appropriate risks are taken, these are properly managed. The Board ensures that the Group has the necessary financial and staff resources to deliver its objectives and sets ethical and health and safety standards. The Board is fully involved in the Group’s Value for Money Strategy and reviews the Group’s performance against the Regulatory Standards annually. The Board reviews the skills profile of its members annually and on the retirement of members. All Non-Executive Board Members are subject to re-election every three years, and are appraised annually by the Group Chair. The Group Chair was appraised by the Chair of the Group Audit and Risk Committee in February 2017.

The Board carried out an external board effectiveness review in the last quarter of 2016/17 and has formulated a development plan for 2017/18 based on the review’s recommendations.

Board structures and terms of reference are clear and include details of the timing and membership of the Board and its committees. During the year, the Board held eight board meetings and one strategy day. The Board has five sub-committees, populated by Board Members. Minutes of the meetings of these committees - the Group Audit and Risk Committee, Governance, Remuneration and Nominations Committee, Group Investment Committee, Group Treasury Committee and Group Customer Services Committee are sent to the Board. Board Members are provided with regular detailed briefings on the Group’s business and have access to a suite of key performance information. Board Members are able to obtain independent advice when they deem it appropriate. The Group Audit and Risk Committee have a right of access to all information within the Group. Board Members are encouraged to undertake further training and new board members have a tailored induction programme. Board members are remunerated at levels consistent with the Group’s scale of activities and sector norms.



BOARD COMMITTEES

GROUP INVESTMENT COMMITTEE

The Group Investment Committee makes investment decisions on Opal Land schemes and on major new schemes which fall outside of the authority delegated to the Executive Directors. Its terms of reference were reviewed in 2017 to include broader asset and portfolio management to support the achievement of the Growth and Investment Strategy. The Committee meets when required to support the business.

GOVERNANCE, REMUNERATION AND NOMINATIONS COMMITTEE

The Governance, Remuneration and Nominations Committee reviews and makes decisions relating to the governance of the Group, and, in particular, the appointment, renewal and review and remuneration of Board members, the review of staff remuneration and terms and conditions and the appointment of the Executive Team. The Committee meets two to three times a year.

GROUP AUDIT AND RISK COMMITTEE

The Group Audit and Risk Committee's primary role is to independently oversee and monitor the process for ensuring an effective internal

control system is maintained, together with reviewing the risk management systems, monitoring the integrity of the financial statements and providing oversight of the internal and external audit process. The Committee meets at least three times per year. On at least one occasion each year, the Committee meets separately with the external and internal auditors without the presence of Executives.

GROUP CUSTOMER SERVICES COMMITTEE

The Group Customer Services Committee scrutinises and makes decisions in relation to management and maintenance services provided to residents to ensure high service standards, efficient working and delivery of performance indicators across all affordable tenures. The Committee includes Board Members and two resident members.

GROUP TREASURY COMMITTEE

The Group Treasury Committee considers and recommends the Group Treasury Strategy and Treasury Policy to the Board, as well as approving borrowings, loans, derivative transactions and certain investments. Members are chosen for their expertise in treasury management.

BOARD AND COMMITTEE MEMBER ATTENDANCE

The number of Board and Committee meetings attended by each Board/Committee member during the financial year was as follows:

RISK	COMMON BOARD MEETINGS & STRATEGY DAYS	GROUP INVESTMENT COMMITTEE	GOVERNANCE REMUNERATION & NOMINATIONS COMMITTEE	GROUP AUDIT & RISK COMMITTEE	GROUP CUSTOMER SERVICES COMMITTEE	GROUP TREASURY COMMITTEE
No. of Meetings	9	3	2	5	3	4
Ben Denton	7/9	3/3	2/2	3/5		2/4
John Baldwin	9/9				3/3	
Paul Bridge	8/9	1/3	1/1		1/3	
Emma Cariaga	6/9	3/3	1/2			
Kathryn Davis	9/9		1/1	5/5		4/4
Brian Hendon	9/9		1/1	5/5		4/4
Grainia Long	9/9		2/2		3/3	
Geeta Nanda	9/9	2/3				
David Clayton-Smith	9/9		2/2		3/3	
Julian Turner	8/8					3/3



PLANNING FOR THE FUTURE

Our refreshed strategic objectives will push us to ensure positive and easy experiences for residents, new partnerships to deliver homes and engaged and creative staff to make it all happen.



TRANSFORMING OUR SERVICES:

We will ensure we make things positive and easy for our customers and enhance our digital business capabilities. We will work with customers, pre-empting service needs through data and be continuously working on service transformation. We are designing an efficient model for service delivery aligned to a new customer experience strategy. This will include ensuring that the development of our digital services, including online services for residents, fully aligns to the service design reviews.



SUPPORT OUR TENANTS:

Life is getting tougher and we aim to build lives through a stable home. We will expand how we train and employ our residents and their children. Social equality matters to us. We aim to minimise evictions and give opportunity. We have continued with our training and employment programme for residents and in 2016/17 supported 321 residents into either work or training.



GROWING THE BUSINESS:

Through our existing model we will produce circa 1,000 homes a year and look to extend that ambition. We will do this through reviewing our existing partnerships and how they can grow, looking at new partnerships and opportunities and reviewing the markets where we operate and products we produce.



OUR FINANCIAL MODELS AND STRENGTH:

We will maximise our capacity to invest in new and existing housing and services as well as our communities. By leveraging our resources and looking to bring in investment, we will be commercially successful.



PEOPLE AND CULTURE:

We will develop our people and our people values, grow and provide opportunities, bring in people to learn, train and grow with us. People will want to work for us and be our greatest supporter and voice. We want to create an organisation with innovation and creativity at our heart, remaining flexible and open to change.

WHAT WE DO

VISION AND MISSION

Our vision is for everyone to have the chance to build their lives from a good home.

We believe that a good, safe, secure home is a critical foundation for successful people, families and communities. Without one, it's difficult to do well at school, hold down a job or raise a family.

Our mission is to provide good quality affordable homes and invest in communities.

The housing crisis is particularly acute in London and the South-East, where we operate. We build good quality, new homes and manage them well. We also grow the social capital of the communities we work in.

TRANSFORMING OUR SERVICES

HOUSING MANAGEMENT
AND HOME OWNERSHIP

This year, we've continued to develop our housing management service with a specific focus on managing the impact of Welfare Reform and the on-going Universal Credit roll out. We have been in touch with 100% of residents affected and provided advice and assistance on how to deal with the changes, and the impact on their personal finances.

Our Tenancy Support Service has supported 189 tenants who need it most, and has secured a combined total of £267k consisting of both personal and rental income. Most importantly, of the 189 tenants supported, all are still maintaining their tenancies. Our arrears performance is within target and we maintained a consistently low number of evictions, 20. Teams across the service are now working closely to support those requiring additional help through Employment and Training, and we continue to invest some of our surplus – £464k this year – into these activities.

In total we let 510 homes to new households consisting of 183 new-builds, 246 re-lets, and 81 mutual exchanges. We reviewed our approach to managing anti-social behaviour,

which is already having a significant impact on complaints, and have also re-let 2 homes that were subject to fraud investigations.

We have rolled out the use of mobile technology for our front-line housing staff that can now access all office based systems remotely. Mobile working has improved our efficiency as time spent in the office for many administrative tasks has been reduced.

Our 224 homes on the PFI scheme at Woking are now fully let and operational, with satisfaction levels at 88%.



Final family to move into Kingsmoor Park. All of the rented homes were occupied by January 2017.

CASE STUDY

MEET RICHARD WOKING PFI RESIDENT



Richard moved in to a one bedroom flat at Kingsmoor Park after spending five years waiting for a home that suited his access needs.

Richard was on Woking Borough Council's housing list for five years. He has mobility issues following a motorbike accident and had been privately renting a top floor flat. This made things that the majority of people take for granted, such as going to work or the shops, a considerable challenge. He now lives in a ground floor flat and is able to park his car next to the building.



From the very beginning, if I've had any problems, Charlotte and Karen in the site office just around the corner have always been there to help.



"From the very beginning, if I've had any problems, Charlotte and Karen in the site office just around the corner have always been there to help. It's a nice community and I like living here. It's quiet and my flat is really nice, plus I have easy access to my car for getting to work and going in to town. Living here has made me a lot more independent and my life a lot better."

Last years' changes within our Home Ownership Team are beginning to see some improvements with the way we manage our on-site services and responding to home owner enquiries. The Service Assurance Officer has improved on-site staff visibility as well as ensuring communal areas are properly maintained.

We have fully taken over the management of a Communal Heating Plant on a particularly large mixed tenure site that has ensured we can respond promptly and not have to rely on an external company. We have revised our fee structure and have generated £105k income from home ownership enquiries, most of which has come from lease extensions.

Our Service Charge module is now operational and we generated the Service Charge estimates through this system for the first time. Our internal auditor recently gave the module and associated process the top assurance rating.

MANAGING OUR PROPERTIES AND ASSETS

Our responsive repairs service with Axis Europe Plc is now in its third year and achieved satisfaction of 95.2% against a target of 95%. Our voids management delivered re-lets at our corporate performance of 20.2 days against a target of 21 days. We achieved our 100% target for completing annual gas safety checks in time.

Our homes meet the Decent Homes Standard and we have stock condition information on over 94% of our assets. This data was gathered in the last five years. We actively aim to re-survey 20% of our assets annually.

Our stock has an average energy performance rating of 71, equivalent to a C rating. We are validating our energy data and we expect the performance to improve. This places our stock in the top 10% performing homes of all tenures in the UK. We continue to identify and deliver thermal improvements such as more efficient heating systems, external wall insulation and higher performing double glazed windows.

We have undertaken detailed thermal imaging surveys on older schemes where we have concerns about thermal efficiency and used this information to plan improvement works.

We recently completed a snap shot thermal imaging survey on schemes where residents experience condensation issues, in order to ascertain if thermal insulation may be a contributory factor.

We completed the second appraisal of all our rented assets in terms of financial and strategic performance against an agreed set of criteria. This information has provided assurance that our assets are financially sustainable and allows us to focus on improving the performance of all our assets. We also completed the first asset appraisal of our 2,173 key worker and student accommodation assets and included the findings in our 2017 iteration of our asset management strategy update.

KEY WORKER AND STUDENT HOUSING

The majority of KPI targets for key workers and student housing were met. Rent arrears at year end were 0.2% against a target of 2.5% or less, and property voids were at 1.6% against a target of 5% or less. Resident satisfaction (twelve month rolling average) was high at 89% compared with an 82% target.

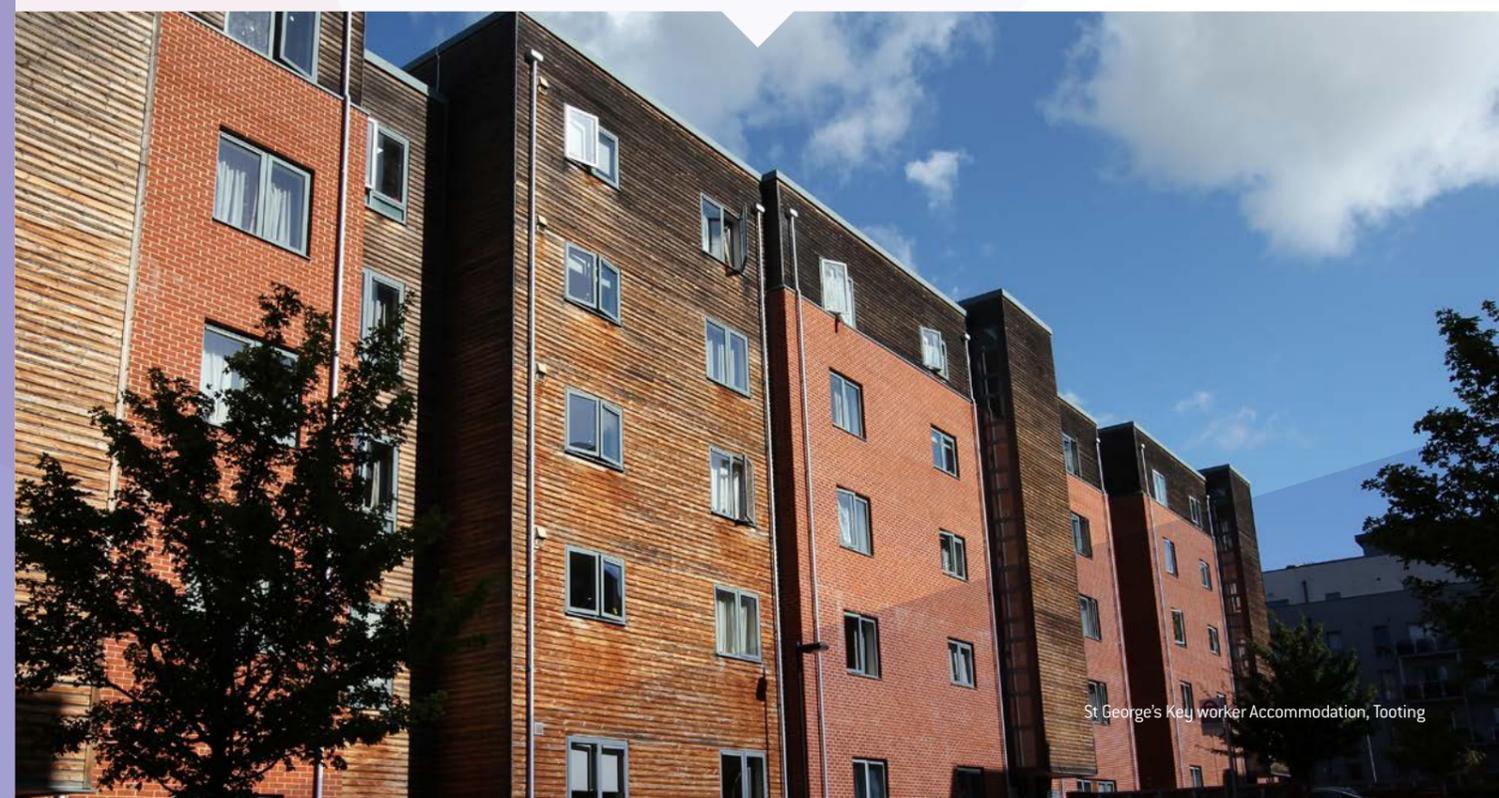
We have housed 757 new key workers in the last twelve months, most of which were nominated to us by one of our eight NHS Trust partners, and over 460 students at the University of Surrey in Guildford.

The total number of units of key worker and student accommodation in management as at 31 March 2017 is 2,173 having taken handover of 86 new key worker homes in partnership with Frimley Health NHS Foundation Trust in quarter 4.

A solution has now been found for the latent defect issues at the St George's, Hammersmith & Hillingdon key worker schemes. The required work started on site at St George's in February 2017 and is programmed to take around eighteen months to complete.

THE FOLLOWING TABLE SHOWS KEY PERFORMANCE INDICATORS FOR KEY WORKER AND STUDENT ACCOMMODATION:

PERFORMANCE INDICATOR	2016/17 Outturn	2016/17 Target	2015/16 Outturn
Current Tenant Arrears (%)	0.2	2.5	0.6
Void Rate – Units Available For Letting (%)	1.6	5.0	1.6
Overall Tenant Satisfaction (%)	89.0	82.0	89.5



St George's Key worker Accommodation, Tooting

CASE STUDY

MEET MARC
FRIMLEY KEYWORKER

There are actually quite a few interesting areas around Frimley, and this has opened up new horizons for me when it comes to going out, finding things to do, and generally the lifestyle is a lot better.



Marc is a nurse at Frimley Park Hospital. He moved to the UK from the Philippines last year to work for the NHS.

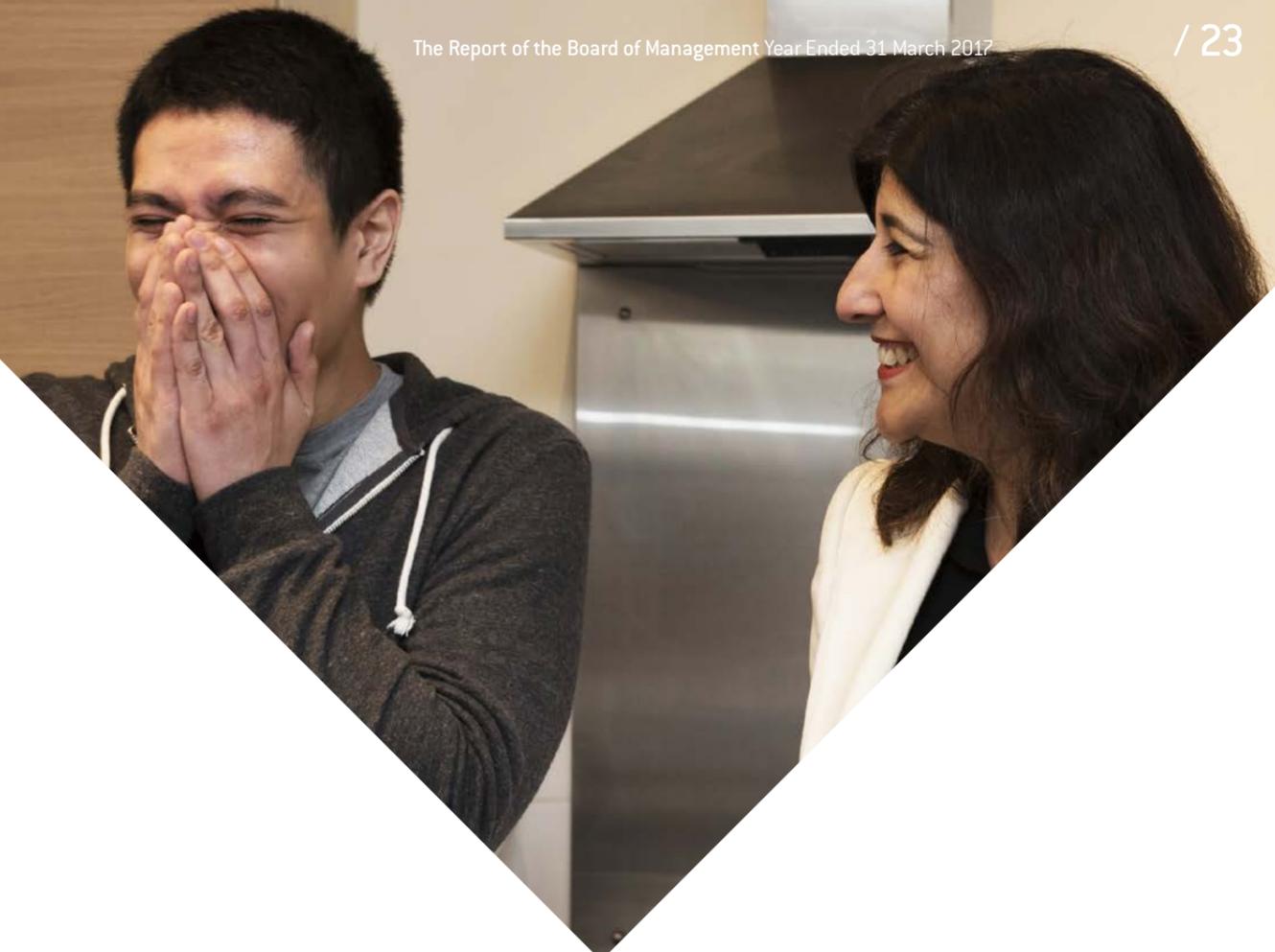
“There are so many pros about living here. The main one is the proximity to the hospital, but we also have good transport links and our payment options are flexible too - there was no hefty deposit beforehand. I live in a shared flat with three friends who are also nurses at the hospital. The size of the rooms are all the same, which means that there are no fights about who gets the big room!”

The neighbourhood in general is quiet and peaceful, and we get along with our neighbours. The community cohesion is quite strong as we all live and work around here. Having an accommodation officer is also a big plus, as we have a personal connection with her and she is always on hand to help out if something goes wrong.

I'm from a big city back home and I have friends who live and work in London, so I know how busy it gets! Now I am a bit further out and finding it great. I can relax after work and get some peace and quiet that you just can't get in London.

There are actually quite a few interesting areas around Frimley, and this has opened up new horizons for me when it comes to going out, finding things to do, and generally the lifestyle is a lot better. At the same time, you're never too far from central London if that's where you want to go.”

Top right: Marc and Geeta Nanda
Bottom right: Marc and Maria share a flat with another 2 key workers



SUPPORTING OUR RESIDENTS AND COMMUNITIES

RESIDENTS' TRAINING AND EMPLOYMENT INITIATIVES

THIS YEAR DURING 2016/17, WE SUPPORTED:



124

residents into employment



159

into training and qualifications



33

into volunteer placements



5

completed business start-ups

WELLBEING PROJECT PILOT (LEVEL UP)

Level Up is a new initiative we piloted in Hounslow from January 2017. The project takes a holistic approach to wellbeing and addresses;

- > NEGATIVE SELF TALK
- > PHYSICAL AND MENTAL WELLBEING
- > LOW CONFIDENCE AND SELF ESTEEM
- > MONEY MANAGEMENT
- > NUTRITION AND FITNESS

The project is a response to a large percentage of residents expressing interest in getting into work, but dealing with complex issues that have become a barrier to them doing so. Level Up aims to support residents through whatever these issues are until they get to a point where they are ready to get into work.

The response to the pilot has been encouraging with 40 residents initially expressing interest and 18 making it onto pilot. The outcomes from this pilot will help inform how we engage with residents furthest from the job market.

CASE STUDY

MEET ANA
WELLBEING
PROJECT PARTICIPANT



Ana attended TVH's Level Up programme this year. She lives in Hounslow.



The business course has been a great next step from Level Up. Everyone is very motivating and supportive and they make me believe I can achieve my goals. For me, there's a great link between these two courses.



"Emildah from the Training and Employment Team called me to explain the course, and I can say it was exactly what I needed.

At the time I was at a low point; I felt alone and very sad. The course helped me to improve my self-esteem and gave me great confidence. The fitness and nutrition sessions were also very helpful to me. The course was a lot more helpful than I expected.

Following on from it, I'm currently attending the TVH Business Start-up programme and I'm enjoying it a lot. I have qualifications but, being a single mum, it is difficult for me to stick to a work schedule most of the time. I am hoping that having my own business will make it easier to make a living.

The business course has been a great next step from Level Up. Everyone is very motivating and supportive and they make me believe I can achieve my goals. For me, there's a great link between these two courses.

I can't say that the course solved all my problems, but it helped a lot, not just me but my entire family too, who were affected because I was affected. Now I know how to speak to my family, how to help them and how to get help when it is needed."

PARTNERING FOR THE FUTURE

Changes to Welfare Reform and other external agendas have led us to explore ways of responding that ensure our residents are in the best possible position to weather the changes. The government has made it clear that they want to halve the employment gap between disabled and non disabled residents. The government's new Welfare to Work initiative, the Work and Health Program (WHP) is designed to focus on supporting this customer group back into employment.

In response, we have partnered with 10 other Housing Providers with a view to competing as subcontractors to the program when it goes live in Autumn this year so that we are in strong position to influence program delivery and ensure our residents get the most out of the program.

EMPOWERING PEOPLE AND COMMUNITIES STRATEGY

The Community Investment team works in a number of different ways with residents, stakeholders and management teams to understand the specific issues and needs within the communities we serve. Through the Community Plan projects, we work with local Housing Officers to determine both physical and non-physical interventions that can improve the lives of local residents by reducing anti-social behaviour or increasing opportunities. The Community Champions project works from the ground up, with residents identifying both the issues and the solutions with support from the team.



SOME EXAMPLES OF THE PROJECTS THAT THE TEAM HAS UNDERTAKEN OVER THE PAST YEAR INCLUDE:

1. GARDEN BLITZ

Volunteers from TVH, Axis and Woking Borough Council worked together under the guidance of The Conservation Volunteers to renovate garden spaces for local organisations. The project delivered a usable Wildlife Garden and Outdoor Classroom in Westfield Primary School, and a Sensory Garden at the new Alzheimer's Society facility.



2. GET OUT GO WILD

A project to encourage community cohesion amongst the divided young people in Kew Riverside. There are many problems in this area associated with invisible boundaries running through the estate. Working with Wide Horizons, we took a group of 10 young people away on a character building outward bound trip to the Kent Countryside.



3. HEALTHY COOKING

We partnered with A2Dominion and Slough Borough Council's Family Learning Centre to deliver a number of healthy cooking classes for residents on low incomes, as part of the Community Champions programme. The classes taught residents how to budget, source cheap food and highlighted the nutritional value of healthy vs microwaved meals. The sessions gave residents the opportunity to meet new people, expand their social circle and gain a food hygiene qualification.

4. OAKLEAF ENTERPRISE

In September 2016 the Community Chest awarded a grant of £3,675 to deliver horticultural qualifications to people with mental health problems in Guilford. So far Oakleaf Enterprise has welcomed 23 separate individuals to horticultural training. Every client has acquired practical skills in gardening and 'on-the-job' training with their highly skilled and experienced staff team. In this period two clients have already moved on from Oakleaf into full-time work.

5. MARSH AND MICKLEFIELD MOVIE FESTIVAL

In September 2016 we part-organised an outdoor cinema festival for approximately 250 families in Marsh and Micklefield. A screening of "The Lego Movie" took place on the first night at Gomme's Wood Nature Reserve, followed by "Zootropolis" at Beechview Primary School. The events increased community cohesion, raised aspirations, and gave local voluntary organisations an opportunity to showcase their opportunities to local people.

GROWING OUR BUSINESS

DEVELOPMENT OF AFFORDABLE HOUSING

It has been another successful year for TVH as we have started the construction of another 458 new affordable homes across London and the South-East for home ownership and rent.

Working alongside our private and public sector partners, we continue to pursue our ambitious growth targets and have a substantial development pipeline to be developed over the coming years.

WORKING IN PARTNERSHIP

WOKING PRIVATE FINANCE INITIATIVE ("PFI")

We have now successfully completed 224 new homes for social rent that are all let as part of our non-HRA PFI housing scheme delivered in a joint venture with members of the Kier Group Plc at Kingsmoor Park in Woking.



Kingsmoor Park, Woking

CASE STUDY

MEET ALISON
WOKING PFI RESIDENT



Alison lives in a one bedroom flat at Kingsmoor Park.



I've also been involved with Rudi, our Community Access Officer, and have been able to do some voluntary work as well as accompany him to meetings to launch the Woking Timebank project.



Alison came to live at Kingsmoor Park after privately renting in Woking for two years. When the owners decided to sell the property, she tried to find alternative accommodation but the fact that she was in receipt of a small amount of housing benefit resulted in huge problems. Estate agents wouldn't accept someone on housing benefit and even referred to her as 'people like you'. It got to the stage where she was declared homeless, at which point Woking Borough Council stepped in.

"I was referred to TVH by the council. Charlotte, (Neighbourhood Manager at Kingsmoor Park) came out to interview me and said that she had no problem recommending me for one of the new flats on the development.

I've experienced a few issues since moving in but have reported all of these to the on-site office and I know they take me seriously. I've also been involved with Rudi, our Community Access Officer, and through him have been able to do some voluntary work as well as accompany him to meetings to launch the Woking Timebank project. I'm having my senior gap year!"

FRIMLEY NHS KEY WORKER SCHEME

In partnership with the NHS, construction work continues on our sixth key worker scheme in Frimley where we are developing 86 homes for rent and 34 homes for sale via our Woodbridge brand.



OPAL LAND (JOINT VENTURE BETWEEN TVHA & GALLIFORD TRY)

Sales performance has been strong across all the Opal schemes and this year we started another scheme at Chase Farm in Enfield that will deliver another 138 homes (including 26 affordable).

Opal continues to invest in the regeneration of existing communities as demonstrated by our scheme at Silvertown in the London Borough of Newham where we have received planning permission for 975 new homes that includes affordable housing, PRS, housing for sale as well as new shops and a hotel.



FIZZY LIVING

Fizzy Living has been operating since 2012. It now has a well established brand and the management platform which has a total of four assets at Canning Town, Epsom, Poplar and Stepney Green (a total of 246 apartments) in management. The management of the Fizzy portfolio is carried out by Fizzy Services Management LLP, a wholly owned entity within the TVH Group, whose revenue arises from services provided to the Fizzy Enterprises Group.



CASE STUDY

MEET BRYONY,
MATTHEW AND
MUFFIN

FIZZY POPLAR RESIDENTS



Bryony, Matthew and Muffin moved into a brand new flat at Fizzy Poplar this year.

Bryony and Matthew were looking to rent somewhere close to Matthew's workplace in Canary Wharf that was both affordable and wheelchair accessible, and would also allow them to move in with their bulldog Muffin. Before coming across Fizzy Living's development in Poplar, they had found it difficult to find somewhere that accommodated all three of their requirements.

"We weren't able to compromise on any of these factors" said Bryony. "Having Bartlett Park right next door is also a big bonus" added Matthew. "We have somewhere very close by that we can walk Muffin. It's also allowed us to meet lots of fellow dog owners in the area." They like that the building also has a 'dog community' of its own, with Bryony also taking other Fizzy dogs out for a walk whilst her neighbours are at work.

The building also allows them to have their own car parking space and storage locker, which has been extremely useful for accommodating both Bryony's business machinery and Matthew's comic book collection.

"This has actually been our only rental experience and we had heard so many horror stories of dodgy landlords from our friends, but we've had a really good experience of renting here. Having Tyrra, our Property Manager, located on-site is a major plus as she's someone that you can go down to reception and see rather than someone on the other end of a phone."

Fizzy has continued to grow with acquisitions at Lewisham (two phases of 68 units each), Hayes (189 units) and Walthamstow (111 units) all of which will be delivered within the next twelve months resulting in a total operational portfolio of 682 units.

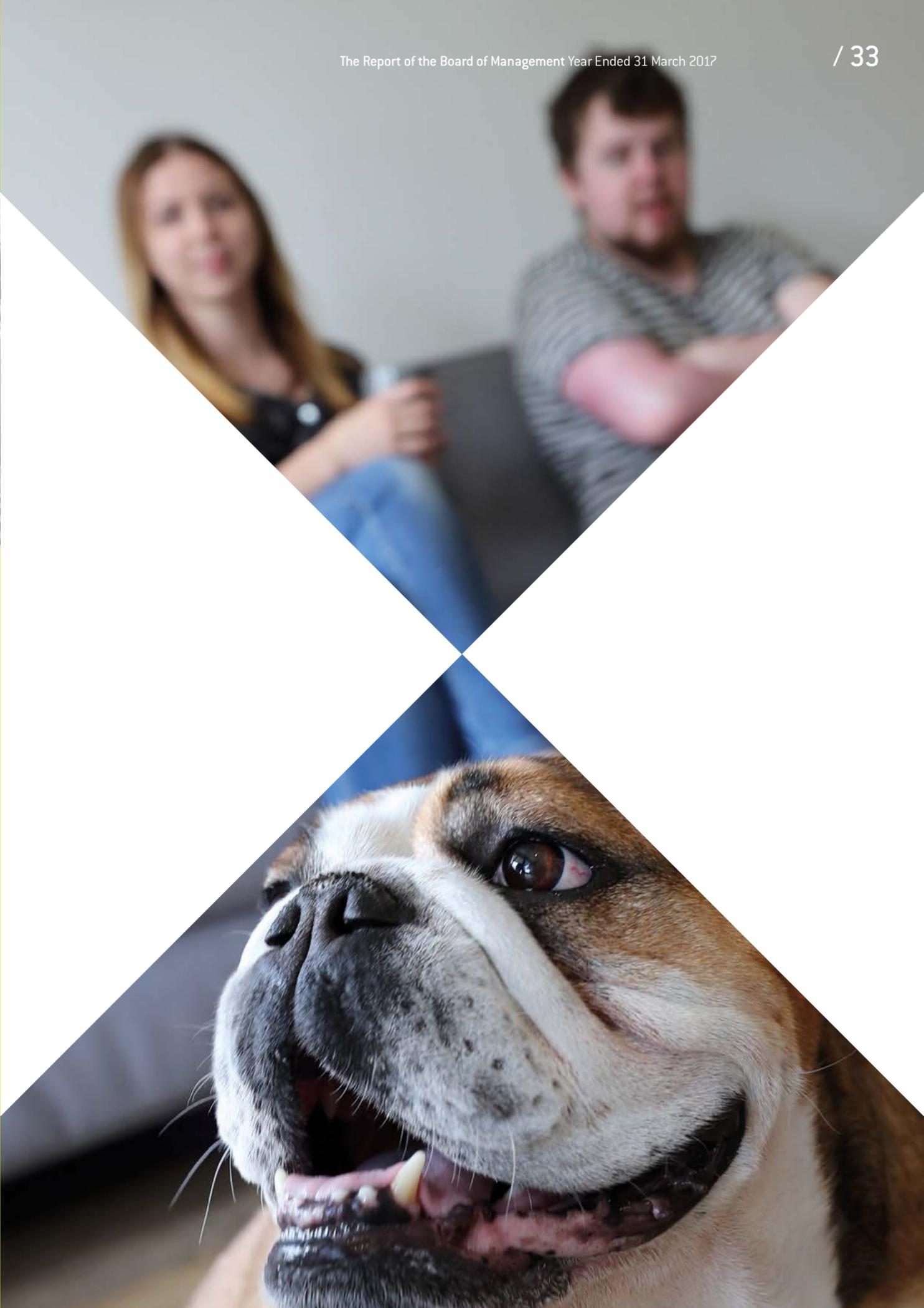
Fizzy is committed to purchase 292 units in two adjacent buildings in Silvertown which will handover in 2019 and 2020.



Having Tyrra, our Property Manager, located on-site is a major plus as she's someone that you can go down to reception and see rather than someone on the other end of a phone.



> FIZZY Poplar



CASE STUDY

A DAY IN THE LIFE
OF A FIZZY BOB

KASSY, FIZZY STEPNEY



Kassy works as the on-site
'Bob' at Fizzy Stepney Green.

There's probably not a typical day for a Fizzy Bob! My day-to-day work tends to revolve around maintenance and tenancy management, moving people in and out and reporting back to the central Fizzy team.

With a lot of customer service roles it's really easy to disassociate yourself from the customer. When you're able to put a face to a name you have a more personal relationship and so you know how to approach people, you know what their situation is. It makes the relationship a lot more fluid, and also they have trust in you. There's always been a reputation that landlords are out to rip you off, especially in the London property market. The nature of Fizzy property management is completely transparent. If anything goes wrong, I'm right here in reception to be held accountable.

There are 63 tenants in Fizzy Stepney, and I have a personal relationship with every one of them. I know their names, I know their kids' names, and I know their pets' names!

When we host a tenant party, you see interaction in the hallways, with loads of different people coming together. It's like a little part of London within London – and that's really cool to see.

There are 63 tenants in Fizzy Stepney, and I have a personal relationship with every one of them. I know their names, I know their kids' names, and I know their pets' names!

> FIZZY Stepney Green

SHARED
OWNERSHIP

The commitment by successive governments to both support and fund the growth of shared ownership housing has had a significant impact on the forward supply of these homes. Current estimates are that the total national stock is set to grow by 50% in the next five years, with over 25,000 shared ownership homes currently under construction.

TVH currently holds 3.8% of the UK's total shared ownership housing stock. This year TVHA completed 152 sales, with strong demand in all locations, varying between 2:1 - 10:1 ratio of applicants to available property. Following the announcement of the Brexit vote our revised sales strategy has helped ensure a strong pipeline of secured sales.

The secondary market for these homes showed strong growth with over 200 customers buying additional shares or moving to outright ownership. TVHA has continued to assist shared owners with additional routes to accessing extra equity, through tailored assistance packages and its unique Shared Ownership Plus programme. Equally we helped over 250 customers sell and move on to their next home.

We have invested heavily in our systems, namely in the marketing platforms and sales systems, providing a more transparent and immediate experience for our purchasers. We have continued to invest in our overall customer journey; we now command an impressive net promoter score of 79% which is upper quartile within the industry.

Our second charge mortgage portfolio has delivered strong returns with approximately 15% growth in the average value of the loans redeemed within the year.



Shared Ownership homes in Millford Green, Waverley

CASE STUDY

MEET ADEL
BATTERSEA, SHARED OWNER

Adel is 33, and had been priced out of buying a home in London until she discovered Shared Ownership. She bought her flat in Battersea in June 2016.

"It was a no brainer. There was nothing available on the open market which matched the high specification of the homes available at this development, and purchasing through Shared Ownership meant I wasn't competing with investors. I kept having a sneaky look at the construction and was so excited by the progress. My enthusiasm also inspired my friend James, who I was renting with in Tooting, to submit an application to TVH too."

Adel purchased a 35% share of a one-bedroom apartment for £177,625 (full price £507,500) and put down a deposit of £32,000.

"To finally be a homeowner after years of trying – I couldn't be happier," said Adel. "Having had experience dealing with the complications of trying to buy on the open market, I was over the moon with how easy it was buying through Shared Ownership. TVH guided and helped me through the entire buying process, it was simple. For me, the best part is feeling settled. I don't have to worry about moving for a long time and I can decorate my apartment exactly how I like it."



Having had experience dealing with the complications of trying to buy on the open market, I was over the moon with how easy it was buying through Shared Ownership.

PEOPLE AND
CULTURE

OUR STAFF

Our staff are fundamental to our ability to deliver our growth strategy and objectives. We have enhanced our recruitment strategy to include social networks such as Facebook and LinkedIn, to ensure we are reaching a broad range of candidates. We have also re-invigorated our approach to staff induction to ensure new staff buy in to the "TVHA" way from the start of their careers with us.

Clear objectives and performance targets for all employees are reinforced through comprehensive performance management systems. We carried out a range of training and development activities this year, with a particular focus on digital platforms.

EQUALITY AND DIVERSITY

The Group promotes equality and celebrates diversity. We have a whole organisational approach to equality and diversity, and believe that no person should suffer disadvantage by reason of race, religion, faith, gender, sexuality, marital or civil partnership status, pregnancy or maternity, age or disability. We tailor our services to the needs of all categories of our residents.

HEALTH AND SAFETY

We are committed to meeting and stretching Health and Safety targets. Our Health and Safety procedures are subject to regular review by KPMG LLP, our Internal Auditor. Last year there were no reported RIDDOR accidents (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations).

OUR FINANCIAL MODELS AND STRENGTH

We have maintained and improved our organisational and financial capabilities to direct and fund our objectives and deliver sustained and ambitious expansion of both our core social housing and commercial investment over the next five years.

Our balance sheet has been strengthened and fully committed loan finance is in place to cover all of our current, and the majority of projected, funding requirements. With our diversification into commercial activities, our governance arrangements ensure continuing tight control and strategic direction over our expansion.

A significant amount of the financial capacity for commercial business has been sourced from third party providers of equity and debt outside of the Group, which enables efficient use of our own capital.



'Think Openly' is one of our 5 corporate values

DEMONSTRATING VALUE FOR MONEY

Value for money is embedded in our corporate plan for 2015-18 and our business planning framework. Our diversified business model aims to develop more homes with lower levels of cash grant and provide good quality services that matter most to our residents. This is underpinned by our strong financial performance.

Value for money has been delivered through:

- > Using balance sheet strength and returns from diversified activities to increase the provision of affordable homes with less grant funding.
- > Adhering to our asset management strategy, which seeks to improve the performance of our assets.
- > Providing good quality, efficient and effective services to residents.

The diversification of our business into market sales and the private rented sector through commercial partnerships continues to provide an effective cross-subsidy to support the development of additional homes. This includes affordable rented homes and means that TVHA is less reliant on grant from the public purse. Our partnerships are structured to protect the Group from the potential risks involved and make use of third party external leverage to achieve the desired scale, to secure meaningful return whilst mitigating the overall risk to the Group from such activities.

Our asset management strategy has delivered efficiencies over previous years by either disposing of or re-configuring poor performing stock. Our cyclical and planned programmes maintain retained stock at a high standard.

A new asset appraisal approach to assessing the value of our individual assets demonstrated that our assets perform very well overall financially.

Our costs were analysed with reference to the HCA analysis of costs published in 2016. Our cost per unit was in the lowest (i.e. best) quartile. Overall our costs have reduced over time and we anticipate that our costs and quality of our service will continue to improve with continued focus on our online services and service re-design.

Our full self-assessment will be published online and will be available at: www.tvha.co.uk/publications

MANAGING RISK

The Board received regular risk management reports from the Chief Executive throughout the year. These reports were also considered in detail by the Group Audit and Risk Committee and used to decide the year's internal audit programme undertaken by KPMG LLP which provides further reassurance.

The Internal Control section of this report sets out the Group's overall framework for internal control, setting the context for the identification, control and monitoring of the principal risks faced by the Group.

The principal risks to the Group at this time and how they are mitigated are as follows:

RISK	MITIGATION
Economic uncertainty/ instability arising from Brexit negotiations	Multi-variate stress testing and maintenance of good headroom in the business plan; regular review of external influences.
Adverse impact of 1% reduction in social housing rents and future growth of rents.	The impact of the 1% rent reduction is budgeted for going forward and accounted for in long term planning.
Governance of and exposure to commercial activities.	Commercial activities are governed as part of the Group and separately together with our partners. The amount of exposure to such activities is defined and capped.
Funding capacity for commercial ventures is constrained due to market conditions	Committed capital is provided for existing operational and pipeline schemes; other sources of funding under consideration.
Growth target cannot be met due to worsening property market conditions.	New investment decisions are made in the context of current market conditions which may impact growth and profitability during a market decline.
Compliance with loan covenants.	Loan covenants are comfortably met with adequate and significant headroom for both gearing and interest cover.
Fire Safety	Following the Grenfell Tower fire we are investigating properties to ascertain whether or not construction material in cladding presents any fire risk. These investigations are being carried out in accordance with Department of Communities and Local Government (DCLG) requirements, and reported to the DCLG. An internal fire safety group has been established, and weekly reports are being submitted to the Board. Residents and local authorities are being informed if and when necessary.

FINANCIAL REVIEW

The financial statements of the Group and Association are prepared in accordance with Financial Reporting Standard 102 (FRS102) and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers (SORP).

This is the second year in which the financial statements have been prepared under FRS102, the Group having adopted the standard for the year ended 31 March 2016 following revision of Financial Reporting Standards in the United Kingdom and Republic of Ireland by the Financial Reporting Council (FRC).

The Group consolidated financial statements are presented in sterling, rounded to the nearest thousand and are prepared on a going concern basis.

The Group's financial statements consolidate the accounts of the Association and all its subsidiaries as at 31 March 2017 in accordance with FRS102. All intra group balances and transactions are eliminated in full on consolidation. Full accounting policy details are available on page 55.

SUMMARY
STATEMENT OF
COMPREHENSIVE
INCOME

	2017 £'000	2016 £'000
Turnover	109,151	104,036
Cost Of Sales	(13,687)	(14,934)
Operating Costs	(53,773)	(51,603)
OPERATING SURPLUS	41,691	37,499
Operating Surplus As A Percentage Of Turnover (%)	38	36
	2017 £'000	2016 £'000
Surplus On Sale Of Fixed Assets	9,341	6,587
Net Interest Payable	(24,362)	(27,169)
Share In Results Of Joint Ventures And Associates	1,352	10,510
Movements In Fair Value*	72,644	(2,871)
Taxation	(1,016)	(1,595)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	99,650	22,961

* In relation to Financial Instruments, Investment Properties and Fixed Asset Investment

This has been another very successful financial year for the Group and we have delivered strong improvement across our key financial metrics

Surplus for the year has increased by £76.7m to £99.7m, which is 334% more than the previous year. Included in the number is a one-off fair value adjustment relating to LOBO loans. In June 2016 Barclays announced the removal of optionality for the LOBO loans, which means that the loans have become categorised as basic loans and should therefore be measured on an amortised cost basis. This is deemed to be a substantial change under Section 11 of FRS102, and resulted in a one-off gain of £71.6m recognised in comprehensive income. Excluding this one-off movement, the underlying surplus

is £27.0m, 4.8% improvement from the previous year. Rental and service charge income from social housing lettings have increased by £2.2m to £75.6m (2016: £73.4m), this is despite 1% rent reduction in social housing units which is offset by a combination of additional housing units and the annual inflation based rent increases for non-social housing units. Low cost home ownership sales decreased by £0.5m to £20.9m (2016: £21.4m). This was matched by a decrease in cost of sales.

Operating costs have increased by £2.2m to £53.8m, mainly due to one-off merger related costs incurred during the year. Otherwise, operating costs are consistent with prior year and a stronger operating surplus of £41.7m was achieved increasing from the previous year by £4.2m.

Sale of fixed assets delivered a surplus of £9.3m (2016: £6.6m), as result of a significant increase in the number of properties staircased in the year. Share of profits and losses in joint ventures and associates of £1.4m (2016: £10.5m) decreased in the year primarily driven by delays at key private sales schemes in Earlsfield and Grange Walk developed by the Opal joint venture.

Net interest payable decreased by £2.8m from £27.2m in 2016 to £24.4m in 2017. The reduction is mainly due to the refund of interest on MyChoice Homebuy loans which was a one off cost in 2016. The weighted average cost of borrowing decreased to 4.47% in 2017 (2016: 4.6%).

BALANCE SHEET

	2017 £'000	2016 £'000
Net Housing Properties	1,133,110	1,086,394
Fixed Asset Investments	25,465	23,217
Investments In Joint Venture and Associates	68,621	60,666
Homebuy Equity Loans	51,057	57,930
Cash	98,200	102,777
Stock	29,166	22,440
Debtors	17,968	36,043
Creditors	(806,104)	(870,597)
NET ASSETS	617,483	518,870
RESERVES	617,483	518,870

The total cost of investment in Housing Properties increased by £46.7m in the year to £1,133.1m which is primarily driven by increase in the number housing assets. New housing stock with a value of £65.0m was added in the year (2016: £41m), with 484 new properties completed and 611 properties under construction at year end.

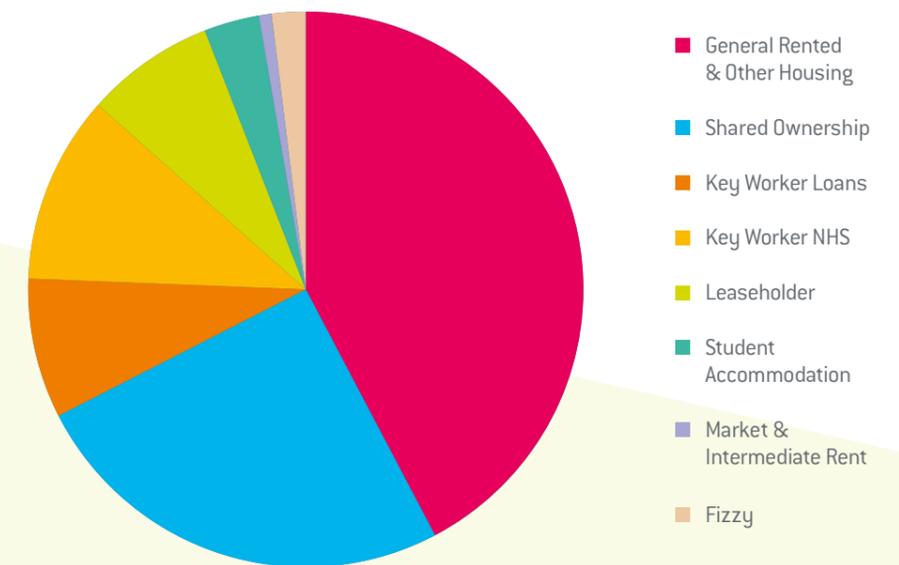
Fixed Asset Investments comprise the Group's student accommodation, investment property and other fixed assets. The £2.2m movement is attributable to additions during the year.

Debtors decrease by £18.1m mainly due to the release of £15m from the loan cash collateral account.

Creditors decreased by £64.6m to £806.1m (2016: £870.6m). The majority of this decrease relates to the aforementioned one-off revaluation adjustment of LOBO loans.

HOUSING ASSETS

The Group owns, manages or administers 15,466 homes in total.



CASH FLOW

A summary of the cash flow for the year is set out in the table below.

	2017 £'000	2016 £'000
Cash Flow From Operating Activities	66,947	81,687
Net Interest Paid	(24,177)	(21,680)
Proceeds From Sale Of Fixed Assets – Housing Properties	29,061	24,190
Purchases Of Fixed Assets – Housing Properties	(71,566)	(48,987)
Receipt Of Grant	1,586	5,032
Other	(3,075)	12,364
Loans Repaid	(3,353)	(9,339)
(DECREASE)/INCREASE IN CASH	(4,577)	43,267

Although operating surpluses increased by £4.2m compared to last year, operating cash flow decreased by £17.5m, this is due mainly to increased development expenditure in the year.

TREASURY

The Group is financed by a combination of revenue reserves, long-term loan facilities and social housing grant received either directly from Government or from the Recycled Capital Grant Fund.

Group priorities are to ensure that there is at least eighteen months cash and liquidity to fund operations in accordance with the Treasury Policy, to protect against the impact of adverse movements in interest rates, to ensure loan covenants are comfortably met and to prioritise the preservation of capital over financial returns when making investment decisions.

LOAN STRUCTURE

At 31 March 2017 facilities totalled £598.5m; drawn loans amounted to £568.5m with undrawn revolving credit facilities of £30m. All undrawn revolving credit facilities are fully secured and available for drawing. As at the year end the Group held cash of £98.2m (£31.3m in Thames Valley Housing Association Limited, £65.9m in Thames Valley Charitable Housing Association Limited and £0.7m in other group subsidiaries). Net debt equates to £470.6m at year end.

TREASURY AND BALANCE SHEET

All existing debt and loan facilities are held with Thames Valley Charitable Housing Association Limited with the exception of a £40m nominal loan with Legal and General which is held with Thames Valley Housing Association.

The Group has capacity to fund its development programme and will continue to develop shared ownership and invest in other affordable housing for the foreseeable future. This is expected to be financed through a combination of operating cash flow and new borrowing.

DEBT REPAYMENT PROFILE

The weighted average duration of drawn debt for the Group is 25 years. The Treasury policy aims to ensure that the Group does not have to refinance any more than 10% of drawn debt in any one year. Following the changes to the Barclays LOBO facility, £110m of debt is now repayable in the year ended March 2067.

CASH AND LIQUIDITY MANAGEMENT

The Group maintained significant cash balances throughout the year to provide adequate and on-going funding for the development programme.

The Group's cash management strategy is to hold cash equivalent to six months' net cash requirement (and cash and liquidity for eighteen months' net cash requirement). Cash balances during the year were held in short term deposit accounts and AAA rated money market funds.

CURRENCY RISK

The Group operates solely in the UK and does not have any currency risk in its normal course of business.

INTEREST RATE MANAGEMENT

The Group has no exposure to derivative margin calls. The weighted average cost of borrowing in the year for the Group was 4.47% (2016: 4.6%).

LOAN COVENANT COMPLIANCE

There are no Group-wide loan covenant requirements. Covenants relate to specific loans for TVCHA and TVHA.

Compliance with financial covenants are monitored on a monthly basis, reported to the Board quarterly and were comfortably met throughout the year and at the year end for all loan facilities.

GOING CONCERN

The Board is satisfied that no material or significant exposures exist other than as reflected in these financial statements and that the Group has adequate resources to continue operations for the foreseeable future. For this reason the going concern basis has continued to be used in preparing the financial statements.

INTERNAL CONTROL

The Board has adopted and complied with the National Housing Federation's 2015 Code of Governance. The Board has adopted and complies with a code of conduct which conforms to the NHF's requirements. The Board has adopted the Voluntary NHF Code for Mergers, Group Structures and Partnerships and has confirmed its compliance with this Code during the year. The Group has a Modern Slavery and Human Trafficking Statement which has been published on the TVHA website.

The Board certifies that it is compliant with the Homes & Communities Agency Governance and Financial Viability Standard.

The Board has responsibility for ensuring that a whole system of internal control is established and maintained and for reviewing its effectiveness. The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Association is exposed.

Regular management reporting on control issues provides assurance to successive layers of management and to the Board. The arrangements include rigorous procedures, monitored by the Group Audit and Risk Committee, for ensuring that corrective action is taken in relation to any significant control issue.

The internal control framework and risk management process are subject to regular review by Internal Audit who are responsible

for providing independent assurance to the Board via the Group Audit and Risk Committee. The Group Audit and Risk Committee consider internal control and risk at its meetings during the year. The internal audit function is externally resourced and reports directly to the Group Audit and Risk Committee. The internal audit programme is linked to the risk identification process.

As part of the system of internal control the Board has a strategy and policy on fraud and bribery covering prevention, detection and reporting and the recovery of assets. The Group has a Money Laundering Officer.

The Board has received the Executive Directors' annual report on internal controls assurance, including arrangements for managing fraud and bribery; the annual review of the effectiveness of the system of internal control from the Group Audit and Risk Committee; and the annual Health & Safety report and has taken account of any changes needed to maintain the effectiveness of the risk management and control process. The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Association.

This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Board. No significant failings or weaknesses were identified; there were two incidents of money laundering reported in the year, there were no cases of fraud and six attempted cases of fraud. No cases of bribery were reported and all instances of attempted fraud were recorded in the fraud register.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

> **IDENTIFICATION AND EVALUATION OF KEY RISKS**

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of the Association's activities. This process is co-ordinated through a regular reporting framework by the Executive, Senior Management Team, Investment Management and Health & Safety Groups which regularly consider reports on significant risks facing the Association. The Chief Executive is responsible for reporting to the Board any significant changes affecting key risks. The Group Audit and Risk Committee has a responsibility to ensure that appropriate disaster recovery and contingency plans are in place and are tested regularly.

> **MONITORING AND CORRECTIVE ACTION**

A process of control self-assessment and regular management reporting on control issues provides assurance to the management and to the Board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements. The Group's Audit and Risk Committee has responsibility for reviewing the Association's risk management systems. The Policy & Performance team oversees the production of a reporting suite of information which covers key performance indicators used to monitor the business. Performance outcomes are given a traffic light assessment and management responses are formally recorded for required control action.

> **CONTROL ENVIRONMENT AND CONTROL PROCEDURES**

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. The Association follows risk-averse policies to shield it from adverse movements in interest rates. The Board disseminates its requirements to all employees through the Thames Valley Housing Group's policies with regard to the quality, integrity and ethics of its employees. It is supported by a framework of policies and procedures with which all employees must comply. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection, the requirements of the Bribery Act, fraud prevention, and detection and money laundering.

The Group Audit and Risk Committee receives and considers internal audit reports which include recommendations to strengthen the control environment. The Group Audit and Risk Committee receives twice a year a Risk Management Review Report from the Chief Executive. The Board of the Association also receives quarterly Risk Management Review reports. The Group Audit and Risk Committee reviews the proportionality, independence and appropriateness of the Group's whistleblowing policy and follow up action. It also receives a report on the entries in the gifts and hospitality register and any instance of fraud or suspected instances of money laundering.

The Group Investment Committee considers and makes investment decisions which require Board approval and which fall outside of the Board Meeting cycle. The Group Investment Committee has delegated authority to consider and to approve the funding of projects within approved parameters. Minutes of the Group Investment Committee are reported to the Board.

> **INFORMATION AND FINANCIAL REPORTING SYSTEMS**

Financial reporting procedures include a detailed budget for the year ahead with a monthly reporting cycle that identifies variances, and forecasts for subsequent years with a comprehensive Business Plan for the next 30 years. The Business Plan incorporates a detailed multivariate stress testing of the financial plan. The detailed budget and Business Plan are reviewed and approved by the Board. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

STATEMENT OF BOARD RESPONSIBILITIES

The Board is responsible for preparing financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice or each financial year, which gives a true and fair view of the state of affairs of the Association and the Group 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 the Association and the Group will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and the Group and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2015 and Applicable Accounting Standards with special regard to the Statement of Recommended Practice; Accounting by Registered Social Housing Providers Update 2014. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

SHARE CAPITAL

The non-executive Board Members of TVHA and TVCHA each hold one fully paid share of £1 in each Association which carries no rights to dividends or other income. The Group Company Secretary and Executive Management hold no interest in the Association's share capital.

AUDITORS

Each of the current Board Members has taken all of the steps that they ought to have taken to make themselves aware of information needed by the Association's auditors for the purpose of their audit and to establish that the auditors are aware of that information. No Member of the Board is aware of any relevant audit information of which the auditors are unaware.

BY ORDER OF THE BOARD

BEN DENTON
CHAIR

DATE: 20/07/2017

**INDEPENDENT
AUDITORS REPORT
TO THE MEMBERS
OF THAMES
VALLEY HOUSING
ASSOCIATION LIMITED**

We have audited the financial statements of Thames Valley Housing Association Limited for the year ended 31 March 2017 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association balance sheets, the consolidated and Association statement of changes in equity, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the association's members, as a body, in accordance with the Housing and Regeneration Act 2008 and Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF
THE BOARD AND AUDITORS**

As explained more fully in the statement of board member responsibilities, the board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF
THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the FRC's website at

www.frc.org.uk/auditscopeukprivate

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

> Give a true and fair view of the state of the group's and parent Association's affairs as at 31 March 2017 and of the group's and parent Association's surplus for the year then ended;

> Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and Accounting Practice; and

> Have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

**MATTERS ON WHICH WE ARE REQUIRED
TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

> The information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;

> Adequate accounting records have not been kept by the parent association; or

> A satisfactory system of control has not been maintained over transactions; or

> The parent association financial statements are not in agreement with the accounting records and returns; or

> We have not received all the information and explanations we require for our audit.

BDO LLP
Statutory Auditor
55 Baker Street
London W1U 7EU
United Kingdom

DATE: 28/07/2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number (OC305127)).

**STATEMENT OF
COMPREHENSIVE
INCOME**

	Note	Group		Association	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
TURNOVER	4	109,151	104,036	58,776	71,636
Cost Of Sales	4	(13,687)	(14,934)	(19,131)	(32,250)
Operating Costs	4	(53,773)	(51,603)	(25,580)	(23,455)
OPERATING SURPLUS		41,691	37,499	14,065	15,931
Surplus On Sale Of Fixed Assets	7	9,341	6,587	946	472
Share Of Profits Of Joint Ventures	14	1,595	10,421	-	-
Share Of (Losses) /Profit of Associates	14	(243)	89	-	-
Charitable Donation Paid	31	-	-	(13,261)	(13,875)
Interest Receivable	10	2,528	2,063	2,317	2,119
Interest Payable	11	(26,890)	(29,232)	(3,514)	(2,515)
Movement In Fair Value Of Financial Instruments	23	71,617	(5,835)	(9)	(9)
Movement In Fair Value Of Investment Properties	15	(873)	(945)	4	(952)
Movement In Fair Value Of Fixed Asset Investments	14	1,900	3,909	-	-
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		100,666	24,556	548	1,171
TAXATION ON SURPLUS	12	(1,016)	(1,595)	(510)	(1,595)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		99,650	22,961	38	(424)

STATEMENT OF
CHANGES IN EQUITY

	REVENUE RESERVE £'000	REVALUATION RESERVE £'000	TOTAL 2017 £'000	TOTAL 2016 £'000
GROUP				
At 1 April	304,229	214,641	518,870	498,177
Surplus For The Year	99,650	-	99,650	20,693
Movement in Reserves	16	(1,053)	(1,037)	-
At 31 March	403,895	213,588	617,483	518,870
ASSOCIATION				
At 1 April	92,741	1,808	94,549	94,990
Surplus/(Deficit) For The Year	38	-	38	(424)
Movement in Reserves	-	(54)	(54)	(17)
At 31 March	92,779	1,754	94,533	94,549

All activities relate to continuing operations.
The notes on pages 55 to 95 form part of these financial statements.

	Note	Group		Association	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
FIXED ASSETS					
Net Housing Properties	13	1,133,110	1,086,394	115,022	114,494
Fixed Asset Investments – Joint Ventures	14	32,831	26,475	-	-
Fixed Asset Investments – Associates	14	35,790	34,191	-	-
Other Fixed Assets	15	25,465	23,217	11,706	8,580
Homebuy Equity Loans Advanced	16	51,057	57,930	-	-
		1,278,253	1,228,207	126,728	123,074
CURRENT ASSETS					
Properties For Sale And Work In Progress	17	29,166	22,440	123,175	77,303
DEBTORS:					
- Amounts Receivable Within One Year	18	9,819	28,577	42,951	58,561
- Amounts Receivable After One Year	18	8,149	7,466	19,429	23,359
Cash At Bank And In Hand		98,200	102,777	31,310	37,228
		145,334	161,260	216,865	196,451
CREDITORS					
Amounts Falling Due Within One Year	19	(63,490)	(53,263)	(165,129)	(141,147)
NET CURRENT ASSETS		81,844	107,997	51,736	55,304
TOTAL ASSETS LESS CURRENT LIABILITIES		1,360,097	1,336,204	178,464	178,378
CREDITORS					
Amounts Falling Due After More Than One Year	19	(742,614)	(817,334)	(83,931)	(83,829)
NET ASSETS		617,483	518,870	94,533	94,549
CAPITAL AND RESERVES					
Non-Equity Share Capital	25	-	-	-	-
Revenue Reserve		403,895	304,229	92,779	92,741
Revaluation Reserve		213,588	214,641	1,754	1,808
		617,483	518,870	94,533	94,549

These financial statements were approved and authorised for issue by the Board on 20 July 2017 and signed on its behalf by:



BEN DENTON
Chair



BRIAN HENDON
Chair, Group Audit
& Risk Committee



RITA AKUSHIE
Group Finance Director



PATRICIA ETTER
Group Company
Secretary

The notes on pages 55 to 95 form part of these financial statements.

	NOTES	2017 £'000	2016 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus For The Financial Year		99,650	22,961
ADJUSTMENTS FOR:			
Depreciation Of Fixed Assets – Housing Properties	13	11,351	10,321
Depreciation Of Fixed Assets – Other	15	2,033	1,618
Write Offs	13, 15	1,601	1,166
Amortised Grant	4	(87)	(58)
Debt Issue Costs	23	394	(1,139)
Share Of (Deficit) In Joint Venture	14	(1,595)	(10,421)
Share Of Surplus / (Deficit) In Associates	14	243	(89)
Net Fair Value (Gains) / Losses Recognised In Profit Or Loss		(72,644)	2,870
Interest Payable And Finance Costs	11	26,890	29,232
Interest Received	10	(2,528)	(2,063)
Difference Between Net Pension Expense and Cash Contribution	26	(588)	1,350
Surplus On The Sale Of Fixed Assets – Housing Properties	7	(9,341)	(6,587)
Decrease In Trade And Other Debtors	18	17,931	38,608
(Decrease) In Stocks	17	(6,726)	(7,137)
Increase In Trade Creditors	19	363	1,055
CASH FROM OPERATIONS		66,947	81,687
	NOTES	2017 £'000	2016 £'000
NET CASH GENERATED FROM OPERATING ACTIVITIES		66,947	81,687

	NOTES	2017 £'000	2016 £'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds From Sale Of Fixed Assets – Housing Properties	7	29,061	24,190
Purchases Of Fixed Assets – Housing Properties	13	(71,566)	(48,987)
Purchases Of Fixed Assets – Other	15	(5,245)	(2,851)
Receipt Of Grant	20	1,586	5,032
Interest Received	10	2,528	2,063
Homebuy Loans Repaid	16	6,873	8,177
Dividends Received On Fixed And Current Assets	14	-	7,038
Investment In Associated Undertaking	14	58	-
Investment In Joint Venture	14	(4,761)	-
NET CASH FROM INVESTING ACTIVITIES		(41,466)	(5,338)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest Paid	11	(26,705)	(23,743)
Repayment Of Loans – Bank	23	(3,353)	(9,339)
NET CASH USED IN FINANCING ACTIVITIES		(30,058)	(33,082)
Net (Decrease)/Increase In Cash And Cash Equivalents		(4,577)	43,267
Cash And Cash Equivalents At Beginning Of Year		102,777	59,510
Cash And Cash Equivalents At End Of Year		98,200	102,777

The notes on pages 55 to 95 form part of these financial statements

1. LEGAL STATUS

The Association is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is a registered social housing provider with the Homes and Community Agency.

2. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Thames Valley Housing Association Limited includes the following:

- > The Co-operative and Community Benefit Societies Act 2014 (and related group regulations).
- > The Housing and Regeneration Act 2008.
- > The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS102).
- > The Accounting Direction for Private Registered Providers of Social Housing 2015.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

BASIS OF CONSOLIDATION

The Consolidated Financial Statements have been prepared in accordance with FRS102 "Consolidated and Separate Financial Statements". The financial statements present the results of Thames Valley Housing Association Limited and its subsidiary undertakings as listed in Note 14 as if they formed a single entity. Intercompany transactions and balances between group companies are eliminated in full.

GOING CONCERN

The Association's current financial position and future operations are outlined within the strategic report. The Board has reasonable expectations that the group has adequate resources to meet future development programmes and operational commitments. Hence it continues to adopt the going concern basis in the financial statements.

JOINT VENTURES AND ASSOCIATES

The Group has entered into joint ventures with Galliford Try and Evolution Ltd and has set up Jointly Controlled Entities to carry out economic activity for the benefit of both partners. The Group has also invested in Fizzy Enterprises LLP which is an associate and in which it exercises significant influence over its operating and financial policy decisions.

In the Group accounts, interests in joint ventures and associates are accounted for using the gross equity method. The Consolidated Statement of Comprehensive Income includes the Group's share of the joint ventures' and associate's profit after tax for the year, whether or not the associate or joint venture has distributed profits as dividends and the Group's share of movement in fair value. In the Consolidated Balance Sheet, the investment is initially shown at cost, adjusted each year by the share of retained profits and share of movement in fair value. In the individual association accounts, TVH's loans to Joint Ventures are disclosed as debtors on the Balance Sheet and interest receivable and dividends received are disclosed as interest receivable and turnover respectively in the Statement of Comprehensive Income.

INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

In the individual accounts of Thames Valley Housing Association Limited, investments in subsidiaries, joint ventures and associates are shown at cost (less accumulated impairment).

TURNOVER

Turnover is measured at the fair value of the consideration received or receivable. Turnover is generated from the following:

- > Rental income receivable (after deducting rent from void properties available for letting),
- > First tranche sales of low cost home ownership housing properties developed for sale,
- > Service charges receivable,
- > Income from Homebuy activities,
- > Revenue grants and proceeds from the sale of land and property.
- > Income from other social activities which includes overhead recharge recoverable cost, grant amortisation and other social lettings.
- > Income from non-social activities from joint ventures and associate.

HOUSING PROPERTIES

Housing properties in the course of construction are stated at cost and included in fixed assets. Properties under construction are transferred to “completed housing properties” when they are available for letting.

DEPRECIATION OF HOUSING PROPERTY

Housing properties have been split between their land and structure costs and a specific set of major components which require periodic replacement. The costs of replacement or refurbishment of such components are capitalised and depreciated over the estimated useful economic lives of the components (excluding land and grant) at the following rates:

KITCHENS	20 years	BOILERS	15 years
BATHROOMS	30 years	WINDOWS	30 years
ELECTRICS & PLUMBING	30 years	ROOFS	80 years
DOORS	40 years	COMMON PARTS	25 years
LIFTS	20 years	STRUCTURE	125 years

The exceptions to the above policy are as follows:

- > Components for key worker and Working Private Finance Initiative (WPI) properties are depreciated in accordance with lifecycles specific to the contractual obligations.
- > The estimated useful economic lives of the components are 5 years less than that stated above in Time House.

If housing properties are being developed on behalf of other associations outside the Group under agency arrangements, the costs concerned are dealt with under current assets as properties held for resale. In adopting FRS102, the group has elected to measure housing properties at deemed cost on transition to the new standard. This was applied on a scheme by scheme basis from the date of transition. Housing properties will subsequently be measured at cost less depreciation.

Separate disclosure of a valuation of the housing properties based on Existing Use Value for Social Housing (EU-VSH) and Market Value (MV) is also provided in Note 13.

Housing properties are subject to an annual impairment review. This has been carried out on a scheme by scheme basis in accordance with the way these properties are managed. If housing properties have suffered Impairment, the fall in value to the recoverable amount is recognised in the Statement of Comprehensive Income.

DEPRECIATION OF OTHER FIXED ASSETS

Other fixed asset depreciation is charged on a straight-line basis over the expected useful economic lives of the assets to write off the cost less estimated residual values at the following annual rates:

Office furniture and equipment	25%
Computer Hardware	33%
Computer Software	14%
Key workers and Student Accommodation furnishing and equipment	25%
Leasehold Improvements	Over the lease period

SHARED OWNERSHIP PROPERTIES

Under Shared Ownership arrangements, the Group disposes of a long lease to the occupier. The lease premium paid is typically between 25% and 75% of the value. The occupier has the right to purchase further proportions up to 100%. A shared ownership property comprises two assets: that to be disposed of in the first tranche sale, which is recorded as a current asset and stated at the lower of cost and net realisable value; and that retained by the Group, which is recorded as a fixed asset in the same manner as for general needs housing properties held for rental.

Proceeds of first tranche sales are accounted for as turnover in the Statement of Comprehensive Income, with the apportioned cost being shown as cost of sales within operating results. The proceeds of subsequent tranches sold (“staircasing”) are reflected in the Statement of Comprehensive Income as a surplus or deficit on sale of fixed asset housing properties.

Shared ownership properties are not depreciated in the expectation that the net realisable value at the time of disposal will be in excess of the historical cost.

MARKET RENTED PROPERTIES

Market rented properties held as investments are revalued annually. Any excess deficit over cost is realised through the statement of comprehensive income to the extent that this represents a permanent diminution in value of the property. No depreciation is provided in respect of market rented properties.

PRE-CONTRACT COSTS

Pre-contract costs are recognised as an asset only if they are directly attributable to specific contracts, can be separately identified, measured reliably and when there is virtual certainty that a contract will be obtained and is expected to result in future net cash inflows.

GOVERNMENT GRANTS

Government grants are paid by the Homes and Communities Agency (HCA) or Greater London Authority (GLA) to subsidise the cost of housing properties.

Grants in relation to newly acquired or existing housing properties are accounted for using the accrual model as set out in FRS102 and the Housing SORP 2014. Grants are recognised as deferred income in the Balance Sheet and released to the Comprehensive Income Statement on a systematic basis over the useful economic lives of the asset.

Grants are repayable or recycled unless formally abated. Grants are recycled on disposal of a property and are credited to a Recycled Capital Grant Fund until they are reinvested in a replacement property. The Recycled Capital Grant Fund is included as a creditor due within one year or due after more than one year, as appropriate. If the Recycled Capital Grant Fund is not used within a three year period then in principle it becomes repayable.

Grants which are received in advance of development costs being incurred are shown as current liabilities.

Grants of a revenue nature are credited to the Statement of Comprehensive Income in the period to which they relate.

HOMEBUY EQUITY LOANS AND RELATED GRANTS

Loans advanced by the Group are disclosed in the fixed asset section of the Balance Sheet.

Grants relating to Homebuy Equity are recognised as a liability in full until the loan is redeemed and the grant is transferred to Recycled Capital Grant Fund.

The Association has advanced two types of Homebuy Equity Loans; "Open Market Homebuy" and "MyChoice Homebuy". Under Open Market Homebuy the Group received grants representing a percentage of the open market purchase price of a property in order to advance interest free loans (concessionary loans) of the same amount to a homebuyer. The homebuyer met the balance of the purchase price from a combination of personal mortgage and their own resources. Under MyChoice Homebuy the Association also issued a loan representing a percentage of the open market purchase price of the properties. 50% of this loan is funded from the Association's own resources and the balance is funded by grant.

In the event that the property is sold, the Group recovers the equivalent loaned percentage value of the property at the time of the sale. The grant becomes recyclable when the loans are repaid up to the amount of the original grant and to the extent the proceeds permit. The Group is able to retain any surplus proceeds less sale costs attributable to the equivalent loaned percentage share of the value of the property. If there is a fall in the value of the property, the shortfall of proceeds is offset against the grant. In the case of Open Market Homebuy, the Group can suffer no capital loss whereas in the case of MyChoice Homebuy, the Group could incur a loss if the shortfall exceeds the abated grant.

LOANS, INVESTMENTS AND SHORT TERM DEPOSITS

All loans, investments and short term deposits are held by the Group as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost) and are subsequently measured at amortised cost.

FINANCE COSTS

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. Finance costs are capitalised in housing properties under construction up to the date of practical completion using a weighted average cost of borrowing.

INVESTMENT PROPERTIES

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business.

Investment properties are initially recognised at cost or the lower of cost and present value of lease payment if the property is under lease. Investment properties are subsequently measured at fair value annually by external valuers at each reporting date with changes in fair value recognised in the Statement of Comprehensive Income.

PROPERTIES FOR SALE AND WORK IN PROGRESS

Under Right to Buy and Right to Acquire arrangements the Group sells properties to qualifying tenants. Surpluses and deficits arising are included in the surplus on sale of fixed assets in the Statement of Comprehensive Income.

Where properties have been developed on behalf of subsidiary undertakings, these assets are shown within stock and work in progress in the Association's financial statements.

Stock and work in progress is stated at the lower of cost and net realisable value (NRV). NRV is based on the actual or estimated selling price less all further costs to completion and to be incurred in marketing, selling and distribution. Assessing NRV requires use of estimation techniques.

In making this assessment, management considers publicly available information and internal forecasts of future sales activity.

In respect of Low Cost Home Ownership properties the cost figure shown within stock and work in progress is that apportioned to the first tranche sales element of the asset, based initially on scheme appraisals and updated where appropriate.

LAND

Where land has been acquired it is accounted for either as a fixed asset under property, land and equipment (where land is acquired for social housing purpose) or as an investment property (where land is acquired for other purposes) and measured initially at the cost of the land and subsequently at fair value with surpluses or deficits recognised in the Statement of Comprehensive Income.

TAXATION

The charge for taxation is based on the surplus for the year and takes into account deferred taxation.

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

- > deferred tax is not recognised on timing differences arising on revalued properties unless the Group has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- > the recognition of deferred tax assets is limited to the extent that the Group anticipates making sufficient taxable surpluses in the future to absorb the reversal of the underlying timing differences.

VAT

A large proportion of the Group's turnover comprises rental income which is exempt for VAT purposes and gives rise to a partial exemption claim. Expenditure is therefore shown inclusive of VAT. Recoverable VAT arising from partially exempt activities is credited to the Statement of Comprehensive Income.

RECYCLED CAPITAL GRANT FUND AND DISPOSAL PROCEEDS FUND

Following certain relevant events, primarily the sale of dwellings, the HCA can direct the Group to recycle grant or to repay the recoverable capital grant back to the HCA. Where the grant is recycled the recoverable capital grant is credited to a Recycled Capital Grant Fund where it can remain for up to three years. Where the sale of dwellings arises under the Right to Acquire, the proceeds after deducting appropriate costs are credited to a Disposal Proceeds Fund, where it can remain for up to three years. These funds are included as creditors due within one year or due after more than one year as appropriate to the circumstances.

PENSION COSTS

The Group participates in two funded industry-wide multi-employer schemes; The Social Housing Pension Scheme and The Growth Plan which are defined benefit pension schemes. The Group also offers employees a defined contribution scheme within The Social Housing Pension Scheme.

The defined benefit pension schemes are accounted for as defined contribution schemes due to insufficient information available from the actuary to account for them as defined benefit. Contributions made toward the schemes are charged to the Statement of Comprehensive Income in the year in which they become payable. Contributions to the Group's defined contribution scheme are charged to the Statement of Comprehensive Income in the year in which they become payable.

For the Group's defined benefit schemes, the present value of the contractual commitments to fund the past pension deficit are recognised as a liability on the Balance Sheet at the present value, using the corporate bond rate as an appropriate discount rate. The discount is unwound annually with the unwinding effect charged to the Statement of Comprehensive Income as pension interest.

PROVISIONS

The Group only provides for legal or contractual liabilities and constructive obligations which exist at the Balance Sheet date. The provisions

are assessed at each Balance Sheet date in order to ensure that they are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation.

LEASED ASSETS

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the term of the lease.

Leasing agreements that transfer to the Group substantially all of the benefits and risks of ownership of an asset are treated as finance leases and are capitalised as if they had been purchased outright within fixed assets. The asset and corresponding lease liability are initially recognised at the present value of the minimum lease payments. Subsequently, the finance lease liability is carried at amortised cost using the 'effective interest rate method', which allocates the interest expense over the period to maturity at a constant rate on the balance of the liability. The finance lease asset is depreciated in accordance with fixed asset depreciation policy.

LEASEHOLD SINKING FUNDS

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes are included in creditors.

OVERHEAD ALLOCATION

Overhead costs are expenses which are not directly attributable to a cost centre or subsidiaries. The group policy is to incur all overhead in the parent company and apportion between cost centres and subsidiaries based on the detailed time analysis agreed at the start of each year based on the strategic business plan. At group level all overhead charges between the group entities are eliminated.

The main areas of business activities to which overheads are allocated are:

- > HOUSING
- > CORPORATE
- > MARKETING & SALES
- > LEASEHOLD
- > COMMERCIAL
- > DEVELOPMENT
- > NEW BUSINESS
- > OTHER

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, key judgements have been made in respect of the following:

- > Whether there are indicators of impairment of the group's housing and investment assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The members have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost.
- > The critical underlying assumptions in relation to the estimate of the defined benefit pension scheme obligation such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.
- > Whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- > The categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.
- > Fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.
- > Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key inputs into the valuations are disclosed in Note 13.
- > The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

4. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING RESULTS – GROUP

	2017				2016			
	Turnover £'000	Cost of Sales £'000	Operating Costs £'000	Operating Surplus £'000	Turnover £'000	Cost of Sales £'000	Operating Costs £'000	Operating Surplus £'000
SOCIAL HOUSING LETTINGS (NOTE 5) OTHER SOCIAL HOUSING ACTIVITIES	75,601	-	(40,888)	34,713	73,412	-	(39,082)	34,330
First Tranche Low Cost Home Ownership Sales	20,909	(13,687)	-	7,222	21,449	(14,934)	-	6,515
Income From Homebuy Activities	3,424	-	-	3,424	2,719	-	-	2,719
Right To Buy Leaseholder Activities	342	-	(597)	(255)	334	-	(818)	(484)
Income From Student Accommodation	2,269	-	(572)	1,697	2,185	-	(702)	1,483
Group Operating And Policy Costs	-	-	(6,308)	(6,308)	-	-	(5,696)	(5,696)
Property Development Costs	-	-	(1,155)	(1,155)	-	-	(897)	(897)
Other Social Housing Activities	4,364	-	(866)	3,498	2,530	-	(1,130)	1,400
TOTAL SOCIAL HOUSING ACTIVITIES	31,308	(13,687)	(9,498)	8,123	29,217	(14,934)	(9,243)	5,040
NON SOCIAL HOUSING ACTIVITIES	2,242	-	(3,387)	(1,145)	1,407	-	(3,278)	(1,871)
	109,151	(13,687)	(53,773)	41,691	104,036	(14,934)	(51,603)	37,499

Other Social Housing Activities includes Government Grant taken to income of £87k (2016: £53k).

There was no dividend distribution from joint ventures for the year (2016: £7,038k) classified in non-social activity (Note 30)

TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING RESULTS – ASSOCIATION

	2017				2016			
	Turnover £'000	Cost of Sales £'000	Operating Costs £'000	Operating Surplus £'000	Turnover £'000	Cost of Sales £'000	Operating Costs £'000	Operating Surplus £'000
SOCIAL HOUSING LETTINGS (NOTE 5) OTHER SOCIAL HOUSING ACTIVITIES	9,876	-	(5,662)	4,214	9,169	-	(4,619)	4,550
First Tranche Low Cost Home Ownership Sales*	20,756	(13,575)	-	7,181	21,319	(14,820)	-	6,499
Low Cost Home Ownership Sales	5,713	(2,078)	-	3,635	19,083	(17,360)	-	1,723
Outright Sales	5,248	(3,478)	-	1,770	-	(70)	-	(70)
Group Operating And Policy Costs	-	-	(2,673)	(2,673)	-	-	(2,399)	(2,399)
Development Services To Subsidiary	829	-	(829)	-	1,550	-	(1,550)	-
Property Development Costs	-	-	(1,155)	(1,155)	-	-	(897)	(897)
Other Social Housing Activities	15,737	-	(13,762)	1,975	12,665	-	(12,026)	639
TOTAL SOCIAL HOUSING ACTIVITIES	48,283	(19,131)	(18,419)	10,733	54,617	(32,250)	(16,872)	5,495
NON SOCIAL HOUSING ACTIVITIES	617	-	(1,499)	(882)	7,850	-	(1,964)	5,886
	58,776	(19,131)	(25,580)	14,065	71,636	(32,250)	(23,455)	15,931

Other Social Housing Activities includes Government Grant taken to income of £45k (2016: £21k).

There was no dividend distribution from joint ventures for the year (2016: £7,038k) classified in non-social activity (Note 30)

*Included in the First Tranche Low Cost Home Ownership Sales is £1.9m relating to a prior year adjustment.

5. INCOME FROM AND EXPENDITURE ON SOCIAL HOUSING LETTINGS – GROUP

	RENTED PROPERTIES £'000	LOW COST HOME OWNERSHIP £'000	KEY WORKER ACCOMMODATION £'000	SUPPORTED HOUSING £'000	TOTAL 2017 £'000	TOTAL 2016 £'000
Rents Receivable	38,806	19,127	9,775	132	67,840	62,870
Service Charges Receivable	3,152	4,470	126	13	7,761	10,542
NET RENTAL INCOME	41,958	23,597	9,901	145	75,601	73,412
EXPENDITURE ON SOCIAL HOUSING LETTINGS						
Management	3,364	909	458	3	4,734	5,255
Services	5,743	4,579	2,197	11	12,530	11,419
Routine Maintenance	6,518	1,161	816	15	8,510	8,315
Gas Servicing	1,154	73	27	-	1,254	1,318
Major Repairs Expenditure	1,055	319	861	4	2,239	2,290
Bad Debts Provision	205	(106)	(31)	(5)	63	854
Latent Defects	-	(72)	(219)	-	(291)	(1,541)
Depreciation of Housing Properties	8,068	509	2,633	67	11,277	10,648
Other Costs	441	44	86	1	572	524
OPERATING COSTS ON SOCIAL HOUSING LETTINGS	26,548	7,416	6,828	96	40,888	39,082
OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS	15,410	16,181	3,073	49	34,713	34,330
Void Losses	146	17	117	2	282	341
EXPENDITURE TO WORKS ON HOUSING PROPERTIES						
Amounts Expensed to the Statement of Comprehensive Income					2,239	2,290
Amounts Capitalised In Fixed Asset Housing Properties					6,574	16,450
					8,813	18,740

5. INCOME FROM AND EXPENDITURE ON SOCIAL HOUSING LETTINGS – ASSOCIATION

	RENTED PROPERTIES £'000	LOW COST HOME OWNERSHIP £'000	KEY WORKER ACCOMMODATION £'000	TOTAL 2017 £'000	TOTAL 2016 £'000
Rents Receivable	2,276	1,548	5,464	9,288	6,557
Service Charges Receivable	193	395	-	588	2,612
NET RENTAL INCOME	2,469	1,943	5,464	9,876	9,169
EXPENDITURE ON SOCIAL HOUSING LETTINGS					
Management	202	73	209	484	811
Services	401	402	1,194	1,997	1,801
Routine Maintenance	118	69	294	481	547
Major Repairs Expenditure	50	25	154	229	429
Bad Debts Provision	(16)	-	3	(13)	40
Depreciation of Housing Properties	729	-	1,781	2,510	1,965
Other Costs	163	-	-	163	162
Latent Defects	-	-	(189)	(189)	(1,136)
OPERATING COSTS ON SOCIAL HOUSING LETTINGS	1,647	569	3,446	5,662	4,619
OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS	822	1,374	2,018	4,214	4,550
Void Losses	19	(10)	12	21	72
EXPENDITURE TO WORKS ON HOUSING PROPERTIES					
Amounts Expensed to the Statement of Comprehensive Income				229	429
Amounts Capitalised In Fixed Asset Housing Properties				5,533	14,064
				5,762	14,493

6. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAX

	NOTE	GROUP		ASSOCIATION	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
IS STATED AFTER CHARGING:					
Depreciation	13, 15	13,384	12,166	4,431	3,532
OPERATING LEASE CHARGES:					
Land And Buildings		8,953	9,804	8,953	9,804
Other		540	605	540	605
AUDITOR'S REMUNERATION:					
In their Capacity As External Auditors		64	54	27	27
IN RESPECT OF OTHER SERVICES:					
Service Charge Audit Fees		88	74	-	-
Tax Advice		174	62	62	62

Auditor's remuneration is exclusive of VAT and related expenses.

7. SURPLUS ON SALE OF FIXED ASSETS

GROUP	2017 £'000	2016 £'000
COMPLETED HOUSING PROPERTIES		
Proceeds On Sale Of Housing Property Assets	29,774	25,671
Costs Of Sale Of Housing Property Assets	(19,514)	(18,188)
Abated Grant	(206)	(97)
Incidental Selling Costs And Attributable Overheads	(713)	(799)
SURPLUS ON SALE OF FIXED ASSETS	9,341	6,587
ASSOCIATION	2017 £'000	2016 £'000
COMPLETED HOUSING PROPERTIES		
Proceeds On Sale Of Housing Property Assets	2,933	1,702
Attributable Net Book Value Of Housing Property Assets	(1,979)	(1,196)
Incidental Selling Costs And Attributable Overheads	(8)	(34)
SURPLUS ON SALE OF FIXED ASSETS	946	472

8. DIRECTORS' REMUNERATION AND EXPENSES – GROUP AND ASSOCIATION

For the purpose of this note, the Directors are the Board Members and the Executive Management as shown on pages 8 to 11.

	2017 £'000	2016 £'000
Aggregate Emoluments Payable To The Executive Management	857	831
Pension Contribution	10	85
Benefits In Kind	5	6
Emoluments Payable To The Highest Paid Director Were As Follows:		
Salary	213	193
Pension Contribution	-	24
Benefits In Kind	2	1

The Chief Executive is a member of the SHPS Pension Scheme and no special arrangements apply. No further contributions are made in respect of any other pension arrangements of the Chief Executive.

Total Expenses Reimbursed To The Directors Not Chargeable To United Kingdom Income Tax:	2017 £'000	2016 £'000
Group	12	16
Association	12	16

Aggregate Emoluments And Expenses Payable To The Non-Executive Directors:	2017 £'000	2016 £'000
Group	84	69
Association	84	69

INDIVIDUAL EMOLUMENTS PAID TO THE NON-EXECUTIVE DIRECTORS

	2017 £			2016 £
	Remuneration	Expenses	Total	Total
Current Board Members				
Ben Denton	10,000	-	10,000	10,000
Emma Cariaga	8,500	-	8,500	8,500
Brian Hendon	8,500	719	9,219	8,500
Kathryn Davis	8,500	210	8,710	8,500
Paul Bridge	8,500	-	8,500	4,250
Grainia Long	10,250	2,570	12,820	5,063
Past Board Members				
David Clayton Smith	20,000	2,074	22,074	20,000
Current Committee Members				
Tracy Kiss	1,000	-	1,000	-
Stephen Turner	1,000	-	1,000	-
Past Committee Members				
Steve McAllister	1,042	511	1,553	2,458
Ken Robinson	833	-	833	2,000

Non-Executive Directors remuneration constituted less than 0.1% of Group turnover.

9. EMPLOYEE INFORMATION

The average number of employees (including the Executive Management) of the Group and Association during the year expressed in full time equivalents based on a standard 35 hour working week was:

	2017 Number	2016 Number
Chief Executive	3	3
Corporate Services	36	36
Development	45	45
Finance	35	34
Housing	132	130
	251	248
EMPLOYEE COSTS (FOR THE ABOVE PERSONS)	2017 £'000	2016 £'000
Wages And Salaries	10,849	10,922
Social Security Costs	1,198	1,001
Pension Costs (See Note 27)	1,508	2,545
	13,555	14,468
Capitalised Salaries	(55)	(370)
	13,500	14,098

During the year £106k was paid to four employees as termination and redundancy payments.

HIGHER PAID EMPLOYEES

The full time equivalent number of staff whose remuneration, including pension contributions, fell within each band of £10,000 from £60,000 upwards was

£	2017 Number	2016 Number
240,001 – 250,000	1	1
230,001 – 240,000	-	-
220,001 – 230,000	-	-
210,001 – 220,000	1	-
200,001 – 210,000	-	1
190,001 – 200,000	-	-
180,001 – 190,000	-	-
170,001 – 180,000	1	1
160,001 – 170,000	-	1
150,001 – 160,000	2	-
140,001 – 150,000	-	-
130,001 – 140,000	2	1
120,001 – 130,000	1	1
110,001 – 120,000	1	4
100,001 – 110,000	5	4
90,001 – 100,000	3	2
80,001 – 90,000	7	6
70,001 – 80,000	8	3
60,000 – 70,000	13	12
	45	37

10. INTEREST RECEIVABLE

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Interest Receivable On Bank Deposits	814	510	74	95
Interest Receivable From Subsidiaries	-	-	1,285	1,232
Interest Receivable From Joint Ventures	1,096	1,099	958	792
Interest Receivable From Associates	617	454	-	-
Other Interest Receivable	1	-	-	-
	2,528	2,063	2,317	2,119

11. INTEREST PAYABLE

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
On Bank Loans, Overdrafts And Other Loans Repayable Wholly Or Partly In More Than 5 Years	27,120	26,578	3,327	2,558
My Choice Homebuy Interest Repayment	-	3,173	-	-
Interest Expense on Pension Deficit	141	107	141	108
Interest Payable and Accrued to the Recycled Capital Grant	-	-	-	-
Fund and Disposal Proceeds Fund	140	181	46	61
	27,401	30,039	3,514	2,727
Less: Interest Capitalised In Housing Property Costs	(511)	(807)	-	(212)
	26,890	29,232	3,514	2,515

Interest is capitalised at a weighted average rate of 4.47% (2016: 4.60%) on the Group borrowing portfolio.

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Interest Repayment				
MyChoice Homebuy Interest Repayment	-	3,173	-	-

Last year the Association made an interest refund of £3,173k to MyChoice Homebuy customers due to historic non-compliance with the requirements of the Consumer Credit Act 1974 regarding the specified format of certain customer notices and statements. The Association now fully comply with the Act.

12. TAXATION

Direct charge to corporation tax arises on the results for the year of £1,016k in 2017 (2016: £1,595k).

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Surplus Per Accounts	100,666	24,556	548	1,171
Tax On Surplus At Standard Rate Of Corporation Tax Of 20%	20,133	4,911	110	234
Effects Of:				
Fixed Asset Differences	48	438	48	438
Expenses Not Deductible For Tax Purposes	1,645	180	1,286	180
Income Not Taxable For Tax Purposes	(21,040)	(6,181)	(541)	(1,504)
Amounts (Charged)/Credited Directly to Statement of Total Recognised Gains and Losses Or Otherwise Transferred	(65)	-	(65)	-
Chargeable Gains	939	48	239	48
Adjust Closing Deferred Tax To Average Rate Of 20%	2	84	-	84
Deferred Tax Not Recognised	(271)	(584)	(339)	(584)
Profit From Share in Partnerships	(89)	2,313	(227)	2,313
Unrelieved Tax Losses & Other Deductions Arising In The Period	-	-	-	-
Loss From Share In Partnership	(220)	-	-	-
LLP Losses Not Available For Relief	-	(184)	-	(184)
FRS102 Transitional Adjustment In Respect Of Stock	-	379	-	379
Tax Losses Not Utilised	(65)	-	-	-
Movement In Fair Value Of Investment Properties Not Deductible For Tax	(1)	191	(1)	191
Tax Charge For The Period	1,016	1,595	510	1,595

13. FIXED ASSETS – HOUSING
PROPERTIES – GROUP

	KEY WORKER ACCOMMODATION Completed Properties Held For Letting £'000	RENTED PROPERTIES Completed Properties Held For Letting £'000	RENTED PROPERTIES Under Construction £'000	LOW COST HOME OWNERSHIP Completed Properties £'000	LOW COST HOME OWNERSHIP Under Construction £'000	TOTAL £'000
COST						
At 1 April 2016	111,007	627,451	15,783	323,690	28,714	1,106,645
ADDITIONS:						
New Developments	-	-	16,979	-	48,013	64,992
Works To Existing Properties	44	7,681	-	(1,154)	-	6,571
Reclassification	-	159	-	1	-	160
Properties Completed	6,673	11,327	(18,000)	15,191	(15,191)	-
Change Of Tenure	-	(489)	-	456	-	(33)
Transfers To Subsidiary	-	-	(36)	100	(64)	-
DISPOSALS:						
Staircasing Sales	-	(7)	-	(11,979)	-	(11,986)
Eliminated On Disposal	(77)	(483)	-	(9)	-	(569)
Other	-	(524)	(73)	-	(583)	(1,180)
At 31 March 2017	117,647	645,115	14,653	326,296	60,889	1,164,600
LESS: DEPRECIATION						
At 1 April 2016	4,988	15,263	-	-	-	20,251
Charge For Year	2,636	8,715	-	-	-	11,351
Other	-	160	-	-	-	160
Change of Tenure	-	(33)	-	-	-	(33)
Components Written Off	(18)	(221)	-	-	-	(239)
At 31 March 2017	7,606	23,884	-	-	-	31,490
NET BOOK VALUE						
At 31 March 2017	110,041	621,231	14,653	326,296	60,889	1,133,110
At 31 March 2016	106,019	612,188	15,783	323,690	28,714	1,086,394

13. FIXED ASSETS – HOUSING PROPERTIES – ASSOCIATION

	KEY WORKER ACCOMMODATION Completed Properties Held For Letting £'000	RENTED PROPERTIES Completed Properties Held For Letting £'000	LOW COST HOME OWNERSHIP Completed Properties £'000	LOW COST HOME OWNERSHIP Under Construction £'000	TOTAL £'000
COST					
At 1 April 2016	64,830	37,988	15,590	12	118,420
ADDITIONS:					
New Developments	-	-	-	61,791	61,791
Works To Existing Properties	-	4,991	545	-	5,536
Reclassification	-	159	1	-	160
Properties Completed	-	-	15,191	(15,191)	-
Change Of Tenure	-	(489)	456	-	(33)
Transfers To Subsidiary	-	(4,478)	(2,809)	-	(7,287)
Transfers From/(To) Stock	-	4,482	(13,383)	(46,029)	(54,930)
DISPOSALS:					
Staircasing Sales	-	(7)	(1,541)	-	(1,548)
Eliminated On Disposal	-	-	-	-	-
Other	-	-	-	(583)	(583)
At 31 March 2017	64,830	42,646	14,050	-	121,526
LESS: DEPRECIATION					
At 1 April 2016	3,562	364	-	-	3,926
Charge For The Year	1,781	727	-	-	2,508
Transfers From Stock	-	14	-	-	14
Reclassification	-	160	-	-	160
Change of Tenure	-	(33)	-	-	(33)
Eliminated On Disposal	-	(71)	-	-	(71)
At 31 March 2017	5,343	1,161	-	-	6,504
At 31 March 2017	59,487	41,485	14,050	-	115,022
At 31 March 2016	61,268	37,624	15,590	12	114,494

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000

NET BOOK VALUE OF HOUSING PROPERTIES COMPRISE

Freehold	835,010	802,865	12,053	11,859
Long Leasehold	272,338	262,355	77,207	81,460
Finance Leases	25,762	21,175	25,762	21,175
	1,133,110	1,086,395	115,022	114,494

INTEREST CAPITALISATION

Rates Used For Capitalisation (%)	4.47	4.60	4.47	4.60
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Given the Group's long held policy of capitalising the finance costs associated with carrying out development activity, it is not possible to disclose the aggregate amount of finance costs included in the cost of housing properties as required by FRS102.

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000

TOTAL SOCIAL HOUSING GRANT RECEIVED OR RECEIVABLE TO DATE:

Capital Grant – Housing Properties	23,194	20,303	11,534	11,340
Capital Grant – Homebuy Investments	42,559	47,821	-	-
Recycled Capital Grant Fund	42,985	39,940	11,722	13,666
Disposal Proceeds Fund	1,126	844	-	-
Revenue Grant – Statement Of Comprehensive Income	2,597	1,118	-	-
Historical Grant	387,484	392,298	9,563	11,083

STOCK TRANSACTION

In the current year Thames Valley Housing Association Limited entered into a stock transaction with Thames Charitable Housing Association Limited, with a fair value of £5.6m. The value includes original government grant funding of £5m which has an obligation to be recycled in accordance with the original grant funding terms and conditions. Thames Valley Housing Association Limited is responsible for the recycling of the grant in the event it disposes of the properties.

FINANCE LEASES

The net book value of housing properties for the group includes an amount of £26m (2016: £21m) in respect of assets held under finance leases and hire purchase contracts.

Such assets are generally classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and often the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

VALUATION

For information purposes only, completed housing properties were revalued by Jones Lang LaSalle (JLL), Chartered Surveyors at Existing Use Value for Social Housing (EUV-SH) and Market Value (MV) in accordance with the current edition of the Royal Institution of Chartered Surveyors' (RICS Valuation Standards PS5.1) Appraisal and Valuation Standards. EUV-SH means that the properties are assumed to be managed and owned by a Registered Provider of Social Housing which is committed to the provision of rented accommodation let at affordable rents, and that vacant units would be re-let at affordable rents rather than sold on the open market. Market Value means the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The valuation basis used for this disclosure is that recommended by the Statement of Recommended Practice "Accounting by Registered Social Housing Providers Update 2010". The discount rate in the valuation was 5.5% (excluding the effect of inflation for rental income) and 8% on estimated future staircasing sales.

If housing properties had been stated at EUV-SH, the amounts disclosed in the Balance Sheet in respect of completed housing properties and the revaluation reserve would have been as follows:

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Completed Housing Properties At Valuation	1,056,482	997,510	160,880	131,147
Revaluation (Loss)/Surplus – Housing Properties	(14,380)	(58,552)	45,860	14,840
	1,042,102	938,958	206,740	145,987

Completed Housing Properties at Valuation is the net book value of all completed properties held for letting in Note 13 and the Investment Properties in Note 14.

Based on the valuation conducted by JLL, Chartered Surveyors at 31 March 2017, the Association's assets EUV-SH valuation is less than the carrying value of the properties. The revaluation loss is primarily due to the reduction in rents for social housing in England by 1% per annum for four years from April 2017.

The fair value, net book value and share of profits for joint ventures and associated undertakings are presented below:

GROUP	JOINT VENTURES			ASSOCIATED UNDERTAKINGS £'000	TOTAL £'000
	EVOLUTION £'000	OPAL £'000	TOTAL £'000		
COST					
At 1 April 2016	50	23,955	24,005	34,144	58,149
Additions	1,989	2,772	4,761	-	4,761
Disposals	-	-	-	-	-
Movement In Fair Value	-	-	-	1,900	1,900
At 31 March 2017	2,039	26,727	28,766	36,044	64,810
SHARE OF PROFITS					
At 1 April 2016	(700)	3,170	2,470	47	2,517
Profit For The Year	463	1,132	1,595	(243)	1,352
Dividend Distribution	-	-	-	(58)	(58)
At 31 March 2017	(237)	4,302	4,065	(254)	3,811
NET BOOK VALUE					
At 31 March 2017	1,802	31,029	32,831	35,790	68,621
At 31 March 2016	(650)	27,125	26,475	34,191	60,666

There was no premium on acquisition relating to the associated undertakings or joint venture.

14. FIXED ASSET INVESTMENTS

DETAILS OF SUBSIDIARY UNDERTAKINGS, JOINT VENTURES AND ASSOCIATED UNDERTAKINGS AND OTHER INVESTMENTS

SUBSIDIARY	STATUS	ACTIVITY	HOLDING
Thames Valley Charitable Housing Association Limited	Registered in England and Wales under the Co-operative and Community Benefit Societies Act 2014	Housing Association	100%
TVH Fizzy Holdings Ltd	Limited Company registered in England and Wales	Holding Company	100%
TVH Fizzy 2 Limited	Limited Company registered in England and Wales	Holding Company	100%
Fizzy Services Management LLP	LLP registered in England and Wales	Property Management	100%
Fizzy Brand Management LLP	LLP registered in England and Wales	Brand Management	95%

JOINT VENTURE	STATUS	ACTIVITY	HOLDING
Opal Land LLP	LLP registered in England and Wales	Development and Sale of residential accommodation	50%
Opal (St. Bernard's) LLP	LLP registered in England and Wales	Development and Sale of residential accommodation	50%
Opal (Earlsfield) LLP	LLP registered in England and Wales	Development and Sale of residential accommodation	50%
Opal (Grange Walk) LLP	LLP Registered in England and Wales	Development and Sale of residential accommodation	50%
Opal (Silvertown) LLP	LLP Registered in England and Wales	Development and Sale of residential accommodation	50%
Linden Enfield LLP	LLP Registered in England and Wales	Development and Sale of residential accommodation	50%
Evolution (Woking) Limited	Limited Company registered in England and Wales	Development and Management of residential accommodation	50%

ASSOCIATED UNDERTAKINGS	STATUS	ACTIVITY	HOLDING
Fizzy Newco1 Ltd	Limited Company registered in England and Wales	Holding Company	16%
Fizzy Enterprises LLP	LLP registered in England and Wales	Property Investment and Rental	16%
Fizzy One LLP	LLP registered in England and Wales	Holding Company	16%
Fizzy Canning Town LLP	LLP registered in England and Wales	Property Investment and Rental	16%
Fizzy Epsom LLP	LLP registered in England and Wales	Property Investment and Rental	16%
Fizzy Stepney Green LLP	LLP registered in England and Wales	Property Investment and Rental	16%
Fizzy Poplar LLP	LLP registered in England and Wales	Property Investment and Rental	16%
Fizzy Lewisham LLP	LLP registered in England and Wales	Property Investment and Rental	16%
Fizzy Finchley LLP	LLP registered in England and Wales	Property Investment and Rental	16%
Fizzy Silvertown Way A LLP	LLP registered in England and Wales	Property Investment and Rental	16%
Fizzy Silvertown Way B LLP	LLP registered in England and Wales	Property Investment and Rental	16%
Fizzy Hayes LLP	LLP registered in England and Wales	Property Investment and Rental	16%
Fizzy Lewisham B1 LLP	LLP registered in England and Wales	Property Investment and Rental	16%
Fizzy Hackney Wick LLP	LLP registered in England and Wales	Property Investment and Rental	16%
Fizzy Walthamstow LLP	LLP registered in England and Wales	Property Investment and Rental	16%
Academy 4 Housing	Social Enterprise Company Limited by Guarantee in England and Wales	Training	25%

15. OTHER FIXED ASSETS – GROUP

	INVESTMENT PROPERTY COMPLETED (VALUATION) £'000	INVESTMENT PROPERTY UNDER CONSTRUCTION (COST) £'000	LEASEHOLD OFFICE PREMISES (COST) £'000	OFFICE FURNITURE & EQUIPMENT (COST) £'000	COMPUTER HARDWARE & SOFTWARE (COST) £'000	SCHEME FURNISHINGS & EQUIPMENT (COST) £'000	TOTAL £'000
COST OR VALUATION							(Cost)
At 31 March 2016	14,174	357	4,116	1,152	555	17,229	37,583
Additions	200	3,207	28	1	-	1,809	5,245
Reclassification	-	-	-	-	-	-	-
Revaluation deficit	(873)	-	-	-	-	-	(873)
Component Write Off	(80)	-	-	-	(11)	-	(91)
At 31 March 2017	13,421	3,564	4,144	1,153	544	19,038	41,864
DEPRECIATION							
At 31 March 2016	9	-	2,237	1,009	83	11,028	14,366
Charge For Year	11	-	262	98	99	1,563	2,033
At 31 March 2017	20	-	2,499	1,107	182	12,591	16,399
NET BOOK VALUE							
At 31 March 2017	13,401	3,564	1,645	46	362	6,447	25,465
At 31 March 2016	14,165	357	1,879	143	472	6,201	23,217

Other Investment properties were valued by JLL, Chartered Surveyors, on the basis of their Market Value as at 31 March 2017. These valuations were undertaken in accordance with the Appraisal and Valuation Standards published by the RICS Valuation Standards PS5.1.

15. OTHER FIXED ASSETS – ASSOCIATION

	INVESTMENT PROPERTY (VALUATION) £'000	LEASEHOLD OFFICE PREMISES (COST) £'000	OFFICE FURNITURE & EQUIPMENT (COST) £'000	COMPUTER HARDWARE & SOFTWARE (COST) £'000	TOTAL £'000
COST OR VALUATION					
At 1 April 2016	358	4,117	1,152	16,486	22,113
Additions	3,207	28	1	1,809	5,045
Revaluation (Deficit)	4	-	-	-	4
At 31 March 2017	3,569	4,145	1,153	18,295	27,162
DEPRECIATION					
At 1 April 2016	-	2,237	1,010	10,286	13,533
Charge For Year	-	262	98	1,563	1,923
At 31 March 2017	-	2,499	1,108	11,849	15,456
NET BOOK VALUE					
At 31 March 2017	3,569	1,646	45	6,446	11,706
At 31 March 2016	358	1,880	142	6,200	8,580

Investment properties were professionally revalued by JLL, Chartered Surveyors, on the basis of their Market Value as at 31 March 2017. These valuations were undertaken in accordance with the Appraisal and Valuation Standards published by RICS Valuation Standard PS5.1.

16. HOMEBUY EQUITY LOANS – GROUP

	MYCHOICE HOMEBUY £'000	OPEN MARKET HOMEBUY £'000	2017 TOTAL £'000	2016 TOTAL £'000
HOMEBUY EQUITY LOANS ADVANCED				
At 1 April 2016	26,200	31,730	57,930	66,005
Loans Issued During The Year	-	-	-	102
Loans Redeemed During The Year	(3,833)	(3,040)	(6,873)	(8,177)
At 31 March 2017	22,367	28,690	51,057	57,930

17. PROPERTIES FOR SALE AND WORK IN PROGRESS

	FIRST TRANCHE LOW COST HOME OWNERSHIP £'000	DEVELOPED FOR SALE £'000	2017 TOTAL £'000	2016 TOTAL £'000
GROUP				
Gross Cost: Completed	2,510	-	2,510	2,906
Gross Cost: WIP	21,800	4,856	26,656	19,534
	24,310	4,856	29,166	22,440
ASSOCIATION				
Gross Cost: Completed	31,084	2,510	33,594	27,217
Gross Cost: WIP	62,925	21,800	89,581	50,086
	94,009	24,310	123,175	77,303

Stock and work in Progress included capitalised interest of £0.5m (2016: £0.6m).

The Association develops social housing for other registered housing associations and also for its subsidiary, Thames Valley Charitable Housing Association Limited. The net cost of these developments is held within current assets up to the point of transfer.

18. DEBTORS

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
AMOUNTS RECEIVABLE WITHIN ONE YEAR				
Rent And Service Charges	5,581	5,346	409	342
Less: Provision For Bad Debts	(1,204)	(1,147)	(50)	(41)
	4,377	4,199	359	301
Property Grants Receivable	-	144	-	-
Amounts Receivable From Leaseholders And Tenants	9	252	(4)	4
Due From Subsidiaries	-	-	31,563	31,512
Due From Associates	253	1,038	-	-
VAT Recoverable	-	283	-	283
Prepayments	437	491	436	480
Secured Cash Deposits	764	812	-	-
Loans To Joint Ventures	-	-	8,910	7,130
Investments	-	17,908	-	17,908
Other Debtors	3,979	3,450	1,687	943
	9,819	28,577	42,951	58,561
AMOUNTS RECEIVABLE AFTER ONE YEAR				
Loans To Joint Ventures	-	-	11,280	15,893
Investments	7,959	7,021	7,959	7,021
Property Mortgages	190	445	190	445
	8,149	7,466	19,429	23,359

19A. CREDITORS

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
AMOUNTS FALLING DUE WITHIN ONE YEAR				
Loans (Note 23)	5,988	2,900	-	-
Trade Creditors	3,867	1,235	2,136	477
Grant Due To Consortium Members	-	90	-	90
Loan Interest Due	3,175	3,271	-	-
Recycled Capital Grant Fund (Note 22)	23,645	16,967	10,610	8,548
Property Development Accruals And Retentions	7,281	4,871	4,988	2,946
Bank Overdraft	-	1,308	-	566
Rent Received In Advance	2,721	2,367	115	103
Estate Costs Accruals (Including Major Repairs)	1,013	2,158	49	229
Amount Due To Subsidiary Undertaking	-	-	139,968	118,217
Leaseholder Sinking Funds	5,838	5,391	229	239
Amount Due Under Finance Leases (Note 19b)	372	73	372	73
Disposal Proceeds Fund (Note 21)	554	388	-	-
Taxation Payable	1,610	1,595	1,087	1,595
Grant Received In Advance	264	264	264	264
Other Creditors And Accruals	7,162	10,385	5,311	7,800
	63,490	53,263	165,129	141,147

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
Loans (Note 23)	554,658	560,705	39,116	39,046
Fair Value Of Financial Instruments (Note 23)	65,130	136,747	-	(9)
Deferred Capital Grant (Note 20)	70,745	68,124	11,534	11,340
Past Pension Deficit	6,720	7,306	6,720	7,310
Amount Due Under Finance Leases (Note 19b)	25,449	21,024	25,449	21,024
Disposal Proceeds Fund (Note 21)	572	456	-	-
Recycled Capital Grant Fund (Note 22)	19,340	22,972	1,112	5,118
	742,614	817,334	83,931	83,829

19B. FINANCE LEASE SCHEDULE

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Not Later Than One Year	372	73	372	73
Later Than One Year And Not Later Than Five Years	2,170	570	2,170	570
Later Than Five Years	23,279	20,454	23,279	20,454
	25,821	21,097	25,821	21,097

20. DEFERRED CAPITAL GRANT

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
At 1 April	68,124	72,376	11,340	7,217
Grants Received During The Year	1,586	125	363	-
Grants Recycled From The Recycled Capital Grant Fund	1,408	(4,283)	5,096	843
Grant re Staircasing Sales	(90)	-	(90)	-
Grant Adjustment	(3)	(2)	(3)	-
Released To Income During The Year	(193)	(34)	(134)	(2)
Grant Amortisation	(87)	(58)	(46)	-
Transfer From Subsidiary	-	-	(4,992)	3,282
At 31 March	70,745	68,124	11,534	11,340

21. DISPOSAL PROCEEDS FUND – GROUP

	2017 £'000	2016 £'000
At 1 April	844	554
Input to fund: Funds Recycled From Deferred Capital Grants	279	290
Interest Accrued	3	-
At 31 March	1,126	844
DISCLOSED AS:		
Creditors Falling Due Within One Year	554	388
Creditors Falling Due After More Than One Year	572	456
	1,126	844

22. RECYCLED CAPITAL GRANT FUND (RCGF)

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
At 1 April	39,939	31,342	13,666	3,789
Input to fund:				
Social Housing Grant Recycled In The Year	9,580	10,743	799	296
Transfers With Properties Sold To Subsidiary Undertaking	-	-	2,308	10,382
Interest Credited To The Fund	136	181	46	61
Recycling Of Grant:				
RCGF Utilised On New Build Housing Properties	(6,670)	(2,327)	(5,097)	(862)
At 31 March	42,985	39,939	11,722	13,666
DISCLOSED AS:				
Creditors Falling Due Within One Year	23,645	16,967	10,610	8,548
Creditors Falling Due After One Year	19,340	22,972	1,112	5,118
	42,985	39,939	11,722	13,666

Recycled Capital Grant Fund of £14m due for repayment was approved by the HCA to be rolled forward into the next financial year.

23. LOANS

Loans are secured by charges on selected properties of the Group and are repayable as follows:

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
LOANS REPAYABLE BY INSTALMENTS				
In Five Or More Years	347,436	359,035	40,000	40,000
Between Two And Five Years	31,797	24,922	-	-
Between One And Two Years	4,726	5,990	-	-
	383,959	389,947	40,000	40,000
In One Year Or Less	5,988	2,900	-	-
	389,947	392,847	40,000	40,000
LOANS NOT REPAYABLE BY INSTALMENTS				
In Five Or More Years	175,556	116,009	-	-
Between Two And Five Years	3,000	63,000	-	-
	178,556	179,009	-	-
In One Year Or Less	-	-	-	-
	178,556	179,009	-	-
TOTAL LOANS	568,503	571,856	40,000	40,000
Add: Fair Value Of Financial Instruments	65,130	136,747	-	(9)
Less: Loan Issue Costs	(7,857)	(8,251)	884	(953)
TOTAL LOANS (INCLUDING FAIR VALUE)	625,776	700,352	39,116	39,038

In the previous financial year, the Association completed a restructuring of £75m of the £135m notional loan value of the Lender Option Borrower Option (LOBO), the restructure was deemed as substantial. The fair value movement of the unstructured LOBO was a £5.8m debit to the statement of comprehensive income. There was no fair value movement in the restructured LOBO at the year end.

During the financial year, Barclays voluntarily removed the embedded option in the remaining LOBO loan which had a carrying value of £130m (notional value of £60m). The removal of the optionality is deemed as a substantial change in terms. The financial impact of this is the recognition of £71m fair value movement to date as a credit to the Statement of Comprehensive Income.

As a result of the restructuring in 2016 and the voluntary removal of the optionality by Barclays, all the former LOBO loans are now considered as basic financial instruments and measured on an amortised cost basis.

FINANCIAL INSTRUMENTS

Analysis As Follows:

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
FINANCIAL ASSETS				
Financial Assets Measured At Historical Cost:	1,187,741	1,132,051	249,904	200,377
Trade Receivables	4,377	4,199	359	301
Other Receivables	55,735	63,588	33,684	33,222
Investments	76,580	67,687	7,959	7,021
Investments In Short Term Securities	764	18,720	-	17,908
Cash And Cash Equivalents	98,200	102,777	31,310	37,228
Loans Receivable	190	445	20,380	23,468
TOTAL FINANCIAL ASSETS	1,423,587	1,389,467	343,596	319,525
FINANCIAL LIABILITIES				
Financial Liabilities Measured At Amortised Cost Loans Repayable	568,503	571,856	40,000	40,000
Financial Liabilities Measured At Historical Cost Trade Creditors	3,867	1,236	2,136	477
Other Creditors	143,155	139,734	181,475	161,887
Finance Leases	25,449	21,024	25,449	21,024
Fair Value Of Financial Instruments	65,130	136,747	-	(9)
TOTAL FINANCIAL LIABILITIES	806,104	870,597	249,060	223,379

24. CONTINGENT LIABILITIES

The Group receives grant from the HCA and from the GLA, which is used to fund the acquisition and development of housing properties and their components. Grant of £220m received in respect of housing properties held at 31 March 2014 was credited to reserves in respect of adoption of 'deemed' cost. The Group has a future obligation to recycle such grant once the properties are disposed of. At 31 March 2017, the value of grant received in respect of those properties that had not been disposed of was £212m.

As the timing of any future disposal is uncertain, no provision for repayment has been recognised in these financial statements.

25. NON-EQUITY SHARE CAPITAL

	2017 £	2016 £
Shares Of £1 Each Issued And Fully Paid		
At 1 April	7	6
Shares Issued During The Year	-	1
Shares Cancelled During The Year	-	-
At 31 March	7	7

All shareholdings relate to non-equity interests. The share capital of the Association consists of shares with a nominal value of £1 each which carry no rights to dividends or other income. Shares are not capable of being repaid or transferred. Where a shareholder ceases to be a shareholder, that person's share is cancelled and the amount paid up thereon becomes the property of the Association.

26. PENSION COSTS

SOCIAL HOUSING PENSION SCHEME (SHPS)

The Association participates in this scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

DEFICIT CONTRIBUTIONS

TIER 1 From 1 April 2016 to 30 September 2020:	£40.6m per annum (payable monthly and increasing by 4.7% each year on 1st April)
TIER 2 From 1 April 2016 to 30 September 2023:	£28.6m per annum (payable monthly and increasing by 4.7% each year on 1st April)
TIER 3 From 1 April 2016 to 30 September 2026:	£32.7m per annum (payable monthly and increasing by 3.0% each year on 1st April)
TIER 4 From 1 April 2016 to 30 September 2026:	£31.7m per annum (payable monthly and increasing by 3.0% each year on 1st April)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and a deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUE OF PROVISION

	31 March 2017 £'000	31 March 2016 £'000	31 March 2015 £'000
Present Value Of Provision	6,632	7,214	5,872

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2017 £'000	Period Ending 31 March 2016 £'000
Provision At Start of Period	7,215	5,872
Unwinding Of The Discount Factor (Interest Expense)	139	106
Deficit Contribution Paid	(903)	(693)
Remeasurements – Impact Of Any Change In Assumptions	181	(43)
Remeasurements – Amendments To The Contribution Schedule	-	1,972
Provision At End Of Period	6,632	7,214

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2017 £'000	Period Ending 31 March 2016 £'000
Interest Expense	139	106
Remeasurements – Impact Of Any Change In Assumptions	181	(43)
Remeasurements – Amendments To The Contribution Schedule	-	1,972
Contributions Paid In Respect Of Future Service*	-	492
Costs Recognised In Income And Expenditure Account	-	2,545

*Includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

ASSUMPTIONS

	31 March 2017 % per annum	31 March 2016 % per annum	31 March 2015 % per annum
Rate Of Discount	1.33	2.06	1.92

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

THE PENSIONS TRUST – THE GROWTH PLAN

The Association participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

PRESENT VALUE OF PROVISION

	31 March 2017 £	31 March 2016 £	31 March 2015 £
Present Value Of Provision	88,620	93,595	85,830

DEFICIT CONTRIBUTIONS

From 1 April 2013 to 31 March 2023:	£13.9 per annum (payable monthly and increasing by 3% each year on 1 April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each year on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2017 £	Period Ending 31 March 2016 £
Provision At Start Of Period	93,595	85,830
Unwinding Of The Discount Factor (Interest Expense)	1,830	1,404
Deficit Contribution Paid	(9,562)	(10,354)
Remeasurements – Impact Of Any Change In Assumptions	2,757	(1,463)
Remeasurements – Amendments To The Contribution Schedule	-	18,178
Provision At End Of Period	88,620	93,595

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2017 £	Period Ending 31 March 2016 £
Interest Expense	1,830	1,404
Remeasurements – Impact Of Any Change In Assumptions	2,757	(1,463)
Remeasurements – Amendments To The Contribution Schedule	-	18,178
Contributions Paid In Respect Of Future Service*	-	-

*Includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

ASSUMPTIONS

	31 March 2017 % per annum	31 March 2016 % per annum	31 March 2015 % per annum
Rate Of Discount	1.32	2.07	1.74

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

27. CAPITAL COMMITMENTS

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Capital Expenditure Contracted For But Not Included In The Financial Statements	138,439	105,758	95,722	68,680
Capital Expenditure Authorised Not Yet Contracted	-	18,162	-	12,940
	138,439	123,920	95,722	81,620

THE GROUP EXPECTS TO FINANCE THE ABOVE COMMITMENTS BY:

	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Social Housing Grant Receivable	9,794	10,346	7,049	10,738
Utilisation Of Cash Balances	128,645	113,574	88,673	70,882
	138,439	123,920	95,722	81,620

28. FINANCIAL COMMITMENTS

	GROUP		ASSOCIATION	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
IN RESPECT OF LOW COST HOME OWNERSHIP FIRST TRANCHE DEVELOPMENT				
Contracted For But Not Included In The Financial Statements	58,200	51,156	58,200	51,156
Authorised Not Yet Contracted For	-	8,627	-	8,627
	58,200	59,783	58,200	59,783

At the end of March 2017, the Group had £8m (2016: £25m) of undrawn loan facilities.

At 31 March 2017, the Group had annual commitments under non-cancellable operating leases as follows:

	2017		2016	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
OPERATING LEASES WHICH EXPIRE:				
Within One Year	851	134	844	129
In Two To Five Years	4,259	363	4,221	505
After Five Years	2,859	-	3,807	-
	7,969	497	8,872	634

29. COMMITMENTS UNDER OPERATING LEASES

30. RELATED PARTY DISCLOSURES

The ultimate controlling party of the Group is Thames Valley Housing Association Limited, a registered social housing provider. There is no ultimate controlling party of Thames Valley Housing Association Limited.

JOINT VENTURE AND ASSOCIATED COMPANIES

The following transactions took place between the group and its joint venture and associated companies during the year:

	EVOLUTION JOINT VENTURE		OPAL JOINT VENTURE		FIZZY GROUP ASSOCIATE	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000	2017 £'000	2016 £'000

CASH MOVEMENTS IN THE YEAR

Net Loan Movements, Advances/ (Repayments)	1,925	(23)	1,839	(4,565)	-	-
Loan Interest Received	-	-	1,033	693	1,519	241
Dividends Received	-	-	-	7,038	-	-
	1,925	(23)	2,872	3,166	1,519	241

BALANCES AT YEAR END

Investment Equity And Loans	1,975	50	23,920	22,181	26,177	26,177
Interest Receivable	64	-	2,806	1,774	135	1,038
	2,039	50	26,726	23,955	26,312	27,215

The Association provides management services, other services and loans to its subsidiaries. The quantum and basis of those charges is set out below:

PAYABLE TO ASSOCIATION BY SUBSIDIARIES	MANAGEMENT CHARGES		INTEREST CHARGES	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Thames Valley Charitable Housing Association Limited	-	10,934	-	-
TVH Fizzy Holdings Limited	-	-	1,113	1,232
Fizzy Services Management LLP	858	812	172	116
	858	11,746	1,285	1,348

RECEIVED BY SUBSIDIARIES FROM ASSOCIATION	GIFT AID	
	2017	2016
	£'000	£'000
Thames Valley Charitable Housing Association Limited	13,261	13,875

INTRA-GROUP MANAGEMENT FEES

Intra-group management fees are receivable by the Association from subsidiaries to cover the running costs the Association incurs on behalf of its subsidiaries. The management fee is calculated on a directorate basis. The costs are apportioned as follows:

DIRECTORATE	BY REFERENCE TO
Finance	Staff time
Corporate Costs	Staff time

INTRA-GROUP LOANS

Intra-group loans are repayable on demand and no guarantees are in place on either loan. Interest is payable on the loan balances.

ENTITY GRANTING LOAN	ENTITY RECEIVING LOAN	OPENING BALANCE £'000	MOVEMENT £'000	CLOSING BALANCE £'000
Thames Valley Housing Association Limited	TVH Fizzy Holdings Ltd	28,535	(407)	28,128
Thames Valley Housing Association Limited	Fizzy Services Management LLP	2,977	458	3,435

The Association disposed of assets and transferred RCGF to its Thames Valley Charitable Housing Association Limited subsidiary as set out below:

	RCGF TRANSFER		HOUSING PROPERTIES		HOUSING GRANT	
	2017	2016	2017	2016	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000
Transfer To Thames Valley Charitable Housing Association Limited	46	10,382	7,219	1,763	4,992	3,281

31. NUMBER OF HOMES OWNED, MANAGED OR ADMINISTERED BY THE GROUP

	AT 31 MARCH 2016	ACQUIRED, COMPLETED, TRANSFERRED	TRANSFERRED	DISPOSALS	AT 31 MARCH 2017
	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
SOCIAL HOUSING					
General Needs	5,870	20	(18)	(1)	5,871
Affordable Rent	329	47	18	-	394
Supported Housing Bed spaces	19	-	-	-	19
Woking PFI	108	116	-	-	224
Key Worker Accommodation	1,624	86	-	-	1,710
TOTAL SOCIAL HOUSING	7,950	269	-	(1)	8,218
NON-SOCIAL HOUSING					
Student Accommodation	463	-	-	-	463
Low Cost Home Ownership	3,933	142	(63)	(53)	3,959
Low Cost Home Ownership Leasehold	1,116	5	70	(8)	1,183
Market Rent	28	-	-	-	28
Intermediate Rent	72	-	(7)	(1)	64
TOTAL NON-SOCIAL HOUSING	5,612	147	-	(62)	5,697
HOMES ADMINISTERED FOR					
Open Market Homebuy Key Worker	707	-	-	(72)	635
Open Market Homebuy Non Key Worker	220	-	-	(17)	203
MyChoice Homebuy Key Worker	200	-	-	(36)	164
MyChoice Homebuy Non Key Worker	271	-	-	(40)	231
Mortgage Rescue Equity Loans	4	-	-	-	4
Market Rent	246	68	-	-	314
TOTAL HOMES ADMINISTERED	1,648	68	-	(165)	1,551
	15,210	484	-	(228)	15,466

	31 MARCH 2017	31 MARCH 2016
	NUMBER	NUMBER
HOMES UNDER CONSTRUCTION		
Affordable Rent	154	97
Low Cost Home Ownership	385	204
General Needs	53	10
Private	19	34
Key Worker	-	86
	611	431

The following organisations manage accommodation on behalf of the Group:

	UNITS OF ACCOMMODATION	
	2017	2016
	NUMBER	NUMBER
MANAGING AGENT		
Ability Housing	1	1
First Wessex	138	138
Sovereign Housing Association Limited	285	285
Royal Horticultural Society	23	23
	447	447

32. ACCOMMODATION MANAGED BY OTHERS

33. LEGISLATIVE PROVISIONS

Thames Valley Housing Association Limited and its subsidiary undertaking, Thames Valley Charitable Housing Association Limited, are incorporated under the Co-operative and Community Benefit Societies Act 2014 and are Registered Providers of Social Housing registered with the Homes & Communities Agency under the Housing and Regeneration Act 2008. Thames Valley Charitable Housing Association Limited is an exempt charity registered under charitable rules.

THAMES VALLEY HOUSING



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