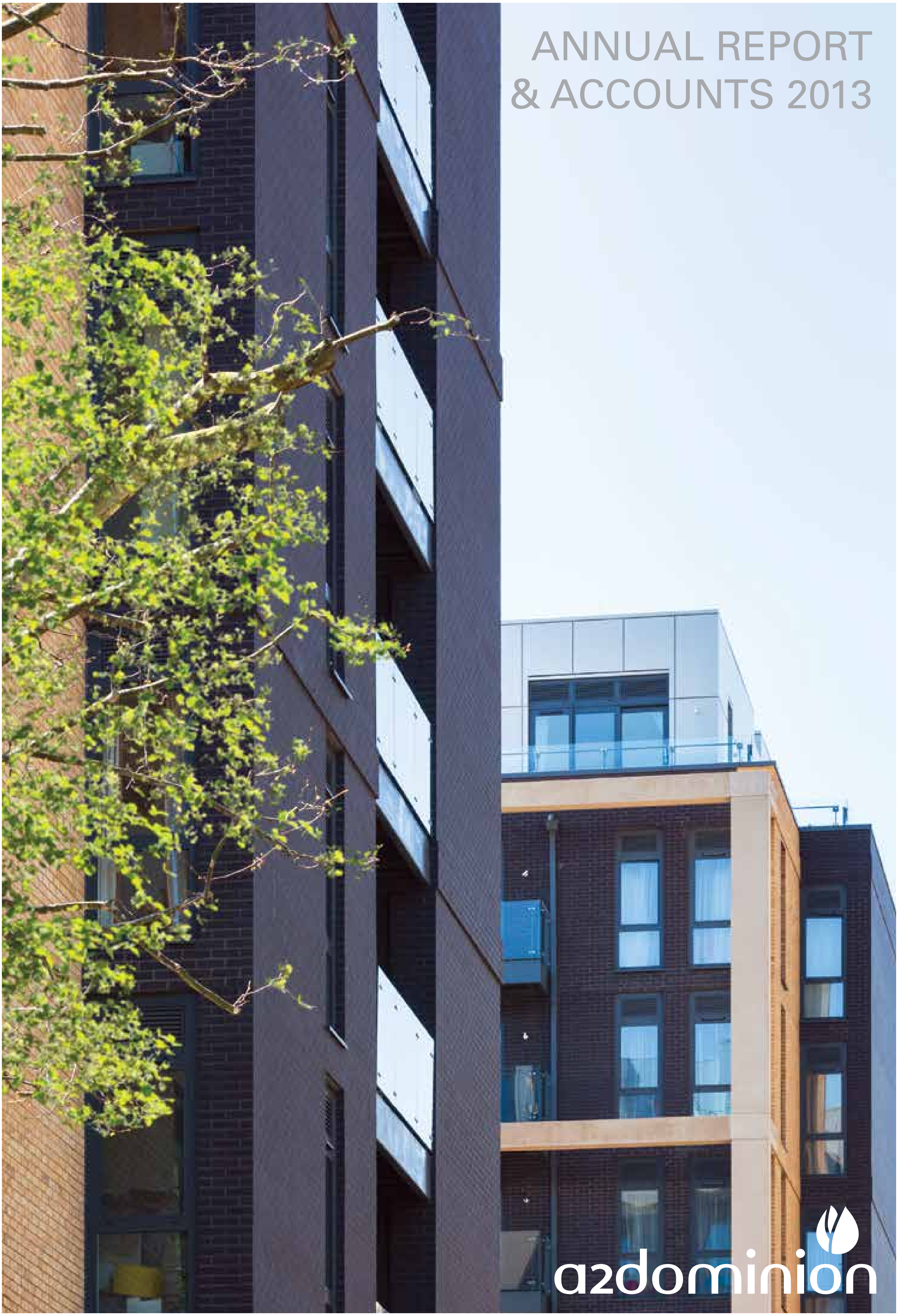


ANNUAL REPORT & ACCOUNTS 2013

a2dominion

Contents

Front cover

Osiers Gate, Wandsworth

Chair's report

Such a successful year has only been possible because of the dedication and hard work of everyone connected with the organisation, from my fellow board members to those who deliver frontline services.

This year, a key focus was to secure the pipeline of new homes under construction and to diversify our range of housing options. Our goal is to achieve a steady programme of 1,500 new homes per annum, including more market rent properties. We are improving how we procure and deliver services in order to make efficiencies, laying the ground-work for a wider range of projects and services for our residents.

Improving our financial viability was another key priority, ensuring that even in difficult economic times we remain an attractive option for both investors and lenders. I believe this report shows we have made good progress in all of these areas and have extended our platform for further success.

Over the past year, we have built more than 700 homes for a variety of tenures and made substantial progress on our flagship regeneration projects at Green Man Lane in Ealing, and Stanwell New Start in Spelthorne. We were also granted planning permission for a number of major new schemes, including Queens Wharf in Hammersmith.

The Group achieved a surplus of £28m in 2012/13, giving us additional funds to support new housing and to improve services. All of this has been achieved with significantly less government grant than in previous years, amid unstable financial markets, and with continued planned reductions in overheads.

Such a successful year has only been possible because of the dedication and hard work of everyone connected with the organisation, from my fellow board members to those who deliver frontline services.

Our Business Plan 2013–16 seeks to continue the successes made during the year. We know there are major threats to our progress such as welfare reform, a changing regulatory environment, as well as the volatility of the property market and economic uncertainty.

However, the achievements of 2012–13 will be the foundation for our future growth, and our success will improve the lives of people who live and work in the communities we serve.

Derek Joseph
Chair

Vision and values

Our vision is simple: to improve people's lives through quality homes and services.

As one of the country's leading providers of high quality housing, we have over 34,000 homes across London and the South East and thousands more in the development pipeline.

From affordable housing and market rent homes, to specialist accommodation for key workers, students and vulnerable people, we cater for all needs.

Through our A2Dominion New Homes brand we provide homes for private sale, shared ownership and investment.

Across all activities, our aim is to achieve our vision. We do this by reinvesting surpluses into developing more affordable housing and making existing properties and services even better.

We are committed to working towards our four key business objectives:

- Provide new quality homes and places
- Deliver customer-led services
- Invest in our homes and local communities
- Strengthen our business

A set of values based on the acronym DRIVE supports our vision and underpins all of our activities:

- Deliver
- Respond
- Innovate
- Value diversity
- Enterprise

Providing quality homes and places

3,509
homes in our development programme

707
new homes developed

464
homes sold

£67.9m
in shared ownership and private home sales

We have continued to develop our commercial activities to achieve our social purpose.

Reinvesting surpluses to benefit communities

We developed more than 700 new homes for social rent, shared ownership, private sale, and market rent. Sales totalled over £67m and we are reinvesting surpluses to provide further affordable homes and services.

Expanding our private rent portfolio

We have committed £250m to provide 750 private rent homes over the next five years. We have agreed deals with developer Crest Nicholson for 46 private rent apartments at Harbourside in Bristol and 102 properties at Centenary Quay, Southampton. We have also provided 86 homes at our Commercial Road scheme, Limehouse.

Delivering a range of new homes

We were granted planning permission for major schemes including 230 homes in Cricklewood, north London, and our 81-home riverside development Queens Wharf in Hammersmith. In addition, we were granted planning permission to build 393 zero-carbon homes for the initial phase of the UK's first eco town at North West Bicester.

A computer-generated image of Queens Wharf in Hammersmith

Focusing on our customers

We strive to deliver excellent services to our residents.

First class front-line services

Satisfaction with our Customer Services Centre reached a record high of 93%, supporting the Group to deliver its strongest ever results. Best ever performance was also achieved in income arrears, emergency repairs and average re-let times.

Help for those who need it most

We provided more support to residents affected by welfare reform, with initiatives to encourage residents to pay by direct debit, move to a smaller home if they are under-occupying, and understand how welfare reform may affect them. A dedicated Tenancy Sustainment Team managed over 1,000 referrals for support and advice, the majority relating to housing benefit.

Gold standard satisfaction for homeowners

An independent survey revealed 100% of our buyers in the South East and 97% in London would recommend us to their friends and family. As a result, we received an award for customer satisfaction from research firm In-House.

Shared ownership buyer Elizabeth Hall at Osiers Gate, Wandsworth

£150m
value of joint venture repairs contracts

93%
satisfaction with our Customer Services Centre

99.9%
of emergency repairs handled in target response time

869
new social housing lettings

Investing in homes and communities

34,343
homes owned and managed

£50m
value of estate services contracts

£12m
grant funding from the Homes and Communities Agency

£53,178
donated to local charities

We are committed to providing the support and services that our customers need.

Inspiration for local young people

Our youth enterprise programme, Be Inspired, helped us to engage with more than 420 young people. We worked with partners to offer opportunities for training, employment and education, including apprenticeships, bursaries and mentoring.

A commitment to our homes and places

We awarded contracts to six estate suppliers valued at £50m, and are set to deliver savings of £3m over seven years. The contractors will provide communal cleaning, gardening and grounds maintenance to our communities in London and the South East.

Record numbers and bespoke services

A record-breaking 34,000 visits were made to our flagship Beethoven Centre in Westminster, where we offer assistance with housing, money, health and employment. Over the year, we helped residents secure over £500,000 in benefits and grants, as well as reducing their debts.

Over 420 young people have been helped by our youth enterprise scheme

Strengthening our business

Improved services and greater efficiency ensure we remain strong in an ever-changing environment.

Joined-up thinking

We launched two joint venture companies, named Pyramid Plus, to provide responsive repairs and facilities management services valued at more than £150m over 10 years. Having appointed Breyer B-Line and MITIE Property Services as our partners, we will look to extend the scope of the joint ventures to work with other clients.

Continuous improvement

Since its launch two years ago, our award-winning ‘Lean’ improvement programme has helped us achieve efficiencies and savings in excess of £3m, and our strongest ever performance.

Realising our ambitions

For the first time, we were ranked in The Sunday Times list of top 100 not-for-profit organisations to work for in 2013. This followed an employee survey by independent research firm Best Companies.

Two new joint venture companies will deliver repairs services

£2.8bn
asset base

£258.6m
turnover for 2013

£1.7m
cashable efficiency savings

12
awards, accreditations and shortlist nominations

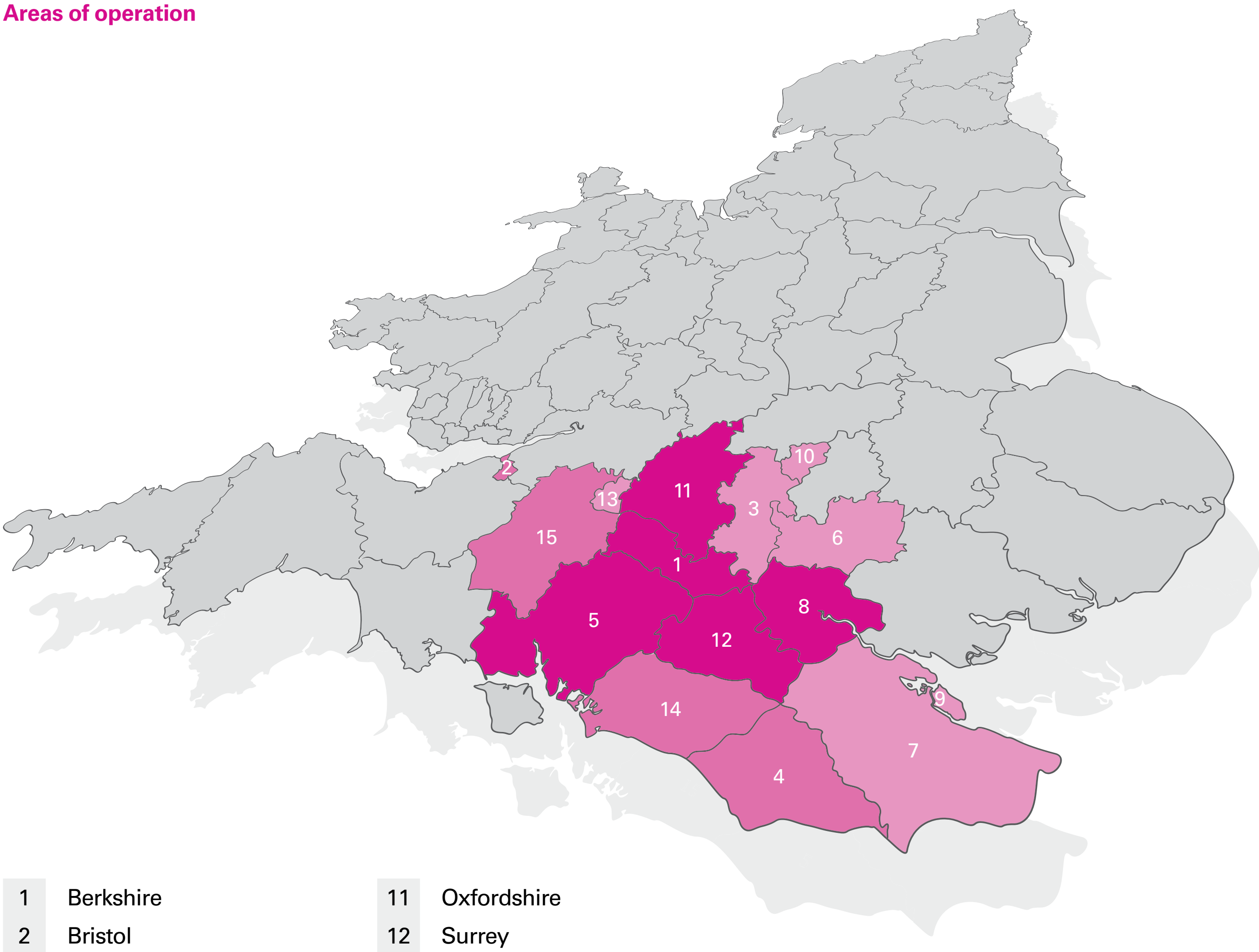
Stock profile and areas of operation

Stock profile

Local authority	Properties in management	Properties in development	Total
Bristol	576	46	622
Bromley	1,227	1	1,228
Cherwell	344	393	737
Chichester	539	0	539
Ealing	3,338	462	3,800
Elmbridge	343	12	355
Guildford	446	45	491
Hackney	79	340	419
Hammersmith & Fulham	1,308	94	1,402
Harrow	1,008	0	1,008
Hillingdon	2,012	0	2,012
Hounslow	2,436	381	2,817
Oxford	2,435	116	2,551
Reading	535	0	535
Runnymede	557	61	618
Rushmoor	368	12	380
Slough	978	0	978
Spelthorne	7,315	404	7,719
Sutton	350	0	350
Tower Hamlets	362	127	489
West Berkshire	634	0	634
Westminster	1,287	0	1,287
Wiltshire	304	0	304
Winchester	1,125	30	1,155
Windsor & Maidenhead	376	0	376
Other*	4,061	985	5,046
TOTAL	34,343	3,509	37,852

* Indicates local authorities where we have fewer than 300 properties in management and/or development.

Areas of operation



1	Berkshire	11	Oxfordshire
2	Bristol	12	Surrey
3	Buckinghamshire	13	Swindon
4	East Sussex	14	West Sussex
5	Hampshire	15	Wiltshire
6	Hertfordshire		1,000+
7	Kent		100 – 999
8	London		1 – 99
9	Medway		No activity at present
10	Milton Keynes		

Operating and financial review

Overview of the business

The A2Dominion Group is one of the largest housing organisations in southern England, operating in London and throughout the South East. Its head office is in central London. Other key office locations are in Ealing, Bromley and Oxford (A2Dominion Homes) and Staines-upon-Thames and Winchester (A2Dominion South). The headquarters of the commercial division is in Chertsey.

As the parent company, A2Dominion Housing Group Limited provides the strategic direction, along with central and development services for the Group. During the year ended 31 March 2013, the Group comprised three social landlords:

A2Dominion Homes and A2Dominion South are exempt charitable organisations within these main business areas:

- Long-term rented housing for people who are unable to afford to rent or buy on the open market.
- Sheltered and supported housing and care for those who need additional support.
- Temporary housing for those who would otherwise be homeless.
- Low-cost home ownership homes, particularly shared ownership.
- Student accommodation, key worker accommodation and market rental homes.

A2Dominion Housing Options is a non-charitable organisation providing low-cost home ownership homes, particularly shared ownership.

The commercial division is branded as **A2Dominion New Homes** which includes **A2Dominion Enterprises Limited, Dominion Developments (2005) Limited and Dominion Developments (2004) Limited** and operates in these main business areas:

- Development of homes for open market sale, normally on sites shared with the Group's social landlords.
- Development of homes for market rent.

These activities generate profits which are reinvested in the provision of affordable housing, enabling the Group to grow organically through the development of mixed tenure schemes.

The Group looks after 34,343 homes. This is a net decrease of 588 homes from 2012. Organic growth through the Group's own development programme totalled 517 new homes which were offset by the disposal of properties under the Group's stock rationalisation programme and asset management strategy.

	2013 No.	2012 No.	2011 No.	2010 No.
Homes owned and in management	**34,343**	34,931	34,557	33,787
Homes in development	**3,509**	3,549	3,942	4,336

Case study
The best of both worlds in Walton-on-Thames

Nigel Squibbs and his partner Katie Shahrokh are enjoying the best of both worlds in their new home. Located in the riverside town of Walton-on-Thames, Surrey, the couple can relax in peaceful surroundings, yet still commute into London where they both work.

The couple privately purchased their three-bedroom house at Hamilton Place. Nigel and Katie were impressed by their home's spacious rooms, high ceilings and the excellent quality of its modern fixtures and fittings.

"This property was the one that really stood out to us. The sales staff were fantastic too – very helpful and positive. We're really happy here." – **Nigel Squibbs**

Regulation and governance

The social housing provider entities are registered with and regulated by the Homes and Communities Agency. Regulation takes the form of ensuring that the Group complies with the authority's regulatory code which assesses performance under two headings: governance and viability. The Homes and Communities Agency then summarises its judgements in a Regulatory Judgement which is updated as part of the on-going regulation process. The Group was last assessed in June 2013 and received the highest rating in respect of both governance and viability.

A2Dominion is a major developer of new social housing and is one of the Homes and Communities Agency's investment partners. The Group continues to build upon the number of new homes it owns and manages through its development programme. To support this growth the Group develops homes for outright sale via development of schemes with mixed tenures through its commercial brand A2Dominion New Homes.

The Group will continue to seek new sources of funding and pursue appropriate mergers and acquisitions in target areas.

The Group encourages resident participation at all levels of decision-making, from local residents' forums to committee participation. One of the Group's major committees is the Customer Services Committee, which largely consists of residents and is chaired by a resident. This committee is assisted by regional resident executives and residents are also involved in the Group's service improvement groups.

The Group operates a virtual board structure, which streamlines the governance process. This allows the Group Board to oversee all areas of performance whilst delegating roles to its committees:

- Finance Committee
- Audit & Risk Committee
- Governance & Remuneration Committee
- Customer Services Committee
- Development Committee.

Within the virtual board structure the Group Board acts on behalf of its subsidiaries, A2Dominion Homes Limited, A2Dominion South Limited and A2Dominion Housing Options Limited. The committees listed above oversee the activities of these subsidiaries through their delegated roles.

The future

Changes in the economic environment, regulation, funding, legislation and the impact of welfare reform are having a major effect on A2Dominion's business, development programme and services.

Despite the stagnant economy and the pressures customers are experiencing as a result of the reduction in public spending, the Group has continued to strengthen its development programme and expand its services offered to residents. By reinvesting even more of the Group's reserves to subsidise future provision of affordable homes, A2Dominion has managed to lessen the impact of the reduced development grant rates. This has to be done in a measured way to ensure the Group's underlying financial strength is not compromised and the Board has agreed levels to work within.

A2Dominion has a strong presence in London, Surrey, Berkshire, Oxfordshire and Hampshire, owning four per cent of total Registered Provider stock in London and the South East. As a member of the g15 group of London's largest housing associations, A2Dominion continues to engage with the Greater London Authority, central government and others in discussion on emerging housing policy, particularly in relation to the future funding of housing and its design.

New technology is transforming how customers access services, engage with the business, and impacts on how A2Dominion works. There is a continuing drive for efficiency, savings and transparency. Strengthening the Group's financial viability will ensure it remains attractive to investors and lenders.

Investment

A2Dominion will continue to invest in maintaining and upgrading its homes. In April 2013 it launched two repairs joint ventures, Pyramid Plus London and Pyramid Plus South, to provide responsive repairs and facilities management services. A £74m planned and cyclical maintenance programme will increase A2Dominion's environmental performance with a goal to achieve SHIFT Gold status by 2015.

To improve the quality and effectiveness of local services, the Group is consolidating its areas of operation, using local asset management plans that are specific to the local authority areas that are worked in. The annual priority neighbourhood strategy delivers specialist interventions, training and employment in 10 of the Group's key neighbourhoods each year. Pyramid Plus is offering 10 apprenticeships per year and A2Dominion's youth enterprise initiative, Be Inspired, is providing up to 40 employment and training opportunities to its residents.

A2Dominion's Lean service improvement programme has seen the business increase productivity, reduce rent loss and other costs, improve communications, deliver more services 'right first time' and increase customer satisfaction. Investment in staff through training and development has seen an increase in staff satisfaction, a reduction in staff turnover and helped A2Dominion to become one of The Sunday Times Top 100 not-for-profit organisations to work for in 2013.

Key risks

The Group has in place a risk management strategy which provides a guide for board members and managers on A2Dominion's approach to risk management and a Group risk map is maintained. The definition of risk for this purpose is an event that could prevent the Business Plan from being achieved if it were to materialise.

A risk register is maintained which records key controls to manage each risk, who is responsible for the control and how the control effectiveness is monitored. Risks are analysed according to their potential impact and probability, i.e. critical, high, medium and low given the current control environment.

Through the process of regular review, risks which present the greatest threat to the Group are reviewed at the Audit & Risk Committee and reported to all other committees and to the Group Board. These risks are also reviewed and updated by senior management on a quarterly basis. Action plans are regularly updated to mitigate any risks with both high impact and probability in order to reduce the net future risk profile.

Risk management supports the achievement of business objectives by:

- Enhancing the quality of decision-making, planning and prioritisation
- Contributing to effective allocation of resources
- Protecting and enhancing the Group's assets and reputation.

Effective management of risk is a high priority within the Group because of its growth plans and the rapidly changing environment in which it operates. In order to grow and improve services the Group needs to take risks whilst ensuring that these are well-managed and that appropriate controls and contingencies are in place.

The Group is also affected by changes in government policy and the associated consequences that follow with any changes. As and when these are known the assessment of the risk and controls required are updated within the Group risk map.

The Group has identified the potential risks resulting from the benefit reforms and the reduction in public funding for new homes, and established appropriate actions to help mitigate their impact.

The table on page 16 shows risks which have been identified as critical and high to the Group and which pose a fundamental threat even after mitigating action has been taken.

Risks identified as critical and high to the Group

Strategic objective	Risk area
Provide new quality homes and places	Deterioration in the market for shared ownership and outright sale homes resulting in a fall in demand and prices. This would result in financial loss and cash flow difficulties for the Group. Inadequately managed expansion of the market rent portfolio could lead to financial loss for the Group.
Deliver customer-led services	A loss of confidence by residents and key stakeholders through failure to improve resident satisfaction and core housing performance.
Invest in homes and local communities	Incorrect assessment of the long-term repair costs as a result of failure to have accurate stock condition information and programme planning. Injury to residents caused by failure to achieve 100% gas servicing certificates. Inadequately procured and managed contracts for repairs could lead to increased costs, poor value for money and failure to improve service delivery. Changes to the national Supporting People Framework and local authority cost reduction plans could lead to financial and service pressures for supported housing schemes.
Strengthen our business	An increase in contributions to cover deficits on the Group's pension scheme could result in increased costs. Changes in government policies, regulation and public funding which have an adverse impact on the financial capacity of the Group. Changes in government rent policy and welfare reforms resulting in a reduction in rental income. Failure to raise loan finance and maintain sufficient loan security would have an adverse effect on the funding of the development programme and future growth of the Group.

Case study
Village life in Billingshurst

Construction has begun at a 150-home scheme in the village of Billingshurst, West Sussex. We are providing a mixture of two, three, four and five-bedroom properties in a variety of styles for shared ownership, private sale and affordable rent.

Thoughtfully designed by OSP Architecture, the high quality new homes will incorporate carefully selected traditional materials in keeping with the local area. The scheme is due for completion in Autumn 2015.

Performance summary

Group income and expenditure

	2013 £m	2012 £m	2011 £m	2010 £m
Turnover	**258.6**	249.2	201.9	241.4
Cost of sales	**(58.1)**	(60.8)	(26.9)	(68.7)
Operating costs	**(145.6)**	(147.2)	(126.8)	(123.0)
Operating surplus	**54.9**	41.2	48.2	49.7
Surplus on sale of fixed assets	**15.8**	17.6	0.9	2.5
Net interest charges	**(42.7)**	(41.7)	(37.2)	(36.2)
Taxation	**–**	–	–	0.7
Retained surplus for the year	**28.0**	17.1	11.9	16.7

The Group's net surplus of £28m (2012: £17.1m) included £15.8m (2012: £17.6m) of surplus from the sale of fixed assets. These sales of fixed assets surpluses result largely from the continuance of the Group's stock rationalisation programme.

As a result of the Group's decision to allocate Social Housing Grant to its fixed asset components in 2013 the depreciation charge has reduced considerably from 2012 which in turn has reduced the Group's operating costs.

Group balance sheet

	2013 £m	2012 £m	2011 £m	2010 £m
Tangible fixed assets and investments	**1,600.9**	1,574.2	1,581.8	1,552.6
Current assets	**233.7**	259.9	234.7	246.4
Total creditors including loans and borrowings	**(1,237.5)**	(1,266.2)	(1,262.8)	(1,262.8)
Total reserves	**597.1**	567.9	553.7	536.2

Case study

A home to call their own

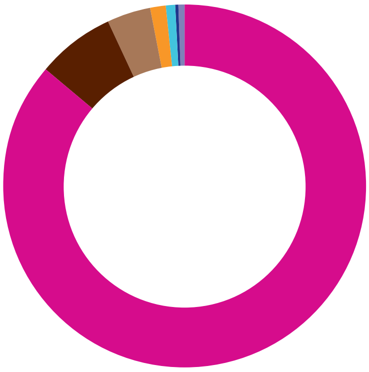
A family of five found a home of their own in the sought-after London suburb of Stanmore, thanks to shared ownership. They were concerned that they would not be able to find a suitable home to buy and end up in rented accommodation.

However, Geeta Joshi, 39, and her 46-year-old husband Kiran, moved into Fountain Park with their three sons after buying a 25% share of a three-bedroom apartment.

"The development is really nice, with landscaped gardens and fountains. I couldn't believe how good this place was – to be honest I was blown away." – **Geeta Joshi**

New social housing lettings performance

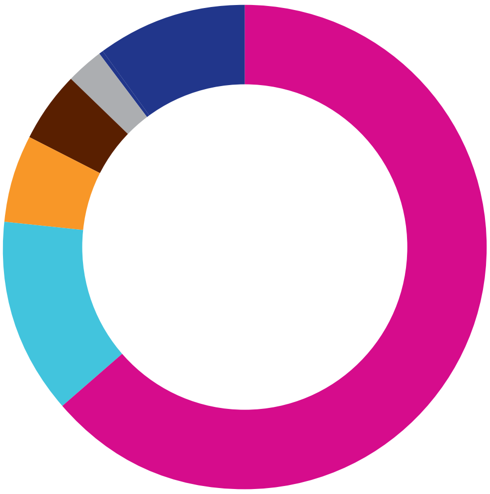
Who we've housed



	Relet	New let	Total	%
Local authority nomination	578	172	750	86.3
Transfer	60	0	60	6.9
Permanent decant	14	20	34	3.9
Direct let	12	0	12	1.4
Temporary decant	6	0	6	0.7
Management transfer	4	0	4	0.5
Referral	3	0	3	0.3
Total	**677**	**192**	**869**	**100.0**

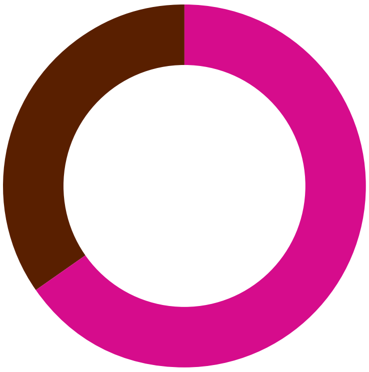
Ethnicity

	Actual	%
White British	507	58.3
White Irish	10	1.2
White Other	37	4.3
Black African	64	7.4
Black Caribbean	41	4.7
Black Other	8	0.9
Asian Bangladeshi	11	1.3
Asian Indian	9	1.0
Asian Pakistani	23	2.6
Asian Other	9	1.0
Mixed White & Black Caribbean	12	1.4
Mixed White & Black African	8	0.9
Mixed White & Asian	9	1.0
Mixed Other	12	1.4
Other Ethnic Group	20	2.3
Refused/missing	89	10.2
Grand total	**869**	**100.0**



The lettings data found on these pages is based on 2012/13 CORE form data (869 records).

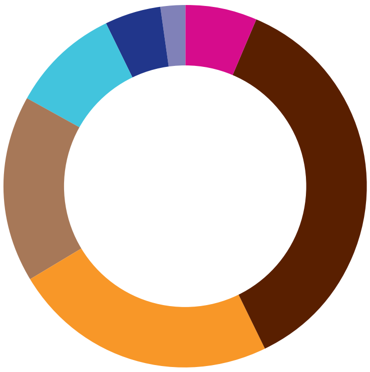
Gender



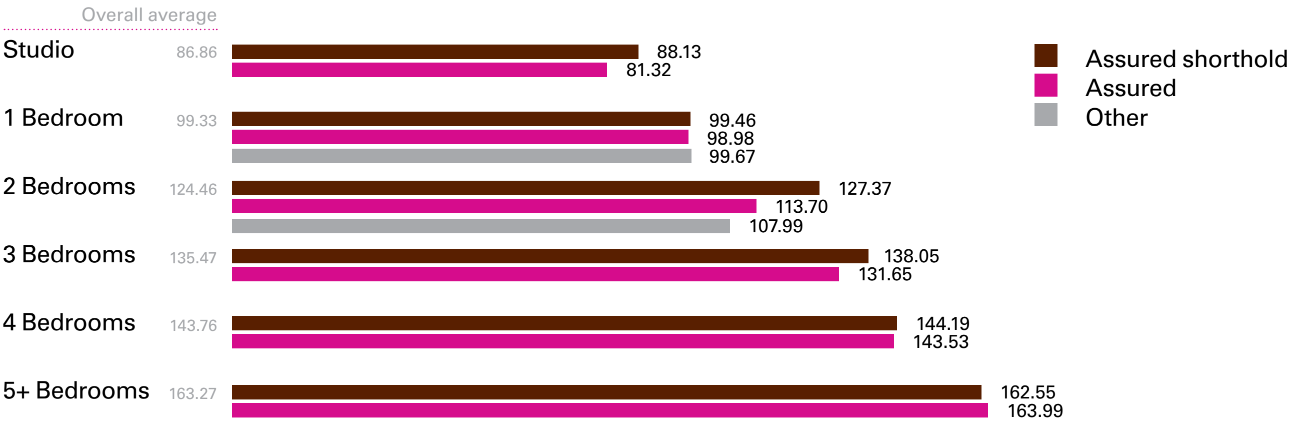
	Actual	%
Female	568	65.4
Male	301	34.6
Total	**869**	**100.0**

Age

	Actual	%
Under 21	57	6.5
21 – 30	315	36.3
31 – 40	207	23.8
41 – 50	145	16.7
51 – 60	83	9.6
61 – 70	43	5.0
Over 70	19	2.2
Total	**869**	**100.0**



Average net weekly rent (£)



Case study
Luxury living by Regent's Canal

Wharf Road will stand alongside the impressive tree-lined Wenlock canal basin, off the Regent's Canal, and support the regeneration of the area. The scheme will comprise 327 homes including private sale, shared ownership, market rent and social rented accommodation, as well as 80,000sq ft of employment space.

Originally designed by Stephen Marshall Architects, the development will feature rooftop gardens and balconies with views of the canal and across London.

Operational performance

One of the mechanisms in place to ensure the Group delivers its strategic objectives is A2Dominion's performance management framework. A number of key performance indicators are used to monitor the achievement of the Group's strategic objectives. These are reported and reviewed on a quarterly basis by senior management and the Board, and aligned to the four business objectives.

Operational key performance indicators

Operational performance area	Performance indicator	Target performance 2013	**Actual performance 2013**	Actual performance 2012
Provide new quality homes and places	Sales achieved from property availability	<18 Weeks	**15 weeks**	10 Weeks
	New homes completed for year to 31 March 2013	654	**636**	1,066
Deliver customer-led services	Overall satisfaction with service received from the Customer Service Centre	>90%	**93%**	87%
	Rental arrears – general needs homes	4.04%	**4.04%**	4.20%
	Re-let turnaround times	<19 days	**18 days**	20 days
Invest in our homes and local communities	Repairs within target			
	Emergency response time:	100.0%	**99.9%**	99.7%
	Urgent	100.0%	**99.9%**	98.0%
	Routine	100.0%	**99.9%**	98.0%
	Decent Homes compliance	100.0%	**99.1%**	96.0%
	No. of homes with a valid gas safety record	100.0%	**99.8%**	99.9%
Strengthen our business	Gearing	<80%	**48.8%**	53.8%
	Interest cover (excluding 1st tranche sales)	>110%	**238.9%**	237.2%
	Results vs. budget – net surplus	Budget	**112.7%**	100.0%
	Staff turnover	<10.0%	**9.1%**	10.0%
	Staff sickness levels	<6.8 days	**6.5 days**	7.3 days

Value for money

The Group's Value for Money (VFM) Strategy and Action Plan contributes to the delivery of its vision by providing a framework to generate efficiencies and savings, with the aim of maximising surpluses to subsidise new and existing housing provision.

VFM is not just about reducing costs but achieving more from activities and investments. The drive is to maximise the use of the Group's assets to deliver social, environmental and economic returns. Measurement of these returns considers: offering cheaper, better or expanded services; having a positive impact on residents and local communities; and whether activities are environmentally sustainable.

A2Dominion's approach to delivering greater value for money is shaped by five strategic objectives:

- Maximising income and the use of the Group's assets.
- Maximising value for money through a range of procurement approaches.
- Ensuring efficiency and simplicity across all functions.
- Improving awareness and understanding of value for money.
- Prioritising investment in partnership with residents.

The Group has a strong track record of delivering efficiency savings identified via the annual planning and budget setting process. Cashable efficiencies achieved are:

	£m
Year ended 31 March 2010	3.0
Year ended 31 March 2011	0.9
Year ended 31 March 2012	1.2
Year ended 31 March 2013	1.7

Value for money self-assessment

Each year the Group assesses its progress in meeting its VFM commitments and updates its VFM Action Plan. Meanwhile the Group's regulator, the Homes and Communities Agency, has set out a clear regulatory framework including a VFM Standard. The Group Board is responsible for ensuring compliance with this standard which includes a requirement to prepare an annual self-assessment report to the Group's stakeholders and residents. The Board has reviewed the Group's self-assessment and this report appears in full on the Group's website. This self-assessment illustrates the Group's results against its four business objectives for 2012/13, highlights of the report are:

Strengthen our business

- 33.3% increase in operating surplus.
- £4.8m of efficiencies realised in the year, cumulatively £12.2m since 2008.
- Maximising income via best ever performance for rent loss and arrears.

Provide new quality homes and places

- Delivered 707 new homes and utilised nearly £12m of housing grant.
- Sales of shared ownership and private sale increased by 55% from the prior year.
- Investment in future opportunities, achieving 85% of the land needed to support the next three years' development programme.

Deliver customer-led services

- Contract savings for estate services, responsive repairs and gas servicing secured generating £1.3m per year of savings going forward.
- Improved resident satisfaction for services provided by the Group's Customer Services Centre (93.4% satisfaction at March 2013), complaints handling service and leasehold services.
- Top quartile compared to the Group's g15 peers for five out of eight performance benchmarks.

Invest in homes and local communities

- Continued investment to upgrade existing homes, £26.6 million improvements made in the year.
- Introduction of new technologies within the upgrade works, including water-saving devices.
- Expansion of the services supported through resident involvement, 425 young people engaged in enterprise workshops, events and projects.
- Successful re-tendering of care and support services in the Group's core operating areas.

These outcomes and achievements have enabled the Group to reinvest in prioritised areas, notably:

- Preparing for welfare reform by increasing the number of frontline staff and offering residents new ways to pay their rent .
- Establishing a delivery model to provide responsive repairs to residents.
- Enhancing specifications within service contracts.
- Expansion of the Group's private rental portfolio.
- Exploring alternative funding sources.

The Group's performance on the key value for money areas in which it benchmarks itself with its peer group is as follows:

Value for money indicators

	2013	2012	2011
Management costs per home – social housing activities	**£1,406**	£1,219	£1,235
Planned and responsive costs per home – social housing activities[1]	**£1,003**	£868	£1,115
Service costs per home – social housing activities	**£682**	£569	£533
Rent void loss per home – social housing activities	**£73**	£78	£98
Operating cost per home – social housing activities	**£4,048**	£3,943	£3,379
Operating margin – social housing activities	**24.2%**	20.1%	29.4%
Operating margin – all activities	**21.2%**	16.5%	26.6%
Current rental arrears – general needs homes	**4.04%**	4.20%	4.72%
Re-let times – general needs homes	**14 days**	20 days	29 days
Chief Executive pay per home	**£6.55**	£5.61	£5.56
Board and executives pay per home	**£49.09**	£40.57	£44.81
Debt per unit	**£33,570**	£33,816	£33,579
Capital committed as a proportion of fixed assets	**38.1%**	32.4%	37.4%

[1] Calculated on expensed planned and responsive repairs costs.

Case study
Business transformation of the year

We won an award for Business Transformation of the Year at the prestigious UK Housing Awards 2013, organised by Inside Housing and the Chartered Institute of Housing.

The award was presented for 'Lean – Achieving Change Together', our innovative business improvement programme, which has improved services for our customers and achieved efficiencies and savings estimated to be in excess of £3m to date.

Transparency

A2Dominion has extended its commitment to transparency by increasing its provision of information within its annual report and financial statements. Detailed information about performance, value for money and employee pay are disclosed enabling the Group's stakeholders to gain an understanding of the way in which the Group operates.

Accounting policies

The principal accounting policies of the Group are set out on pages 49 to 52. The policies with most impact on the financial statements are the treatment of capital grant, holding value of housing properties and the calculation of housing property depreciation and the capitalisation of interest payable and major repairs. There has been no change to these policies during the year.

Financial review

Summary of results for the year ended 31 March 2013
Turnover totalled £258.6m, of which £174.6m was from social housing lettings and £22.3m from the sale of first tranche shared ownership properties. Surplus for the year was £28m. Key features of the results were as follows:

- Operating surplus of £54.9m, an operating margin of 21.2%.
- Surplus on first tranche sales of £6.2m.
- Surplus on homes for outright sale of £2.4m.
- Depreciation on housing properties of £17.4m.
- Expenditure on planned and major repairs of £33.2m of which £16.2m was capitalised.
- Impairment of fixed asset housing properties and investments of £8.2m.
- Surplus on disposal of properties and land of £14.3m generated from stock rationalisation and sale of other properties deemed uneconomical to repair or develop.
- Surplus from staircasing sales of shared ownership properties of £1.5m.

Capital structure and treasury strategy

The Group has a formal treasury management policy, which is regularly reviewed and was last approved by the Group's Finance Committee in November 2012 and will be reviewed again in 2014. The purpose of the policy is to establish the framework within which the Group seeks to protect and control risk and exposure in respect of its borrowings and cash holdings. The treasury policy addresses funding and liquidity risk and covenant compliance.

The Group has three active borrowers: A2Dominion Homes, A2Dominion South and A2Dominion Housing Options. A2Dominion South is partly funded by loans provided through A2Dominion Housing Group Limited (the Group's parent company), whilst the remaining borrowing within the Group is through bilateral loan agreements with the borrowers listed above.

Borrowings and arranged facilities as at March 2013 can be summarised as follows:

	Arranged £m	Drawn £m
A2Dominion Homes Limited	691.8	570.5
A2Dominion South Limited	603.3	524.2
A2Dominion Housing Options Limited	21.3	21.3
Total	1,316.4	1,116.0
Fair value adjustment regarding loans arising on consolidation		23.8
Loan issue costs		(4.5)
Net debt excluding overdraft (note 23)		1,135.3

No new loan facilities were arranged during the year and, as at 31 March 2013, the Group had £200.4 million of arranged facilities that were undrawn. The Group already has a number of forward fixed rates commencing during the period 2013 to 2015, which replace existing fixed rates due to expire during that period. This strategy enables the Group to achieve long-term certainty in terms of interest rate cost. As at 31 March 2013 the percentage of fixed and indexed linked to variable was as follows:

	Fixed or indexed linked %
A2Dominion Homes Limited	78.9
A2Dominion South Limited	92.5
A2Dominion Housing Options Limited	72.9
A2Dominion Housing Group Limited	85.2

Cash flows

The cash flow statement is on page 48.

Current liquidity

The Group's policy is not to hold significant cash balances but to ensure that loan facilities are in place to fund future requirements. Any cash balances during the year were held in call and short-term deposit accounts at competitive rates.

Cash and bank balances at the year-end were £17.3m (2012: £28.4m). Net current assets were £149.1m (2012: £175.3m). Additionally, as at 31 March 2013, the Group had facilities in place to borrow a further £200.4m (2012: £193.4m).

The main factor affecting the amount and timing of borrowing is the pace of the development programme.

Loan covenants are primarily based on interest cover and gearing ratios. Interest cover is after adding back housing property depreciation, interest capitalisation, impairment and includes surpluses from sales. Interest cover and gearing covenants were met throughout the year and at the year-end for all facilities.

Statement of compliance

The Board confirms that this operating and financial review has been prepared in accordance with the principles set out in the Statement of Recommended Practice "Accounting by registered social housing providers Update 2010".

Case study
A new start for Stanwell residents

Winifred Flitter is one of the first residents to move into Chestnut Court, a new 'extra care' sheltered housing scheme built as part of the Stanwell New Start regeneration project in Surrey.

The 92-year-old, who has lived in Stanwell for 65 years, will be able to take advantage of the scheme's on-site restaurant, hairdressers, beauty room, IT room, communal lounge and landscaped gardens.

"It's lovely to have a new home. I had wanted to stay in Stanwell, but didn't want another house. My new home is just right for me." – **Winifred Flitter**

Independent auditor's report to the members of A2Dominion Housing Group Limited

We have audited the financial statements of A2Dominion Housing Group Limited for the year ended 31 March 2013 which comprise the consolidated and association income and expenditure accounts, the consolidated statement of total recognised surpluses and deficits, the reconciliation of movements in the Group's and association's funds, the consolidated and association balance sheets, 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 9 of the Friendly and Industrial and Provident Societies Act 1968. 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 Auditing Practices Board'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the Group's and parent association's affairs as at 31 March 2013 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
- Have been prepared in accordance with the requirements of the Industrial and Provident Societies Acts 1965 to 2002, the Industrial and Provident Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 returns adequate for our audit have not been received from branches not visited by us; 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

BDO LLP, statutory auditor
Gatwick, West Sussex
United Kingdom

18 September 2013

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

OPERATING AND FINANCIAL REVIEW

Board of management

The Group Board steers and directs the activities of the organisation. Members are chosen to ensure a broad cross-section of skills and experience within the housing sector.

Derek Joseph (Chair)
Derek has over 30 years' experience in the housing sector and significant knowledge of social housing finance and governance. A former director of the HACAS Group Plc and Tribal Treasury Services, Derek is currently a non-executive director of a number of quoted and private companies. He is a voluntary director of the charities Homeless International and the London Housing Federation.

Tez Cook
Tez is an A2Dominion resident and the elected Chair of A2Dominion's Customer Services Committee. He was previously a representative on A2 Housing's Resident Executive Group (South) and the founding member of Winchester Residents Forum. Tez currently works at Hampshire County Council in its Drug and Alcohol Action Team.

Appointed on 20 March 2013.

Andy Leahy
Andy has worked in the housing sector for more than 25 years, with experience spanning development, senior management and consultancy roles. He is now Managing Director of a company providing consultancy services on affordable housing and development viability.

David Lewis
David has worked in the social housing sector for more than 20 years and has worked at a senior level for housing associations, local authorities and arms-length management organisations. David currently works as Assistant Director of Technical Services for a London borough and is a member of the Chartered Institute of Housing.

Susan Eggleton
Susan is a chartered accountant and has over 20 years' Board-level experience. Previous positions have included Executive Director of Finance and Deputy CEO of an NHS Hospital Trust, and Director of Corporate Services for two start-up organisations. Susan is currently Business Director for the NHS Trust Development Authority and is a trustee of The Liver Group charity.

Brenda Jenner
Brenda has worked in the banking industry, including the retail, wholesale and investment sectors. She is now a director of a small management consultancy firm and a private asset management company. In addition, Brenda is a self-employed management consultant specialising in the financial sector with an emphasis on strategy and risk.

John Knevett
John has worked in the housing sector for more than 20 years, in addition to having extensive experience as a structural and civil engineer. He was previously CEO of A2 Housing Group and is currently Group Commercial Officer and Deputy Group Chief Executive of A2Dominion.

Darrell Mercer
Darrell has 35 years' experience in the housing sector and was previously Assistant Director of Housing for the London Borough of Islington. He is the former CEO of Acton Housing Association and Dominion Housing Group and is currently the Group Chief Executive of A2Dominion.

Alethea Siow
Alethea is a solicitor and has been involved in social housing governance for over a decade. She currently leads Blackfriars Investments' Structured Finance department where her role includes structuring property-related transactions, managing banking syndicates and coordinating corporate acquisitions.

David Walden
David is a chartered accountant with over 25 years' experience in international taxation, mergers and acquisitions and is now Head of Tax at WorldPay. From 2006 to 2010 he was a councillor for the London Borough of Wandsworth.

Executive officers

Darrell Mercer
Group Chief Executive
See previous page.

John Knevett
Group Commercial Officer and Deputy Group Chief Executive
See previous page.

Kathryn Bull
Executive Director (Corporate Services)
Kathryn has significant senior management experience in the public sector. Prior to her current role, she was Group Director of Risk & Planning at Dominion Housing Group. She was also Assistant Director of Housing at the London Borough of Croydon and was at the London Borough of Wandsworth for six years.

Dean Tufts
Executive Director (Finance & Strategy)
Dean is a chartered accountant and has over 25 years' experience in the housing sector. Previously Dean was Dominion Housing Group's Finance Director, a role he held for four years. He has also worked for Acton Housing Association and sheltered housing company McCarthy & Stone Plc. Dean is an associate of the Institute of Chartered Accountants in England and Wales.

Anne Waterhouse
Executive Director (Financial Services)
Anne is a chartered accountant with over 15 years' finance experience. Prior to her current role, Anne was Deputy Group Finance Director at Dominion Housing Group. She is a member of the Chartered Institute of Management Accountants and has also worked in finance within the housebuilding industry.

Nicholas Yeeles
Executive Director (Commercial, London)
Nicholas' career encompasses over 20 years' experience in the social housing sector, with an emphasis on business development. Prior to his current role, Nicholas was Chief Executive of Cherwell Housing Trust, part of the Dominion Housing Group. He has held various executive posts in management and development and has worked as a freelance consultant.

Andrew Evans
Executive Director (Operations)
Andrew has over 25 years' service delivery experience in both the private and public sectors. Andrew was previously Group Operations Director for A2 Housing Group for 12 years and was Spelthorne Housing Association's Deputy Chief Executive. Andrew is a member of the Institute of Management.

John Allan, Executive Director (Commercial, South East), also served as a member of the Executive Management Team in 2012/13, and resigned on 30 June 2013.

Advisors and bankers

Auditors
BDO LLP
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Gatwick
West Sussex
RH6 0PA

Bankers
Barclays Bank Plc
Floor 28
1 Churchill Place
London
E14 5HP

Solicitors
Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

Devonshires
30 Finsbury Circus
London
EC2M 7DT

Secretary

Zoë Ollerearnshaw
Group Company Secretary
Zoë has worked in governance for over 10 years, and has more than five years' experience in the social housing sector. Prior to joining A2Dominion as Group Company Secretary, Zoë worked in similar posts at the Work Foundation and the Shaftesbury Society. She is a Fellow of the Institute of Chartered Secretaries and Administrators.

Case study
New accommodation for Oxford students

A former Travis Perkins site has been transformed into a £14.5m development, providing 190 en-suite living spaces and studios for Oxford's thriving student community.

Ideally positioned for access to the city centre and university campuses, the Wavy Gate student accommodation scheme also boasts bicycle storage, laundry facilities, refuse and storage rooms, as well as a staff 'lodge' and landscaped gardens.

Report of the Board

The Board presents its report and the Group's audited financial statements for the year ended 31 March 2013.

Principal activities

A2Dominion Housing Group Limited is a social landlord administered by a board of directors with a broad range of expertise and experience. It is also the parent entity of the A2Dominion Group ("the Group") and all further references to the Group refer to the consolidated Group rather than the association. The subsidiaries of the Group are listed in note 33 to the financial statements and their activities detailed within the Operating and Financial Review on page 12.

Business review

Details of the Group's performance for the year and its future plans are set out in the Operating and Financial Review that follows the Report of the Board.

Housing property and other fixed assets

Details of changes to the Group's fixed assets are shown in notes 12 and 13 to the financial statements.

Reserves

After transfer of the surplus for the year of £28m (2012: £17.1m), the Group's year-end reserves amounted to £597.1m (2012: £567.9m).

Donations

The Group donated £53,178 to charitable entities (2012: £25,926) and made no political donations.

Post balance sheet events

The present board members ("the Board") considers that there have been no events since the year-end that have had a significant effect on the Group's financial position.

Financial instruments

The Group's approach to financial risk management is outlined in the Operating and Financial Review.

Employees

The strength of the Group lies in the quality of its employees. In particular, it is their contribution that gives the Group the ability to meet its objectives and commitments to residents in an efficient and effective manner.

The Group shares information on its objectives, progress and activities through regular briefings, seminars and meetings involving board members, the senior management team and staff.

The Group is committed to equal opportunities and in particular supporting the employment of people with disabilities, both in recruitment and in the retention of employees who become disabled whilst in the employment of the Group.

Health and safety

The Board is aware of its responsibilities on all matters relating to health and safety. The Group has prepared detailed health and safety policies and provides staff training and education on health and safety matters.

Board members and executive officers

The Board and the executive officers of the Group are set out on pages 32–35. The board members are drawn from a wide background bringing together professional and commercial experience. The executive officers are the Chief Executive Officer and the other members of the Group's senior management team.

The executive officers hold no interest in the Group's shares and act as executives within the authority delegated by the Board. Group insurance policies indemnify board members and officers against liability when acting for the Group.

Service contracts

Executive officers are employed on the same terms and conditions as other staff, save that their notice periods are between six and 12 months.

Pensions

Executive officers are members of either the Social Housing Pension Scheme, the Surrey County Council Scheme or Oxfordshire County Council Scheme, all of which are defined benefit final salary pension schemes. They participate in the schemes on the same terms as all other eligible staff and the Group contributes to the schemes on behalf of its employees.

Other benefits

Executive officers are entitled to other benefits such as health care insurance. Details of their total remuneration are included in note 10 to the financial statements.

National Housing Federation Code of Governance

The Board reviewed its practices against the National Housing Federation's Excellence in Governance in 2012 and identified one main area of non-compliance relating to the maximum terms of office for board members. The Board has now approved a Renewal Plan which aims to manage board member retirement for those members with service over nine years retiring in a planned way over a period of two years. The key objective of the Renewal Plan is to ensure continuity of skills and experience on the Board while new members are sought.

Resident involvement

The Group actively encourages residents' involvement in decision-making by promoting mechanisms for resident involvement. There are clear reporting arrangements between resident groups and the Board.

Complaints

The Group has a clear and simple complaints policy issued to all residents.

Internal controls assurance

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. This responsibility applies to all organisations within the Group.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Group is on-going and has been in place throughout the period commencing 1 April 2012 up to the date of approval of the annual report and financial statements.

Key elements of the control framework include:

- Board-approved terms of reference and delegated authorities for Group Audit & Risk Committee, Group Finance Committee and Group Governance & Remuneration Committee
- Clearly defined management responsibilities for the identification, evaluation and control of significant risks
- Robust strategic and business planning processes, with detailed financial budgets and forecasts
- Comprehensive three-year programme of internal audit
- Formal recruitment, retention, training and development policies for all staff
- Established authorisation and appraisal procedures for all significant new initiatives and commitments
- A sophisticated approach to treasury management which is subject to external review on an annual basis
- Regular reporting to the appropriate committee on key business objectives, targets and outcomes
- Board-approved whistle-blowing and anti-theft and anti-corruption policies
- Formal money laundering and fraud policy and register.

Internal controls assurance (continued)

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Group Audit & Risk Committee to regularly review the effectiveness of the system of internal control.

The Group Audit & Risk Committee reviews the Group Risk Map quarterly to ensure all risks are fully assessed with actions identified to mitigate risks. In addition the Group Audit & Risk Committee regularly reviews the fraud register. Any control weaknesses or fraud identified during the year are reported to and monitored by the Group Audit & Risk Committee ensuring the weaknesses are acted upon.

The Group Audit & Risk Committee and Group Board have received the chief executive's annual review of the effectiveness of the system of internal control for the Group and the annual report of the internal auditor.

The Board has reviewed and evaluated the effectiveness of the internal controls as well as the fraud register and the annual report of the internal auditor as reported to them by the Group Audit & Risk Committee.

Board members' responsibilities

The board members are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.

Industrial and Provident Society law and social housing legislation require the board members to prepare financial statements for each financial year for the Group and association in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the association and of the surplus or deficit of the Group and association for that period.

In preparing these financial statements, the board members are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers (Update 2010) have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002, the Industrial and Provident Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012. They are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers (Update 2010).

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the board members. The board members' responsibility also extends to the on-going integrity of the financial statements contained therein.

Going concern

After making enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Annual General Meeting

The Annual General Meeting will be held on 17 September 2013 at Capital House, 25 Chapel Street, London, NW1 5WX.

Disclosure of information to auditors

At the date of making this report each of the Group's board members, as set out on pages 32–33, confirm the following:

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

External auditors

BDO LLP has been the external auditor of the Group and association since 2008. A full re-tender exercise for the External Audit service will be undertaken in 2013. A resolution to appoint the successful tender applicant will be proposed at the forthcoming annual general meeting.

The Report of the Board was approved by the Board on 17 September 2013 and signed on its behalf by:

D Joseph	D Walden	Z Ollerearnshaw
Chair	**Board member**	**Secretary**

Case study
Inspiring young people

We are helping young residents to kick-start their careers by creating employment, training and mentoring opportunities through our 'Be Inspired' youth enterprise scheme.

We have given 33 funding awards to help young entrepreneurs. We also championed six apprentices, helping them to gain hands-on experience and qualifications, including Sophia Elmer in Ealing.

"I joined the Housing Services Team as an apprentice and have since been offered a role as an Income Officer. It has been a fantastic opportunity to get on the career ladder, learn new skills and gain valuable experience." – **Sophia Elmer**

Financial statements

Consolidated income and expenditure account

For the year ended 31 March 2013

	Note	2013 £m	2012 £m
Turnover	3	**258.6**	249.2
Cost of sales	3	**(58.1)**	(60.8)
Operating costs	3	**(145.6)**	(147.2)
Operating surplus	3, 5	**54.9**	41.2
Surplus on sale of fixed assets – housing properties	6	**15.8**	17.6
Operating surplus before interest		**70.7**	58.8
Interest receivable and other income	7	**0.7**	0.4
Interest payable and similar charges	8	**(43.3)**	(42.2)
Other finance costs	9	**(0.1)**	0.1
Surplus on ordinary activities before taxation		**28.0**	17.1
Tax on surplus on ordinary activities	11	**–**	–
Surplus for the financial year	26	**28.0**	17.1

All amounts relate to continuing activities.

Historic cost surpluses and deficits were identical to those shown in the income and expenditure account.

Association income and expenditure account

For the year ended 31 March 2013

	Note	2013 £m	2012 £m
Turnover	3	**34.4**	32.1
Cost of sales	3	**–**	–
Operating costs	3	**(34.0)**	(31.8)
Operating surplus	3, 5	**0.4**	0.3
Interest receivable and other income	7	**9.9**	10.1
Interest payable and similar charges	8	**(9.9)**	(10.1)
Surplus on ordinary activities before taxation		**0.4**	0.3
Tax on surplus on ordinary activities	11	**–**	–
Surplus for the financial year	26	**0.4**	0.3

All amounts relate to continuing activities.

Historic cost surpluses and deficits were identical to those shown in the income and expenditure account.

The notes on pages 49–85 form part of these financial statements.

Statement of total recognised surpluses and deficits

For the year ended 31 March 2013

	Note	Group 2013 £m	Group 2012 £m	Association 2013 £m	Association 2012 £m
Surplus for the financial year		**28.0**	17.1	**0.4**	0.3
Unrealised surplus on revaluation of investments		**0.7**	1.0	**–**	–
Unrealised surplus/(deficit) on revaluation of properties		**–**	(1.8)	**–**	–
Actuarial surplus/(deficit) relating to pension schemes	9	**0.5**	(2.1)	**(0.2)**	(0.6)
Total recognised surpluses and deficits relating to the year		**29.2**	14.2	**0.2**	(0.3)
Prior year adjustment[1]		**–**	414.4		
Total recognised surpluses and deficits since the last report		**29.2**	428.6		

[1] The prior year adjustment in 2012 was in respect of the adoption of the accounting policy for business combinations in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers (Update 2010).

Reconciliation of movements in Group's and Association's funds

For the year ended 31 March 2013

	Group 2013 £m	Group 2012 £m	Association 2013 £m	Association 2012 £m
At 1 April	**567.9**	553.7	**(3.6)**	(3.3)
Total recognised surpluses and deficits relating to the year	**29.2**	14.2	**0.2**	(0.3)
At 31 March	**597.1**	567.9	**(3.4)**	(3.6)

FINANCIAL STATEMENTS

The notes on pages 49–85 form part of these financial statements.

Consolidated balance sheet

At 31 March 2013

	Note	2013 £m	2012 £m
Tangible fixed assets			
Housing properties: Cost or valuation		**2,821.2**	2,798.8
Social housing grant		**(1,157.8)**	(1,159.3)
Depreciation		**(116.3)**	(93.5)
Total housing properties	12	**1,547.1**	1,546.0
Other tangible fixed assets	13	**11.6**	11.6
Homebuy investments			
Homebuy loans		**3.6**	3.7
Social housing grant		**(3.5)**	(3.6)
		0.1	0.1
Investments	14	**38.0**	13.1
Investment in joint ventures			
Share of gross assets		**6.2**	4.5
Share of gross liabilities		**(2.1)**	(1.1)
	14	**4.1**	3.4
		1,600.9	1,574.2
Current assets			
Properties for sale	15	**172.7**	203.7
Debtors	16	**43.4**	27.5
Investments	17	**0.3**	0.3
Cash at bank and in hand	18	**17.3**	28.4
		233.7	259.9
Creditors: Amounts falling due within one year	19	**(84.6)**	(84.6)
Net current assets		**149.1**	175.3
Total assets less current liabilities		**1,750.0**	1,749.5
Creditors: Amounts falling due after more than one year	20	**1,139.9**	1,175.6
Provision for liabilities and charges	24	**9.8**	2.2
Net pension liability	9	**3.2**	3.8
		1,152.9	1,181.6
Capital and reserves			
Non-equity share capital	25	**–**	–
Revaluation reserves	26	**2.0**	1.3
Revenue reserves	26	**550.0**	541.7
Designated reserves	26	**44.6**	24.4
Restricted reserve	26	**0.5**	0.5
Consolidated funds	26	**597.1**	567.9
		1,750.0	1,749.5

The financial statements were approved by the Board and authorised for issue on 17 September 2013 and signed on its behalf by:

D Joseph
Chair

D Walden
Board member

Z Ollerearnshaw
Secretary

The notes on pages 49–85 form part of these financial statements.

Association balance sheet
At 31 March 2013

	Note	2013 £m	2012 £m
Current assets			
Debtors due within one year	16	**16.7**	34.2
Debtors due after one year	16	**243.3**	247.3
Cash at bank and in hand	18	**7.0**	19.4
		267.0	300.9
Creditors: Amounts falling due within one year	19	**(24.6)**	(54.7)
Net current assets		**242.4**	246.2
Total assets less current liabilities		**242.4**	246.2
Creditors: Amounts falling due after more than one year	20	**243.3**	247.3
Provision for liabilities and charges	24	**0.6**	0.6
Net pension liability	9	**1.9**	1.9
		245.8	249.8
Capital and reserves			
Non-equity share capital	25	**–**	–
Revenue reserves	26	**(3.4)**	(3.6)
Association's funds	26	**(3.4)**	(3.6)
		242.4	246.2

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D Joseph
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Secretary

The notes on pages 49–85 form part of these financial statements.

Consolidated cash flow statement

For the year ended 31 March 2013

	Note	2013 £m	2012 £m
Net cash inflow from operating activities	29	**88.0**	57.6
Returns on investments and servicing of finance			
Interest received		**0.7**	0.4
Interest paid		**(51.3)**	(50.7)
		(50.6)	(50.3)
Taxation paid			
Corporation tax paid		**–**	0.3
Capital expenditure and financial investment			
Purchase and construction of housing properties		**(83.2)**	(94.1)
Social housing grant – received (net)		**12.8**	31.8
Purchase of other fixed assets		**(1.7)**	(1.3)
Purchase of investments		**(3.2)**	–
Sales of housing properties		**60.2**	51.3
		(15.1)	(12.3)
Net cash inflow/(outflow) before management of liquid resources and financing		**22.3**	(4.7)
Management of liquid resources			
Money market deposit		**–**	–
Financing			
Loans received		**26.3**	164.0
Loan repayments		**(66.6)**	(148.7)
(Decrease)/increase in cash	31	**(18.0)**	10.6

The notes on pages 49–85 form part of these financial statements.

Notes to the financial statements

1. Legal status

The Association is registered with the Financial Conduct Authority under the Industrial and Provident Societies Act 1965 and is registered with the Homes and Communities Agency as a social landlord.

2. Accounting policies

Basis of accounting
The financial statements of the Group and Association are prepared under the historical cost convention as modified for the revaluation of fixed asset investments and in accordance with applicable accounting standards and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers (Update 2010), and comply with the Accounting Direction for Private Registered Providers of Social Housing 2012. A summary of the more important accounting policies is set out below.

Basis of consolidation
The Group accounts consolidate the accounts of the Association and all its subsidiaries at 31 March. In the Group accounts, interests in joint ventures are accounted for using the gross equity method of accounting. The consolidated income and expenditure account will indicate the Group's share of the joint venture's turnover and include the Group's share of the operating results, interest and taxation. The consolidated balance sheet includes the Group's share of the identifiable gross assets and gross liabilities.

Turnover
Turnover comprises rental income receivable in the year, income from property sales including shared ownership first tranche sales, other services included at the invoiced value (excluding VAT) of goods and services supplied in the year, donations received and revenue grants receivable in the year.

Value added tax
The Group charges value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The income and expenditure accounts include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Interest payable
Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

a) interest on borrowings specifically financing the development programme after deduction of interest on social housing grant (SHG) in advance.

b) interest on borrowings of the Group as a whole after deduction of interest on SHG in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the income and expenditure account in the year.

Fixed asset investment properties
Investment properties are stated at market value, determined by professionally qualified external valuers. They are not depreciated in accordance with SSAP 19.

Housing properties
Housing properties are principally properties available for rent and shared ownership.

Completed housing properties are stated at cost less related SHG and other capital grants.

Separate disclosure of housing properties on the valuation basis is also provided in note 12.

Housing properties under construction are stated at cost less related SHG and other capital grants. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover, and the remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

General needs housing properties for rent are split between their land and structure costs and a specific set of major components which require periodic replacement. On replacement the new major works component is capitalised with the related net book value of replaced components expensed through the income and expenditure account as accelerated depreciation. Component accounting is not applicable to shared ownership housing properties.

Improvements to existing properties which are outside the normal capitalisation policy of component additions, are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business and that provide an enhancement to the economic benefits in excess of the standard of performance anticipated when the asset was first acquired, constructed or last replaced.

Only the direct overhead costs associated with new developments or improvements are capitalised.

Shared ownership and staircasing
Under shared ownership arrangements, the Group disposes of a long lease of shared ownership housing units to persons who occupy them, for an amount of between 25% and 75% of the open market value (the "first tranche"). The occupier has the right to purchase further proportions at the current valuation at that time up to 100% ("staircasing").

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 that retained by the Group, which is recorded as a fixed asset in the same manner as for general needs housing properties.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Proceeds of sale of first tranches are accounted for as turnover in the income and expenditure account, with the apportioned cost being shown within operating results as the cost of sale.

Subsequent tranches sold ("staircasing sales") are disclosed in the income and expenditure account after the operating result as a surplus or deficit on sale of fixed assets. Such staircasing sales may result in capital grant being recycled, deferred or abated and this is credited in the income and expenditure account in arriving at the surplus or deficit.

Properties for sale
Housing properties that are built with the intention that they are to be transferred to another association are dealt with in current assets and are described as properties for resale. The related SHG is deducted from cost incurred.

Shared ownership first tranche sales, completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour, interest charges incurred during the development period and direct development overheads. Net realisable value is based on estimated sales price obtained from independent valuers and after allowing for all further costs of completion and disposal.

Donated land
Land donated by local authorities and others is added to cost at the current value of the land at the time of the donation, taking into account any restrictions on the use of the land.

Social housing grant (SHG)
SHG is receivable from the Homes and Communities Agency (HCA) and is utilised to reduce the capital costs of housing properties, including land costs. SHG due from the HCA or received in advance is included as a current asset or liability. SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with the HCA. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the balance sheet in creditors.

Other grants
Other grants are receivable from local authorities and other organisations. Capital grants are utilised to reduce the capital costs of housing properties, including land costs. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Depreciation of housing properties
Freehold land is not depreciated. Depreciation is charged so as to write down the cost (net of SHG) of freehold housing properties other than freehold land to their estimated residual value on a straight line basis over their estimated useful economic lives at the following annual rates:

Major components:

Building	75 Years
Kitchen	15 years
Bathrooms	25 years
Heating	15 years
Roof	50 years
Windows and doors	25 years
Lifts	20 years
Electrical	30 years

Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

Other tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land.

Furniture, fixtures and fittings	20% – 25% per annum
Freehold offices	2% per annum
Freehold alterations	10% per annum
Leasehold offices	Length of the lease
Computers, office equipment and motor vehicles	Between 14⅓% and 33⅓% per annum

Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

Impairment
Housing properties and other fixed assets are reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down is charged to operating surplus.

Land options
The premium payable on an option to acquire land at a future date is amortised over the life of the option. The options are regularly reviewed to assess the likelihood of the option being exercised and at the early stages the majority of the associated expenses are charged to the profit and loss account.

Leased assets
Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term.

Supported housing managed by agencies
Social housing grants and other revenue grants for supported housing claimed by the Group are included in the income and expenditure account and balance sheet of the Group. The treatment of other income and expenditure in respect of supported housing depends on whether the Group or its partner carries the financial risk.

Where the Group carries the financial risk, all the supported housing schemes' income and expenditure is included in the income and expenditure account.

Sales under Right to Buy
Surpluses and deficits arising from the disposal of properties under the Right to Buy legislation are disclosed on the face of the income and expenditure account after the operating result and before interest. The surpluses or deficits are calculated by reference to the carrying value of the properties. On the occurrence of a sale of properties that were originally transferred to Spelthorne Housing Association (now owned by A2Dominion South), a relevant proportion of the proceeds is payable back to Spelthorne Borough Council.

Recycled Capital Grant Fund
Following certain relevant events, primarily the sale of dwellings, the HCA can direct the Group to recycle the capital grant (SHG) 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 which is included as a creditor due within one year or due after more than one year as appropriate.

Disposal Proceeds Fund
Receipts from Right to Acquire sales are required to be retained in a ring fenced fund that can only be used for providing replacement housing. These sales receipts less eligible expenses are credited to the Disposal Proceeds Fund.

Equity loans, Homebuy loans and grant
Under these arrangements the Group receives SHG (Homebuy only) representing a maximum of 30% of the open market purchase price of a property in order to advance interest free loans of the same amount to a homebuyer. The buyer meets the balance of the purchase price from a combination of personal mortgage and savings. Loans advanced by the Group under these arrangements are disclosed in the investments section of the balance sheet.

In the event that the property is sold on, 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 and the amount of grant to be recycled is capped at the amount received when the loan was first advanced. If there is a fall in the value of the property, the shortfall of proceeds is offset against the recycled grant. There are no circumstances in which the Group will suffer any capital loss.

Pensions
The Group participates in three funded multi-employer defined benefit schemes, the Social Housing Pension Scheme (SHPS), the Surrey County Council Scheme and the Oxfordshire County Council Scheme.

For the SHPS, it has not been possible to identify the share of underlying assets and liabilities belonging to individual participating employers. The income and expenditure charge represents the employer contribution payable to the scheme for the accounting period.

For the Surrey and Oxfordshire County Council Schemes, the operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs, expected return on assets and any other changes in fair value of the assets and liabilities, are recognised in the accounting period in which they arise. The operating costs, finance costs and expected return on assets are recognised in the income and expenditure account with any actuarial gains and losses being recognised in the statement of total recognised surpluses and deficits.

Liquid resources
Liquid resources are readily disposable current asset investments. They include some money market deposits, held for more than 24 hours, which can only be withdrawn without penalty on maturity or by giving notice of more than one working day.

Deferred taxation
The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Except as noted below, full provision for deferred taxation is made under the incremental liability method on all timing differences that have arisen, but not reversed by the balance sheet date.

In accordance with FRS 19, deferred tax is not provided for gains on the sale of non-monetary assets, if the taxable gain will probably be rolled over or on revaluation gains on housing properties unless there is a binding agreement to sell them at the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. The recognition of deferred tax asset is limited to the extent the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing difference. Deferred tax assets and liabilities are not discounted.

Fixed asset investments
Investments are stated at market value. Unlisted investments are based on cost.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Business Combinations
Where acquisitions are in substance the gifting of control of a business to the association, the combination is treated as a non-exchange transaction and the fair value of the gifted assets and liabilities in the transaction is recorded as a gain or loss in the income and expenditure account in the year of combination.

Interest costs
The Group's funding, liquidity and exposure to interest rate risks are managed by the Group's treasury department. Treasury operations are conducted within a framework of policies and guidelines authorised by the Board. To manage interest rate risk the Group manages its proportion of fixed to variable rate borrowings within approved limits and where appropriate utilises interest rate swap agreements. Amounts payable or receivable in respect of these agreements are recognised as adjustments to interest rate expense.

The Group's policy is to have a loan portfolio which is complementary to each Group member's overall objectives. This is achieved by creating a balance between fixed and variable borrowing.

Donations Fund
This fund was created from charitable donations received by the Group and from investment income from the fund's investments. The fund is available to meet expenditure which falls within the Group's objectives.

Provisions
Provision is made for specific and quantifiable liabilities which exist at the balance sheet date.

Supporting people income and expenditure
Income receivable and costs incurred from contracts are recognised on a receivable basis and included within other social housing activities.

Designated reserves
Designated reserves are held to provide reserves in respect of future major repairs spend. The Group maintains a reserve that covers the next three years' forecasted major repairs expenditure. Annually, a transfer from designated reserves directly to the income and expenditure reserve is made for the value of the repairs expenditure incurred during that year.

Restricted funds
Restricted funds are funds that can only be used for particular restricted purposes within the objects of the Group. Restrictions arise when specified by a donor or grant maker or when funds are raised for particular restricted purposes.

Service charges
Service charges receivable are recognised in turnover.

Mixed-tenure developments
Where a development has more than one tenure the surplus recognised on each tenure is limited to the overall surplus on the development.

3. Turnover, cost of sales, operating costs and operating surplus

Group

2013	Turnover £m	Cost of sales £m	Operating costs £m	Operating surplus £m
Social housing lettings	**174.6**	**–**	**(132.4)**	**42.2**
Other social housing activities				
Supporting people	**2.7**	**–**	**(2.5)**	**0.2**
Management services	**0.8**	**–**	**(0.3)**	**0.5**
First tranche sales	**22.3**	**(16.1)**	**–**	**6.2**
Other	**2.0**	**–**	**(2.1)**	**(0.1)**
	27.8	**(16.1)**	**(4.9)**	**6.8**
Non-social housing activities				
Lettings	**10.0**	**–**	**(6.9)**	**3.1**
Developments for sale	**45.6**	**(42.0)**	**(1.2)**	**2.4**
Other	**0.6**	**–**	**(0.2)**	**0.4**
Impairment	**–**	**–**	**–**	**–**
	56.2	**(42.0)**	**(8.3)**	**5.9**
	258.6	**(58.1)**	**(145.6)**	**54.9**

2012	Turnover £m	Cost of sales £m	Operating costs £m	Operating surplus £m
Social housing lettings	164.9	–	(131.7)	33.2
Other social housing activities				
Supporting people	2.6	–	(2.7)	(0.1)
Management services	0.9	–	(0.3)	0.6
First tranche sales	23.3	(15.8)	–	7.5
Other	1.8	–	(4.1)	(2.3)
	28.6	(15.8)	(7.1)	5.7
Non-social housing activities				
Lettings	9.7	–	(6.9)	2.8
Developments for sale	45.7	(45.0)	(1.2)	(0.5)
Other	0.3	–	–	0.3
Impairment	–	–	(0.3)	(0.3)
	55.7	(45.0)	(8.4)	2.3
	249.2	(60.8)	(147.2)	41.2

Notes to the financial statements (continued)

3. Turnover, cost of sales, operating costs and operating surplus (continued)

Particulars of income and expenditure from social housing lettings

	General housing £m	Supported housing £m	Temporary housing £m	Key worker £m	Low cost home ownership £m	2013 Total £m	2012 Total £m
Turnover from social housing lettings							
Rent receivable net of identifiable service charges	103.2	10.6	13.3	14.8	13.9	155.8	147.0
Service charges receivable	6.0	3.5	0.1	0.8	5.6	16.0	15.2
Charges for support services	–	0.5	–	–	–	0.5	0.5
Net rental income	109.2	14.6	13.4	15.6	19.5	172.3	162.7
Other HCA revenue grants	–	–	1.3	–	–	1.3	1.4
Other revenue grants	0.2	0.2	–	0.2	0.4	1.0	0.8
Turnover from social housing lettings	109.4	14.8	14.7	15.8	19.9	174.6	164.9
Expenditure on social housing lettings							
Management	(24.2)	(5.8)	(1.7)	(6.9)	(7.4)	(46.0)	(40.7)
Services	(10.8)	(4.3)	(0.5)	(1.3)	(5.4)	(22.3)	(19.0)
Routine maintenance	(11.7)	(1.9)	(0.6)	(1.0)	(0.7)	(15.9)	(15.5)
Planned maintenance and major repairs	(14.3)	(0.5)	(0.2)	(0.3)	(1.6)	(16.9)	(13.5)
Bad debts	(0.7)	(0.5)	(0.2)	0.1	–	(1.3)	0.4
Property lease charges	–	(0.1)	(4.6)	–	–	(4.7)	(5.4)
Depreciation of housing properties	(12.1)	(1.4)	(0.6)	(1.9)	–	(16.0)	(30.7)
Accelerated depreciation on asset components	(1.0)	(0.1)	–	–	–	(1.1)	**(3.9)**
Housing properties impairment	(7.9)	–	–	–	(0.3)	(8.2)	(3.4)
Operating costs on social housing lettings	(82.7)	(14.6)	(8.4)	(11.3)	(15.4)	(132.4)	(131.7)
Operating surplus on social housing lettings	26.7	0.2	6.3	4.5	4.5	42.2	33.2
Void losses	(0.9)	(0.5)	(0.2)	(0.7)	(0.1)	(2.4)	(2.6)

Particulars of turnover from non-social housing lettings

	Group 2013 £m	Group 2012 £m	Association 2013 £m	Association 2012 £m
Market rental	**3.3**	2.6	**–**	–
Student accommodation	**5.6**	6.1	**–**	–
Other	**1.1**	1.0	**–**	–
	10.0	9.7	**–**	–

Association

2013	**Turnover £m**	**Cost of sales £m**	**Operating costs £m**	**Operating surplus/ (deficit) £m**
Other social housing activities				
Management services	**33.7**	**–**	**(34.0)**	**(0.3)**
Other	**0.7**	**–**	**–**	**0.7**
	34.4	**–**	**(34.1)**	**0.4**

2012	Turnover £m	Cost of sales £m	Operating costs £m	Operating surplus/ (deficit) £m
Other social housing activities				
Management services	31.5	–	(31.8)	(0.3)
Other	0.6	–	–	0.6
	32.1	–	(31.8)	0.3

Notes to the financial statements (continued)

4. Accommodation in management and development

Group and Association
At the end of the year accommodation in management for each class of accommodation was as follows:

	Group		Association	
	2013 No.	2012 No.	**2013 No.**	2012 No.
Social housing				
General housing	**17,628**	17,955	**–**	–
Affordable housing	**134**	37		
Supported housing and housing for older people	**2,435**	2,478	**–**	–
Shared ownership	**4,072**	4,148	**–**	–
Key worker accommodation	**2,813**	2,828	**–**	–
Temporary accommodation	**424**	431	**–**	–
Other	**1,187**	1,345	**–**	–
Total owned	**28,693**	29,222	**–**	–
Accommodation managed for others	**4,016**	4,166	**–**	–
Total owned and managed	**32,709**	33,388	**–**	–
Non-social housing				
Student accommodation	**1,109**	1,109	**–**	–
Market rent	**409**	328	**–**	–
Other – commercial	**114**	105		
Total owned and managed	**1,632**	1,542	**–**	–
Accommodation managed for others	**2**	1	**–**	–
Total owned and managed	**1,634**	1,543	**–**	–
Overall				
Total owned	**30,325**	30,764	**–**	–
Total managed for others	**4,018**	4,167	**–**	–
Total owned and managed	**34,343**	34,931	**–**	–
Accommodation in development	**3,509**	3,549	**–**	–

5. Operating surplus

This is arrived at after charging (crediting):

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Depreciation of housing properties	**17.4**	31.2	**–**	–
Accelerated depreciation on replaced components	**1.1**	–	**–**	
Depreciation of other tangible fixed assets	**1.7**	1.8	**–**	–
Impairment of housing properties and investments	**8.2**	3.7	**–**	–
Operating lease rentals				
– land and buildings	**7.5**	7.8	**1.9**	1.8
– office equipment, computers and vehicles	**0.2**	0.3	**0.2**	0.3
Auditors' remuneration (including VAT)				
– for audit services	**0.2**	0.2	**0.1**	0.2
– other	**–**	0.1	**–**	0.1

Due to the allocation of the social housing grant to components the depreciation of housing properties during the year ended 31 March 2013 is lower than the comparative for the year ended 31 March 2012.

6. Surplus on sale of fixed assets – housing properties

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Disposal proceeds	**20.2**	32.4	**–**	–
Carrying value of fixed assets	**(16.5)**	(29.8)	**–**	–
Surplus on sale of fixed assets	**3.7**	2.6	**–**	–
Disposal proceeds from stock rationalisation	**42.5**	35.7	**–**	–
Carrying value of fixed assets within stock rationalisation	**(28.2)**	(19.6)	**–**	–
Surplus from stock rationalisation	**14.3**	16.1	**–**	–
Selling costs	**(2.2)**	(1.1)	**–**	–
	15.8	17.6	**–**	–

7. Interest receivable and other income

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Interest receivable and similar income	**0.7**	0.4	**0.1**	–
Received from other Group entities	**–**	–	**9.8**	10.1
	0.7	0.4	**9.9**	10.1

Notes to the financial statements (continued)

8. Interest payable and similar charges

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Loans and bank overdrafts	**50.2**	49.7	**9.8**	10.1
Finance related costs	**1.0**	1.0	**0.1**	–
Recycled capital grant fund	**0.1**	0.1	**–**	–
	51.3	50.8	**9.9**	10.1
Interest payable capitalised on housing properties under construction	**(8.0)**	(8.6)	**–**	–
	43.3	42.2	**9.9**	10.1
Capitalisation rates used to determine the finance costs capitalised during the year	**3% – 5%**	3% – 5%	**–**	–

9. Employees

Average monthly number of employees expressed in full time equivalents:

	Group		Association	
	2013 No.	2012 No.	**2013 No.**	2012 No.
Administration	**165**	156	**164**	156
Development	**87**	81	**85**	79
Housing, support and care	**586**	539	**553**	506
	838	776	**802**	741

Employee costs:

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Wages and salaries	**27.9**	26.2	**26.7**	24.3
Social security costs	**2.8**	2.7	**2.7**	2.5
Other pension costs	**2.1**	2.0	**0.8**	0.7
	32.8	30.9	**30.2**	27.5

Salary banding for all employees earning over £60,000 (includes salary and performance related pay but excludes pension contributions paid by the Group).

	2013 No.
£60,000 to £70,000	23
£70,001 to £80,000	12
£80,001 to £90,000	8
£90,001 to £100,000	6
£100,001 to £110,000	6
£110,001 to £120,000	3
£130,001 to £140,000	1
£140,001 to £150,000	3
£150,001 to £160,000	1
£160,001 to £170,000	3
£220,001 to £230,000	1
£230,001 to £240,000	1
	68

The Group's employees are members of the Social Housing Pension Scheme or the Surrey and Oxfordshire County Council Schemes or the Scottish Widows defined contributions scheme. The Scottish Widows scheme is a defined contribution scheme with 6 members which is closed to new entrants. Further information on the other schemes is given below.

Social Housing Pension Scheme (Group and Association)

A2Dominion Housing Group Limited participates in the Social Housing Pension Scheme (SHPS). The scheme is funded and is contracted out of the state scheme.

SHPS is a multi-employer scheme. Employer participation in the scheme is subject to adherence with the employer responsibilities and obligations as set out in the "SHPS House Policies and Rules Employer Guide".

The scheme operated a single benefit structure, final salary with a 1/60th accrual rate, to March 2007. From April 2007 there are three benefit structures available, namely:

- Final salary with a 1/60th accrual rate.
- Final salary with a 1/70th accrual rate.
- Career average revalued earnings with a 1/60th accrual rate.

From April 2010 there are a further two benefits structures available, namely:

- Final salary with a 1/80th accrual rate.
- Career average revalued earnings with a 1/80th accrual rate.

A defined contribution benefit structure was made available from 1 October 2010.

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

A2Dominion Housing Group Limited has operated the final salary with a 1/60th accrual rate, final salary with a 1/70th accrual rate and career average revalued earnings with a 1/60th accrual rate benefit structure for active members as at 31 March 2013. From the 1 October 2010 A2Dominion also operated the defined contribution scheme which is the only scheme open to all new employees.

Notes to the financial statements (continued)

9. Employees (continued)

The Trustee commissions an actuarial valuation of the scheme every three years. The main purpose of the valuation is to determine the financial position of the scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the scheme can meet its pension obligations as they fall due. From April 2007 the split of the total contribution rate between member and employer is set at individual employer level, subject to the employer paying no less than 50% of the total contribution. From 1 April 2010 the requirement for the employer to pay at least 50% of the total contributions no longer applied.

The actuarial valuation assesses whether the scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the year A2Dominion Housing Group Limited paid contributions at the rate of 17.8%. Member contributions varied between 6.9% and 9.8% depending on their age into the defined benefit scheme. The Group and members contributed between a range of 2% to 8% into the defined contribution scheme.

As at the balance sheet date there were 188 active members of the Defined Benefit Scheme employed by A2Dominion Housing Group Limited and 57 active members of the Defined Contribution Scheme.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from the total Scheme assets. Accordingly, due to the nature of the plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme applicable was performed as at 30 September 2011 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062m. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035m, equivalent to a past service funding level of 67%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% pa
Valuation discount rates:	
Pre retirement	7.0
Non-pensioner post retirement	4.2
Pensioner post retirement	4.2
Pensionable earnings growth	2.5 per annum for 3 years, then 4.4
Price inflation	2.9
Rate of pension increases:	
Pre 88 Guaranteed Minimum Pension (GMP)	0.0
Post 88 GMP	2.0
Excess over GMP	2.4

Expenses for death-in-service insurance, administration and Pension Protection Fund levy are included in the contribution rate.

The long-term joint contribution rates that will apply from April 2013 required from the employers and members to meet the cost of future benefit accruals were assessed at:

Benefit structure	Long-term joint contribution rate (% of pensionable salaries)
Final salary with a 1/60th accrual rate	19.4
Final salary with a 1/70th accrual rate	16.9
Career average revalued earnings with a 1/60th accrual rate	18.1
Final salary with a 1/80th accrual rate	14.8
Career average revalued earnings with a 1/80th accrual rate	14.0
Career average revalued earnings with a 1/120th accrual rate	9.7

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the actuarial valuation it was agreed that the shortfall of £1,035m would be dealt with by the payment of deficit contributions of 7.5% of pensionable salaries, increasing each year in line with salary growth assumptions, from 1 April 2012 to 30 September 2020, dropping to 3.1% from 1 October 2020 to 30 September 2023. Pensionable earnings at 30 September 2008 are used as the reference point for calculating these deficit contributions. These deficit contributions are in addition to the long-term joint contribution rates set out in the above table.

Employers that participate in the scheme on a non-contributory basis pay a joint contribution rate (i.e. a combined employer and employee rate).

Employers that have closed the scheme to new entrants are required to pay an additional employer contribution loading of 2.5% to reflect the higher costs of a closed arrangement.

A small number of employers are required to contribute at a different rate to reflect the amortisation of a surplus or deficit on the transfer of assets and past service liabilities from another pension scheme into the scheme.

Employers joining the scheme after 1 October 2002 that do not transfer any past service liabilities to the scheme pay contributions at the on-going future service contribution rate. This rate is reviewed at each valuation and applies until the second valuation after the date of joining the scheme, at which point the standard employer contribution rate is payable. Contribution rates are changed on the 1 April that falls 18 months after the valuation date.

A copy of the recovery plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the scheme (which would effectively amend the terms of the recovery plan). The Regulator has reviewed the recovery plan for the scheme and confirmed that, in respect of the September 2005 actuarial valuation, it does not propose to issue any scheme funding directions under Part 3 of the Pensions Act 2004. A copy of the September 2009 valuation will be forwarded to the Regulator in due course.

The scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the scheme as at 30 September 2012. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £2,327m and indicated an increase in the shortfall of assets compared to liabilities to approximately £1,241m, equivalent to a past service funding level of 65%.

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the scheme winding up.

The debt for the scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the scheme's liability attributable to employment with the leaving employer compared to the total amount of the scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total scheme liabilities, scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

A2Dominion Housing Group Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Social Housing Pension Scheme based on the financial position of the scheme as at 30 September 2012. As of the date the estimated employer debt for A2Dominion Housing Group Limited was £69.9m.

Notes to the financial statements (continued)

9. Employees (continued)

Local Government Pension Schemes

The Group participates in three local government pension schemes: Surrey County Council Pension Fund, Oxfordshire County Council Local Government Pension Fund and Hampshire County Council Pension Fund (HCCPF).

With effect from April 2012 increases to local government pensions are linked to annual increases in the Consumer Price Index (CPI), rather than the Retail Prices Index (RPI). Over the long term, CPI increases are expected to be lower than RPI increases and this therefore gives rise to a reduction in the value of the liabilities on the Balance Sheet.

Surrey County Council Pension Fund (SCCPF)

The SCCPF is a multi-employer scheme, administered by Surrey County Council under regulations governing the Local Government Pension Scheme, a defined benefit scheme. The most recent formal actuarial valuation was completed on 31 March 2013. The employer's contributions to the SCCPF by the Group for the year ended 31 March 2013 were £241,000 at a contribution rate of 23.1% of pensionable salaries, set until the next funding valuation at 31 March 2013.

Assumptions

The main financial assumptions used by the actuary were:

	31 March 2013 % per annum	31 March 2012 % per annum	31 March 2011 % per annum	31 March 2010 % per annum
Rate of increase in salaries	**5.1**	4.8	5.1	5.3
Rate of increase in pensions in payment	**2.8**	2.5	2.8	3.8
Expected return on assets	**5.2**	5.7	6.9	7.2
Discount rate	**4.5**	4.8	5.5	5.5
Inflation assumption	**2.8**	2.5	2.8	3.8

Fair value and expected return on assets

The fair value and expected return on assets in the SCCPF related to the Group and Association were:

	Long- term return at 31 March 2013 %	Assets at 31 March 2013 £m	Long-term return at 31 March 2012 %	Assets at 31 March 2012 £m	Long-term return at 31 March 2011 %	Assets at 31 March 2011 £m	Long-term return at 31 March 2010 %	Assets at 31 March 2010 £m
Equities	**5.7**	**5.0**	6.3	4.2	7.5	4.1	7.8	4.0
Bonds	**3.4**	**1.2**	3.9	1.0	4.9	0.9	5.0	0.9
Property	**3.9**	**0.3**	4.4	0.3	5.5	0.3	5.8	0.3
Cash	**3.0**	**0.1**	3.5	0.2	4.6	0.2	4.8	0.1
	5.2	**6.6**	5.7	5.7	6.9	5.5	7.2	5.3

	31 March 2013 £m	31 March 2012 £m	31 March 2011 £m	31 March 2010 £m
Fair value of scheme assets	**6.6**	5.8	5.5	5.3
Present value of liabilities	**(8.5)**	(7.7)	(7.0)	(8.7)
Net pension liabilities	**(1.9)**	(1.9)	(1.5)	(3.4)

Recognition in the income and expenditure account

	2013 £m	2012 £m
Current service cost	**(0.1)**	(0.1)
Expected return on pension scheme assets	**0.3**	0.4
Interest on pension scheme liabilities	**(0.4)**	(0.4)
Curtailments and settlements	**–**	(0.1)
	(0.2)	(0.2)

Analysis of amount recognised in statement of total recognised surpluses and deficits (STRSD)

	2013 £m	2012 £m
Actual return less expected return on pension scheme assets	**0.6**	(0.3)
Experience gains and losses arising on scheme liabilities	**–**	(0.1)
Changes in assumptions underlying the present value of scheme liabilities	**(0.8)**	(0.2)
Actuarial deficit recognised in STRSD	**(0.2)**	(0.6)

Reconciliation of present value of plan liabilities

	2013 £m	2012 £m
At the beginning of the year	**7.7**	7.0
Current service cost	**0.1**	0.1
Interest cost	**0.3**	0.4
Actuarial losses	**0.8**	0.3
Losses on curtailments	**–**	(0.1)
Benefits paid	**(0.3)**	(0.2)
	8.6	7.7

Reconciliation of present value of plan assets

	2013 £m	2012 £m
At the beginning of the year	**5.8**	5.5
Expected return on plan assets	**0.3**	0.4
Contributions by the Group	**0.2**	0.4
Actuarial losses	**0.6**	(0.3)
Benefits paid	**(0.2)**	(0.2)
	6.7	5.8

Notes to the financial statements (continued)

9. Employees (continued)

Reconciliation of balance sheet

	2013 £m	2012 £m
Present value of funded obligations	**(8.6)**	(7.7)
Fair value of plan assets	**6.7**	5.8
	(1.9)	(1.9)

History of experience gains and losses

	2013 £m	2012 £m
Difference between the expected and actual return on assets	**0.6**	(0.3)
Value of assets	**6.7**	5.8
Percentage of assets	**8.7%**	-4.8%
Experience losses on liabilities	**0.0**	(0.2)
Total present value of liabilities	**(8.6)**	(7.7)
Percentage of the total present value of liabilities	**-0.2%**	1.4%
Actuarial deficit recognised in STRSD	**(0.2)**	(0.6)
Total present value of liabilities	**(8.6)**	(7.7)
Percentage of the total present value of liabilities	**2.6%**	7.4%

Oxfordshire County Council Local Government Pension Scheme (OCCLGPS)
The Group also has 27 employees who participate in OCCLGPS. The scheme is a defined benefit scheme based on final salary. Pension benefits depend generally upon age, length of service and salary level. The Group also provides retirees with at least five years of service and who are at least 55 with other post retirement benefits which include life insurance.

Assumptions
The main financial assumptions used by the actuary were:

	31 March 2013 % per annum	31 March 2012 % per annum	31 March 2011 % per annum
Rate of increase in salaries	**4.8**	4.7	5.0
Rate of increase in pensions in payment	**2.6**	2.5	2.7
Expected return on assets	**5.3**	5.7	6.8
Discount rate	**4.6**	4.6	5.5
Inflation assumption (2013 CPI, 2012 and 2010 RPI)	**2.6**	2.5	2.7

Fair value and expected return on assets

The fair value and expected return on assets in the OCCLGPS related to the Group were:

	Long-term return at 31 March 2013 %	Assets at 31 March 2013 £m	Long-term return at 31 March 2012 %	Assets at 31 March 2012 £m	Long-term return at 31 March 2011 %	Assets at 31 March 2011 £m
Equities	**6.0**	**5.1**	6.3	4.1	7.4	4.1
Gilts	**3.0**	**0.7**	3.3	0.6	4.4	0.5
Other Bonds	**4.1**	**0.4**	4.6	0.4	5.5	0.3
Property	**5.0**	**0.4**	5.3	0.4	6.4	0.3
Cash	**0.5**	**0.3**	3.0	0.2	3.0	0.2
Alternative Assets	**6.0**	**0.4**	6.3	0.3	7.4	0.3
	5.3	**7.3**	5.7	6.0	6.8	5.7

	31 March 2013 £m	31 March 2012 £m
Fair value of scheme assets	**7.3**	6.0
Present value of liabilities	**(8.6)**	(7.9)
Net pension liabilities	**(1.3)**	(1.9)

	Year ended 31 March 2013 £m	Year ended 31 March 2012 £m
Current service cost	**0.3**	0.2
Interest on obligation	**0.4**	0.3
Expected return on scheme assets	**(0.3)**	(0.4)
Total operating charge	**0.4**	0.1

Analysis of amount recognised in statement of total recognised surpluses and deficits (STRSD)

	Year ended 31 March 2013 £m	Year ended 31 March 2012 £m
Actual return less expected return on pension scheme assets	**0.9**	(0.3)
Changes in assumptions underlying the present value of scheme liabilities	**–**	(1.2)
Experience gains and losses	**(0.2)**	–
Actuarial assumption change	**–**	–
Actuarial surplus/(deficit) recognised in STRSD	**0.7**	(1.5)

Notes to the financial statements (continued)

9. Employees (continued)

Movement in deficit during the year

	Year ended 31 March 2013 £m	Year ended 31 March 2012 £m
Group share of scheme liabilities at beginning of year	**(1.9)**	(0.5)
Current service costs	**(0.3)**	(0.2)
Contributions	**0.2**	0.2
Actuarial assumption change	**–**	–
Other finance (costs)/credits	**–**	0.1
Actuarial surplus/(deficit)	**0.7**	(1.5)
Group and association share of scheme liabilities at end of year	**(1.3)**	(1.9)

History of experience gains and losses

	31 March 2013 £m	31 March 2012 £m
Difference between the expected and actual return on assets	**0.9**	(0.3)
Scheme assets	**7.3**	6.0
Percentage of assets	**12.6%**	-5.0%
Experience (losses)/gains on liabilities	**(0.2)**	0.0
Total present value of liabilities	**8.6**	7.9
Percentage of the total present value of liabilities	**-2.5%**	0.0%
Actuarial surplus/(deficit) recognised in STRSD	**0.7**	(1.5)
Total present value of liabilities	**8.6**	7.9
Percentage of the total present value of liabilities	**8.2%**	-19.0%

Group pension analysis – consolidated
Group fair value and expected return on assets

	2013 £m	2012 £m
Current service cost	**0.3**	0.3
Past service cost	**–**	–
Curtailments and settlements	**–**	0.1
Total operating charge	**0.3**	0.4

	2013 £m	2012 £m
Expected return on pension scheme assets	**0.7**	0.8
Interest on pension scheme liabilities	**(0.7)**	(0.7)
	0.0	0.1

Analysis of amount recognised in the consolidated statement of total recognised surpluses and deficits (STRSD)

	2013 £m	2012 £m
Actual return less expected return on pension scheme assets	**1.5**	(0.6)
Experience gains and losses arising on scheme liabilities	**(0.2)**	(0.1)
Changes in assumptions underlying the present value of scheme liabilities	**(0.8)**	(1.4)
Actuarial surplus/(deficit) recognised in STRSD	**0.5**	(2.1)

	2013 £m	2012 £m
Group share of scheme liabilities at beginning of year	**(3.8)**	(2.0)
Acquired on transfer of undertakings	**–**	–
Service costs	**(0.3)**	(0.3)
Contributions	**0.5**	0.6
Impact of settlements and curtailments	**–**	(0.1)
Other finance costs	**(0.1)**	0.1
Actuarial surplus/(deficit)	**0.5**	(2.1)
Group share of scheme liabilities at end of year	**(3.2)**	(3.8)

Notes to the financial statements (continued)

10. Board members and executive officers

For the purposes of this note, the officers are defined as the members of the Board and the executive officers (as shown on pages 32–35), committee members and any other person reporting directly to the Group Chief Executive.

Fees of £159,625 (2012: £164,875) were paid to non-executive board members during the year. Expenses paid during the year to board members amounted to £11,250 (2012: £14,605). Non-executive board members were paid as follows:

		Member of					
Board/Committee Member	Membership pay	Audit & Risk Committee	Customer Services Committee	Development Committee	Finance Committee	Governance & Remuneration Committee	Group Board
Stephanie Bamford	£4,500	●				●	
Colin Buckley	£6,000	●		●			
Lynn Chandler	£4,500	●			●		
Jane Clarke	£3,500		●				
Terence Cook	£6,000		●				
Jan Czezowski	£6,000			●			
Martha Darkwah	£3,500		●				
George Dibben	£6,000			●			
Sue Eggleton	£10,000	●				●	●
John French	£2,625		●				
Brenda Jenner	£10,000				●	●	●
Derek Joseph (Chair)	£20,000					●	●
Andy Leahy	£8,000			●			●
David Lewis	£8,000		●			●	●
Gad Megally	£3,500		●				
Anne Murray	£3,500		●				
Susan Price	£6,000			●			
Ross Proudfoot	£4,500	●			●		
Gareth Pryce	£12,500			●			
Margaret Sandford	£3,500		●				
Alethea Siow	£8,000	●		●			●
Terry Sullivan	£6,000			●			
Maya Vadgama	£3,500		●				
David Walden	£10,000				●		●

The executive officers participate in the pension schemes on the same terms as all other eligible staff.

	Group	
	2013 £'000	2012 £'000
Total emoluments paid to executive officers (including pension contributions)	**1,515**	1,551
Emoluments of the highest paid executive officer (excluding pension contributions and pay in lieu thereof[1] but including performance related pay and benefits in kind)	**239**	223

1 On the 31 March 2012 the highest paid director opted out of the company pension scheme. A payment in lieu of £13,000, the equivalent employer's contribution is received by the highest paid director.

The emoluments of the executive officers are reviewed and agreed on an annual basis by the Group Governance and Remuneration Committee.

Executive officers

		2013 Total remuneration[1] £'000
J Allan	Executive Director (Commercial, South East)	171
K Bull	Executive Director (Corporate Services)	156
A Evans	Executive Director (Operations)	162
J Knevett	Group Commercial Officer	229
D Mercer	Group Chief Executive	239
D Tufts	Executive Director (Finance & Strategy)	157
A Waterhouse	Executive Director (Financial Services)	142
N Yeeles	Executive Director (Commercial, London)	143

1 Total remuneration includes performance related pay and benefits in kind but excludes pension contributions.

Notes to the financial statements (continued)

11. Tax on surplus on ordinary activities

Current tax

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
UK corporation tax on surplus for the year	**–**	–	**–**	–
Adjustments in respect of prior years	**–**	–	**–**	–
	–	–	**–**	–

Deferred tax

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Adjustment in respect of prior periods	**–**	–	**–**	–
Total charge in the year	**–**	–	**–**	–

A reconciliation of the tax charge to the surplus/(deficit) on ordinary activities before tax is provided below:

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Surplus on ordinary activities before tax:	**28.0**	17.1	**0.4**	0.3
UK corporation tax at 24% (2012:26%)	**6.7**	4.5	**0.1**	0.1
Effects of:				
Expenses not deductible for tax purposes	**–**	0.1	**–**	–
Depreciation for period in excess of capital allowances	**–**	–	**–**	–
Capital expenses deducted for tax purposes	**–**	–	**–**	–
Capital gain in excess of profit/loss on disposal	**0.3**	0.8	**–**	–
Income not taxable	**(0.3)**	–	**–**	–
Unrelieved tax losses and other deductions	**1.9**	1.0	**–**	(0.1)
Charitable income	**(7.8)**	(5.4)	**–**	–
Timing differences	**(0.6)**	0.1	**–**	0.2
Amounts credited directly to STRGL or otherwise transferred	**(0.1)**	(0.1)	**(0.1)**	(0.2)
Utilisation of tax losses and other deductions	**–**	(1.0)	**–**	–
Fixed asset differences	**(0.1)**	–	**–**	–
Current tax charge for year	**–**	–	**–**	–

12. Tangible fixed assets – properties

Group

Housing properties	Properties held for letting Social £m	Non-social £m	Total £m	Housing to let properties under construction Social £m	Non-social £m	Total £m	Shared ownership properties Completed £m	Under Construction £m	Total £m
Cost or valuation									
At 1 April 2012	2,278.2	79.4	**2,357.6**	83.4	0.3	**83.7**	341.8	15.7	**2,798.8**
Additions at cost									
Reclassification	6.7	–	**6.7**	(7.3)	0.6	**(6.7)**	0.3	(0.3)	**–**
New developments	2.5	0.2	**2.7**	44.5	11.7	**56.2**	0.7	5.3	**64.9**
Replaced components	15.1	0.2	**15.3**	–	–	**–**	–	–	**15.3**
Works to existing properties	0.8	–	**0.8**	–	–	**–**	0.1	–	**0.9**
Transfer (to)/from current assets	(0.3)	–	**(0.3)**	2.2	0.9	**3.1**	(0.1)	2.5	**5.2**
Schemes completed	45.5	0.5	**46.0**	(45.5)	(0.5)	**(46.0)**	9.3	(9.3)	**–**
Stock transfers	2.1	–	**2.1**	–	–	**–**	–	–	**2.1**
Disposals									
Planned disposals	(5.1)	(0.3)	**(5.4)**	(0.2)	–	**(0.2)**	(9.9)	–	**(15.5)**
Replaced components	(4.3)	–	**(4.3)**	–	–	**–**	–	–	**(4.3)**
Staircasing sales	–	–	**–**	–	–	**–**	(1.6)	–	**(1.6)**
Stock transfers	(35.1)	–	**(35.1)**	(3.6)	–	**(3.6)**	(5.9)	–	**(44.6)**
At 31 March 2013	**2,306.1**	**80.0**	**2,386.1**	**73.5**	**13.0**	**86.5**	**334.7**	**13.9**	**2,821.2**
Social housing grant									
At 1 April 2012	973.2	4.4	**977.6**	34.1	–	**34.1**	141.6	6.0	**1,159.3**
Reclassification	3.4	–	**3.4**	(5.8)	–	**(5.8)**	0.6	1.8	**–**
Social housing grant received	–	–	**–**	14.2	–	**14.2**	–	1.8	**16.0**
Social housing grant recycled	–	–	**–**	3.4	–	**3.4**	–	1.3	**4.7**
Schemes completed	22.1	–	**22.1**	(22.1)	–	**(22.1)**	3.2	(3.2)	**–**
Stock transfers	0.8	–	**0.8**	–	–	**–**	–	–	**0.8**
Disposals									
Planned disposals	(1.2)	–	**(1.2)**	–	–	**–**	(3.8)	(0.5)	**(5.5)**
Replaced components	(2.3)	–	**(2.3)**	–	–	**–**	–	–	**(2.3)**
Stock transfers	**(12.6)**	–	**(12.6)**	–	–	**–**	(2.6)	–	**(15.2)**
At 31 March 2013	**983.4**	**4.4**	**987.8**	**23.8**	**–**	**23.8**	**139.0**	**7.2**	**1,157.8**
Depreciation and impairment									
At 1 April 2012	81.2	4.8	**86.0**	3.4	–	**3.4**	4.1	–	**93.5**
Charge for the year	16.0	1.4	**17.4**	–	–	**–**	–	–	**17.4**
Impairment	0.3	–	**0.3**	7.6	–	**7.6**	0.3	–	**8.2**
Disposals									
Planned disposals	(1.8)	–	**(1.8)**	–	–	**–**	(0.1)	–	**(1.9)**
Replaced components	(0.9)	–	**(0.9)**	–	–	**–**	–	–	**(0.9)**
At 31 March 2013	**94.8**	**6.2**	**101.0**	**11.0**	**–**	**11.0**	**4.3**	**–**	**116.3**
Net book value									
At 31 March 2013	**1,227.9**	**69.4**	**1,297.3**	**38.7**	**13.0**	**51.7**	**191.4**	**6.7**	**1,547.1**
At 31 March 2012	1,223.8	70.2	1,294.0	45.9	0.3	46.2	196.1	9.7	1,546.0

The amount of cumulative interest capitalised in housing properties since 2009 is £14.9m. Stock transfers relate to the sale of stock at existing use value with Raglan Housing, First Wessex, the Hyde Group and Southern Housing Group in order to streamline the management of stock.

Notes to the financial statements (continued)

12. Tangible fixed assets – properties (continued)

Expenditure on works to existing properties

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Amounts capitalised	**16.2**	13.5	**–**	–
Amounts charged to income and expenditure account	**17.0**	13.5	**–**	–
Total	**33.2**	27.0	**–**	–

Social housing grant

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Total accumulated SHG receivable at 31 March was:				
Capital grants	**1,157.8**	1,159.3	**–**	–

The amount of revenue grants previously recognised in the Income and Expenditure Account is not readily identifiable.

Housing properties book value, net of depreciation and grants comprises:

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Freehold land and buildings	**1,233.8**	1,250.3	**–**	–
Long leasehold land and buildings	**295.0**	277.2	**–**	–
Short leasehold land and buildings	**18.3**	18.5	**–**	–
	1,547.1	1,546.0	**–**	–

Valuation (disclosure only)

	£m
Completed housing properties at valuation	2,098.4
Revaluation reserve – completed housing properties	599.9

For information purposes only, completed housing properties are valued at least once every three years by Jones Lang LaSalle Limited and Savills (L&P), professional external valuers and subsequently adjusted for disposals and acquisitions that have occurred since the date of the last valuation. The last full valuation was carried out as at 31 March 2011, with 14,100 properties either being valued for the first time or revalued by Jones Lang LaSalle Limited at 31 March 2013.

The valuation of the properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. Properties are valued either at either Existing Use Value for Social Housing (EUV-SH), for all Social Housing and Shared Ownership properties, or Market Value (MV) for all non-social housing.

In valuing housing properties, discounted cash flow methodology was adopted with key assumptions:

Social housing and shared ownership only

Discount rate	5.5% – 6.0%
Annual inflation rate	2.5%
Level of annual rent increase (after remaining restructuring period)	RPI + 0.5%

13. Tangible fixed assets – other

Group

	Furniture, fixtures and fittings £m	Leasehold offices £m	Freehold alterations £m	Computers, office equipment and motor vehicles £m	Freehold offices £m	Total £m
Cost						
At 1 April 2012	1.7	1.0	0.6	11.1	10.0	24.4
Additions	0.3	–	–	1.4	–	1.7
Disposals	–	–	–	–	–	–
At 31 March 2013	**2.0**	**1.0**	**0.6**	**12.5**	**10.0**	**26.1**
Depreciation						
At 1 April 2012	1.5	0.4	0.4	9.3	1.2	12.8
Charged in year	0.1	0.1	0.2	1.2	0.1	1.7
Disposals	–	–	–	–	–	–
At 31 March 2013	**1.6**	**0.5**	**0.6**	**10.5**	**1.3**	**14.5**
Net book value						
At 31 March 2013	**0.4**	**0.5**	**–**	**2.0**	**8.7**	**11.6**
Net book value						
At 31 March 2012	0.2	0.6	0.2	1.8	8.8	11.6

Notes to the financial statements (continued)

14. Fixed asset investments

	2013 £m	2012 £m
Investments (see below)	**12.1**	9.5
Commercial property held for letting	**23.4**	1.5
Impairment on commercial property held for letting	**–**	(0.3)
Equity loans	**2.5**	2.4
	38.0	13.1
Interest in joint ventures	**4.1**	3.4
	42.1	16.5

	31 March 2013		31 March 2012	
	Cost £m	Market value £m	Cost £m	Market value £m
Investments listed in a recognised stock exchange	**1.2**	**1.5**	1.2	1.5
British government securities	**3.2**	**4.1**	3.2	4.0
Cash and similar investments	**6.3**	**6.5**	4.0	4.0
	10.7	**12.1**	8.4	9.5

These investments are included in the financial statements at valuation.

The valuation of the commercial property held for letting was undertaken in April 2013 by Jaggard Baker LLP.

Equity loans are advances made in relation to discounted sales of housing and are secured on the properties sold. They are stated at cost and independent valuers have confirmed the value at 31 March 2013 is not less than the cost.

The Group holds an interest in two joint ventures:

- A 50% interest in Essex Wharf Homes LLP, a joint venture with Sherry Green Homes Limited to develop a site in east London. The Group's share of the net assets at 31 March 2013 was £4.1m (2012: £3.4m) and there were no liabilities other than sponsors' contributions. The development is expected to make a significant profit and in the opinion of the directors the value of the investment is not less than the cost;
- A 50% interest in Green Man Lane LLP, a joint venture with Real (Ealing) Limited.

15. Properties for sale

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Open market sale – completed properties	**14.6**	41.5	**–**	–
Open market sale – under construction	**97.7**	68.4	**–**	–
Shared ownership – completed properties	**9.5**	14.5	**–**	–
Shared ownership – under construction	**6.2**	8.2	**–**	–
Land held for development	**39.8**	66.4	**–**	–
Agency schemes for sale	**10.5**	13.1	**–**	–
Social housing grant on agency schemes for sale	**(5.6)**	(8.4)	**–**	–
	172.7	203.7	**–**	–

16. Debtors

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Due within one year				
Rent and service charges receivable	**12.2**	11.8	**–**	–
Less: Provision for bad and doubtful debts	**(5.5)**	(5.7)	**–**	–
Net arrears	**6.7**	6.1	**–**	–
Trade debtors	**0.1**	0.1	**0.1**	0.1
Other debtors	**11.3**	8.5	**3.5**	2.7
VAT recoverable	**–**	0.3	**–**	0.3
Prepayments and accrued income	**2.5**	2.4	**1.2**	0.7
Amounts due from Group entities	**–**	–	**11.9**	30.4
Amounts due from joint ventures	**–**	1.4	**–**	–
Capital and agency debtors	**18.3**	8.7	**–**	–
	38.9	27.5	**16.7**	34.2
Due after more than one year				
Loans due from subsidiary undertakings under on-lending arrangements	**–**	–	**243.3**	247.3
Deposits on purchased schemes	**1.2**	–	**–**	–
Loans due from joint ventures	**3.1**	–	**–**	–
Land options	**0.1**	–	**–**	–
Other debtors	**0.1**	–	**–**	–
	43.4	27.5	**260.0**	281.5

Notes to the financial statements (continued)

17. Current asset investments

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Money market deposits	**0.3**	0.3	**–**	–

18. Cash at bank and in hand

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Cash at bank	**13.1**	24.7	**7.0**	19.4
Sinking funds	**4.2**	3.7	**–**	–
	17.3	28.4	**7.0**	19.4

At 31 March 2013, £1.5m (2012: £1.2m) of cash balances were charged to lenders.

19. Creditors: amounts falling due within one year

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Loans and borrowings (note 23)	**22.3**	17.1	**15.8**	8.1
Trade creditors	**7.7**	9.6	**2.9**	3.9
Rent and service charges received in advance	**8.0**	8.2	**–**	–
Social housing grant in advance	**9.8**	13.9	**–**	–
Recycled Capital Grant Fund (note 21)	**4.2**	4.4	**–**	–
Disposal Proceeds Fund (note 22)	**0.3**	0.2	**–**	–
Amounts owed to Group entities	**–**	–	**1.1**	37.8
Other taxation and social security	**1.0**	0.8	**1.0**	0.8
Other creditors	**5.9**	4.3	**0.8**	0.4
Accruals and deferred income	**18.0**	20.1	**3.0**	3.7
Interest accrued	**2.5**	2.6	**–**	–
Capital creditors	**4.9**	3.4	**–**	–
	84.6	84.6	**24.6**	54.7

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

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Loans and borrowings (note 23)	**1,122.7**	1,161.2	**243.3**	247.3
Recycled Capital Grant Fund (note 21)	**9.3**	8.8	**–**	–
Sinking funds	**4.3**	3.9	**–**	–
Disposal Proceeds Fund (note 22)	**1.0**	0.5	**–**	–
Deferred grant	**2.0**	0.9	**–**	–
Other	**0.6**	0.3	**–**	–
	1,139.9	1,175.6	**243.3**	247.3

21. Recycled Capital Grant Fund

	Group	
	2013 £m	2012 £m
At 1 April	**13.2**	9.3
Grants recycled	**4.7**	4.9
Interest accrued	**0.1**	0.1
Purchase/development of properties	**(4.5)**	(1.0)
Transfer to deferred grant	**–**	(0.1)
Balance at 31 March	**13.5**	13.2
Due within one year	**4.2**	4.4
Due in more than one year	**9.3**	8.8
Amount due for repayment to the Homes and Communities Agency	**–**	–

22. Disposal Proceeds Fund

	Group	
	2013 £m	2012 £m
At 1 April	**0.7**	1.0
Net sale proceeds recycled	**0.8**	–
Interest accrued	**–**	–
Purchase/development of properties	**(0.2)**	(0.3)
Balance at 31 March	**1.3**	0.7
Due within one year	**0.3**	0.2
Due in more than one year	**1.0**	0.5
Amount due for repayment to the Homes and Communities Agency	**–**	–

Notes to the financial statements (continued)

23. Loans and borrowings

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Due within one year				
Bank overdraft	**9.7**	2.7	**9.6**	2.7
Bank loans	**11.3**	13.1	**6.2**	5.4
Other loans	**1.3**	1.3	**–**	–
	22.3	17.1	**15.8**	8.1
Due after more than one year				
Bank loans	**1,104.7**	1,142.0	**243.3**	247.3
Other loans	**22.5**	23.8	**–**	–
Loan issue costs	**(4.5)**	(4.6)	**–**	–
	1,122.7	1,161.2	**243.3**	247.3
Within one year	**22.3**	17.1	**15.8**	8.1
Between one and two years	**18.8**	20.3	**7.9**	5.7
Between two and five years	**77.9**	63.2	**25.7**	24.6
After five years	**1,030.5**	1,082.3	**209.7**	217.0
Loan issue costs	**(4.5)**	(4.6)	**–**	–
	1,145.0	1,178.3	**259.1**	255.4

All loans are secured by fixed charges on individual properties.

The bank and other loans are repaid by bullet payments or in half-yearly and quarterly instalments at fixed and variable rates of interest ranging from 0.71 % to 12.48 %. The final instalments fall to be repaid in the period 2016 to 2043.

At 31 March 2013 the Group had undrawn loan facilities of £200.4m (2012: £193.4m).

Group Derivative Transactions
As at 31 March 2013 the following financial derivative contracts were in place:

	Notional Principal £m	Fair value / (loss) £m
Standalone		
Interest rate swaps without options	269.5	(63.5)
Interest rate swaps with options	35.0	(11.6)
	304.5	(75.1)
Embedded		
Interest rate swaps without options	498.7	–
Interest rate swaps with options	–	–
	498.7	–
Total		
Interest rate swaps without options	768.2	(63.5)
Interest rate swaps with options	35.0	(11.6)
Total as at 31 March 2013	803.2	(75.1)
Interest rate swaps without options	772.2	(57.5)
Interest rate swaps with options	35.0	(9.0)
Total as at 31 March 2012	807.2	(66.5)

Interest rate swaps without options
These are interest rate swaps to receive floating / pay fixed rates for a fixed period. Of the total notional value, £68m are amortising in line with the underlying debt.

Interest rate swaps with options
The interest rate swap counterparty has the option to cancel the contract at the end of each 3 month period.

Security
Where security is required in respect of the negative fair values of the standalone derivatives, this has been provided by way of cash and first fixed charges over completed housing properties. As at 31 March 2013 the amount of cash posted as collateral was £12.5m (2012: £5.8m) and the value of properties charged was £21m (2012: £12.6m).
No additional security is required in respect of embedded derivatives.

Group Hedging Position
As at 31 March 2013 borrowings were hedged as follows:

	31 March 2013 £m	31 March 2012 £m
Interest rates fixed for more than 12 months	**915.4**	910.9
Fixed interest rates with lender's options to cancel	**35.0**	35.0
	950.4	945.9
Floating rate (interest rates fixed for less than 12 months)	**165.6**	209.2
Total	**1,116.0**	1,155.1

Notes to the financial statements (continued)

24. Provisions for liabilities and charges

Group

	Major works £m	Contractual disputes £m	Development scheme purchase £m	Total £m
At 1 April 2012	2.0	0.2	–	2.2
Amounts utilised	–	(0.1)	–	(0.1)
Amounts provided for	0.2	0.5	7.0	7.7
At 31 March 2013	**2.2**	**0.6**	**7.0**	**9.8**

Major works provisions are for identified works required on properties transferred from other registered providers or identified on acquisition by the Group. Provisions for major works will be utilised over approximately a 1-3 year period.

Association
The Association holds a provision of £0.6m (2012: £0.6m) which reflects potential legal and settlement costs the Association is likely to incur with regards to contractual settlements with external parties.

25. Non-equity share capital

	2013 £	2012 £
Shares of £1 each issued and fully paid		
At 1 April	**7**	10
Shares issued during the year	**1**	4
Shares surrendered during the year	**–**	(7)
At 31 March	**8**	**7**

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up.

26. Reserves

Group

	Restricted reserve donations fund £m	Designated reserve £m	Revaluation reserve – other investments £m	Revenue reserve £m	Total reserves £m
At 31 March 2012	0.5	24.4	1.3	541.7	567.9
Surplus for the year	–	–	–	28.0	28.0
Revaluation for the year	–	–	0.7	–	0.7
Transfer from designated reserves	–	(12.9)	–	12.9	–
Transfer to designated reserves	–	33.1	–	(33.1)	–
Actuarial gain on pension schemes	–	–	–	0.5	0.5
At 31 March 2013	**0.5**	**44.6**	**2.0**	**550.0**	**597.1**

Association

	Revenue reserve £m
At 1 April 2012	(3.6)
Surplus for the year	0.4
Actuarial loss relating to pension scheme	(0.2)
At 31 March 2013	**(3.4)**

Notes to the financial statements (continued)

27. Financial commitments

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Capital expenditure				
Expenditure contracted for but not provided in the accounts	**138.1**	165.1	**–**	–
Expenditure authorised by the Board, but not contracted	**369.5**	332.7	**–**	–
	507.6	497.8	**–**	–

The total commitments above are phased up to and including 2017/18. The Group expects to meet the above commitments from the following sources:

- Undrawn loan facilities totalling £200.4m (2012: £193.4m)
- Social housing grant and projected proceeds from first tranche sales of shared ownership dwellings and build for sale of properties £530.1m (2012: £448m).

Operating leases
The payments which the Group and Association are committed to make in the next year under operating leases are as follows:

	Group		Association	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Land and buildings				
Within one year	**2.3**	1.0	**1.2**	–
Two to five years	**2.5**	3.8	**0.6**	1.0
Over five years	**1.3**	1.7	**0.3**	0.7
	6.1	6.5	**2.1**	1.7
Vehicles and other equipment	**0.2**	0.2	**–**	0.2

28. Contingent liabilities

The Group and Association had no contingent liabilities at 31 March 2013 (2012: £nil).

29. Reconciliation of operating surplus to net cash inflow from operating activities

	2013 £m	2012 £m
Operating surplus	**54.9**	41.2
Depreciation of tangible fixed assets	**19.1**	33.0
Accelerated depreciation on components	**1.1**	–
Impairment	**8.2**	3.7
	83.3	77.9
Working capital movements		
Properties for outright sale	**4.1**	(33.2)
Debtors	**(6.2)**	26.1
Provisions	**7.6**	(0.7)
Creditors	**(0.8)**	(12.5)
Net cash inflow from operating activities	**88.0**	57.6

30. Reconciliation of net cash flow to movement in net debt

	2013 £m	2012 £m
(Decrease)/increase in cash in the year	**(18.0)**	10.6
Cash flow movement in liquid resources	**–**	–
Cash flow from decrease/(increase) in debt	**40.3**	(15.3)
Decrease/(increase) in net debt from cash flows	**22.3**	(4.7)
Net debt at 1 April	**(1,149.6)**	(1,144.9)
Net debt at 31 March	**(1,127.3)**	(1,149.6)

31. Analysis of net debt

	31 March 2012 £m	Cash flow £m	31 March 2013 £m
Cash at bank and in hand	28.4	(11.1)	**17.3**
Overdraft	(2.7)	(6.9)	**(9.6)**
Current assets investment	0.3	–	**0.3**
Loans due within 1 year	(14.4)	1.8	**(12.6)**
Loans due after more than 1 year	(1,161.2)	38.5	**(1,122.7)**
Net debt	(1,149.6)	22.3	**(1,127.3)**

Notes to the financial statements (continued)

32. Transactions with related parties

A2Dominion Housing Group consists of A2Dominion Housing Group Ltd, A2Dominion South Ltd, A2Dominion Homes Ltd and A2Dominion Housing Options, which are registered providers of social housing; A2Dominion Enterprises Ltd and Dominion Developments (2005) Ltd, which develop homes for sale; and Dominion Developments (2004) Ltd which manages a market rent portfolio.

A2Dominion Housing Group Ltd provides management and administration services to the companies within the Group. The most significant element of this is staff costs as the companies within the Group do not have their own employees apart from A2Dominion Homes Limited which has a small number of employees. The management costs are apportioned on a unit basis and sales and marketing costs on the number of sales.

The total management and administration costs apportioned in the year were:

	2013 £m	2012 £m
A2Dominion South Ltd	**15.8**	13.7
A2Dominion Homes Ltd	**14.9**	13.3
A2Dominion Housing Options Ltd	**1.0**	1.2
A2Dominion Enterprises Ltd	**0.2**	0.8
Dominion Developments (2004) Ltd	**–**	–
Dominion Developments (2005) Ltd	**1.8**	2.5
	33.7	31.5

A2Dominion Enterprises Limited has provided a loan facility of £0.6m to Green Man Lane LLP. At the financial year end £0.6m (2012: £0.2m) was due to A2Dominion Enterprises Limited from Green Man Lane LLP. This amount is included within debtors. A2Dominion Enterprises Limited is a 50% member of the joint venture.

Dominion Developments (2005) Limited also provided a loan facility of £3m to Green Man Lane LLP. As at 31 March 2013, £2.5m (2012: £1.1m) was due to Dominion Developments (2005) Limited. This amount is included within debtors falling due within one year.

Real (Ealing) Limited granted Green Man Lane LLP a loan facility of £0.6m (2012: £0.6m) of which £0.6m (2012: £0.2m) was drawn down. Real (Ealing) Limited is a 50% joint venture partner of Green Man Lane LLP.

Home Farm Exemplar Limited is a subsidiary of Dominion Developments (2005) Limited. Home Farm Exemplar Limited purchased an option to acquire land from P3 Eco Limited for £0.6m. P3 Eco is a 20% shareholder of Home Farm Exemplar Limited.

Dominion Developments (2005) Limited has provided a loan facility of £9m to Home Farm Exemplar Limited. As at 31 March 2013, £1.4m (2012: £0.6m) was due to Dominion Developments (2005) Limited from Home Farm Exemplar Limited for loans drawn and accrued interest. This amount is included within debtors falling due after more than one year.

33. Group

The financial statements consolidate the results of the following subsidiaries:

	Group ordinary share capital
A2Dominion Enterprises Limited	100%
A2Dominion Housing Options Limited	100%
A2Dominion Housing Finance Limited	100%
Kingsbridge Residential Limited	100%
A2 Development Services Limited	100%
A2Dominion South Limited	100%
A2Dominion Homes Limited	100%
Dominion Developments (2004) Limited	100%
Dominion Developments (2005)Limited	100%
Dominion Developments (Barnet) Limited	100%
Dominion Developments (Commercial Road) Limited	100%
A2Dominion Treasury Limited	100%
A2Dominion Investments Limited	100%
Home Farm Exemplar Limited	80%

The Group has the right to appoint members to the boards of its subsidiaries and thereby exercises control over them. A2Dominion Housing Group Limited is the ultimate parent undertaking.

During the year the Association provided management services to other Group entities and charged £33.7m (2012: £31.5m). At 31 March 2013 the Association was owed £10.8m by the other Group entities (2012: £7.4m was owed to the other Group entities). This was in relation to working capital balances and management services.

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